

The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

Name of the Company: **Dhani Services Limited**

(Rs. in Lakhs)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2022-23	2021-22	2020-21
Equity Paid up Capital	12,163.77	12,119.22	11,454.24
Reserves and surplus	5,64,715.98	5,68,201.63	4,93,026.73
Carry forward losses	-	-	-
Net Worth	5,76,879.75	5,80,320.85	5,04,480.97
Miscellaneous Expenditure	-	-	-
Secured Loans	-	-	-
Unsecured Loans	-	-	-
Fixed Assets	-	-	-
Income from Operations	10,663.18	4,453.90	3,035.31
Total Income	10,929.29	4,685.95	503.69
Total Expenditure	5,447.57	6,458.44	4,322.59
Profit before Tax	5,481.72	-1,772.49	-783.59
Profit after Tax	2,513.83	-2,471.46	-1,675.00
Cash profit	1,578.97	-1,895.53	-2,068.97
EPS	0.44	-0.44	-0.31
Book value	94.86	95.78	88.09

For Dhani Services Limited

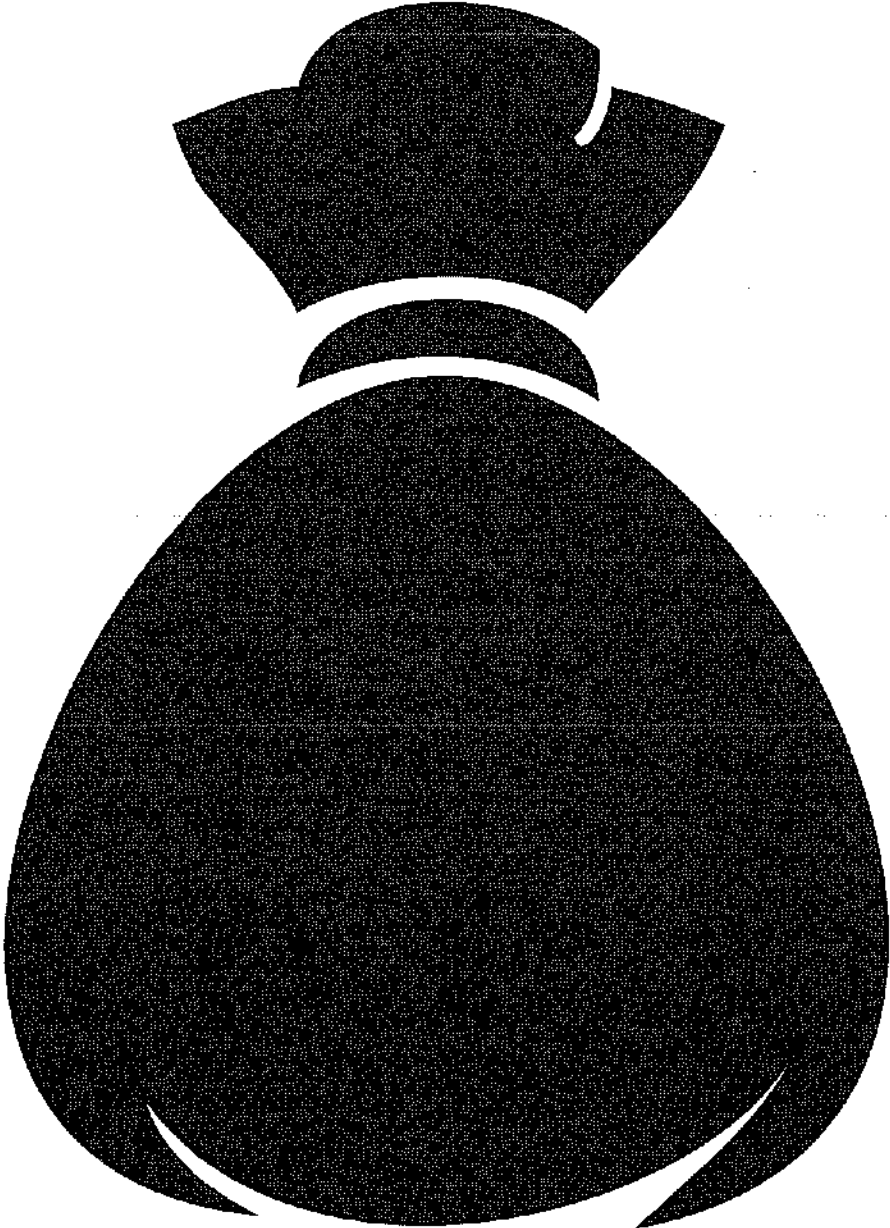
*Ram Mehar*

Ram Mehar  
Company Secretary



**ANNUAL REPORT**  
2019-20

**Indiabulls**  
**VENTURES**



***dhani***





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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Sameer Gehlaut  
Mr. Divyesh B. Shah  
Mr. Gagan Banga  
Mr. Pinank Jayant Shah  
Mr. Praveen Kumar Tripathi  
Dr. Narendra Damodar Jadhav  
Mrs. Fantry Mein Jaswal

## CHIEF FINANCIAL OFFICER

Mr. Rajeev Lochan Agrawal

## COMPANY SECRETARY

Mr. Lalit Sharma

## STATUTORY AUDITORS

Walker Chandiok & Co LLP  
(A member of Grant Thornton International)  
Chartered Accountants  
L 41, Connaught Circus,  
New Delhi 110 001

## INTERNAL AUDITORS

N.D. Kapur & Co.  
Chartered Accountants  
1st Floor, The Great Eastern Center  
70, Nehru Place, Behind IFCI Tower  
New Delhi – 110 014

## SECRETARIAL AUDITORS

A.K. Kuchhal & Co.  
Company Secretaries, C-154, Sector-51,  
Noida- 201301

## REGISTERED OFFICE

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

## CORPORATE OFFICES

One International Centre (Formerly IFC),  
Senapati Bapat Marg, Elphinstone Road,  
Mumbai – 400 013

Indiabulls House, 448-451,  
Udyog Vihar, Phase V,  
Gurugram – 122 016

## REGISTRARS & TRANSFER AGENTS:

SKYLINE FINANCIAL SERVICES PVT. LTD.  
Unit: Indiabulls Ventures Limited,  
D-153 A 1st Floor Okhla Industrial Area,  
Phase-1 New Delhi-110020

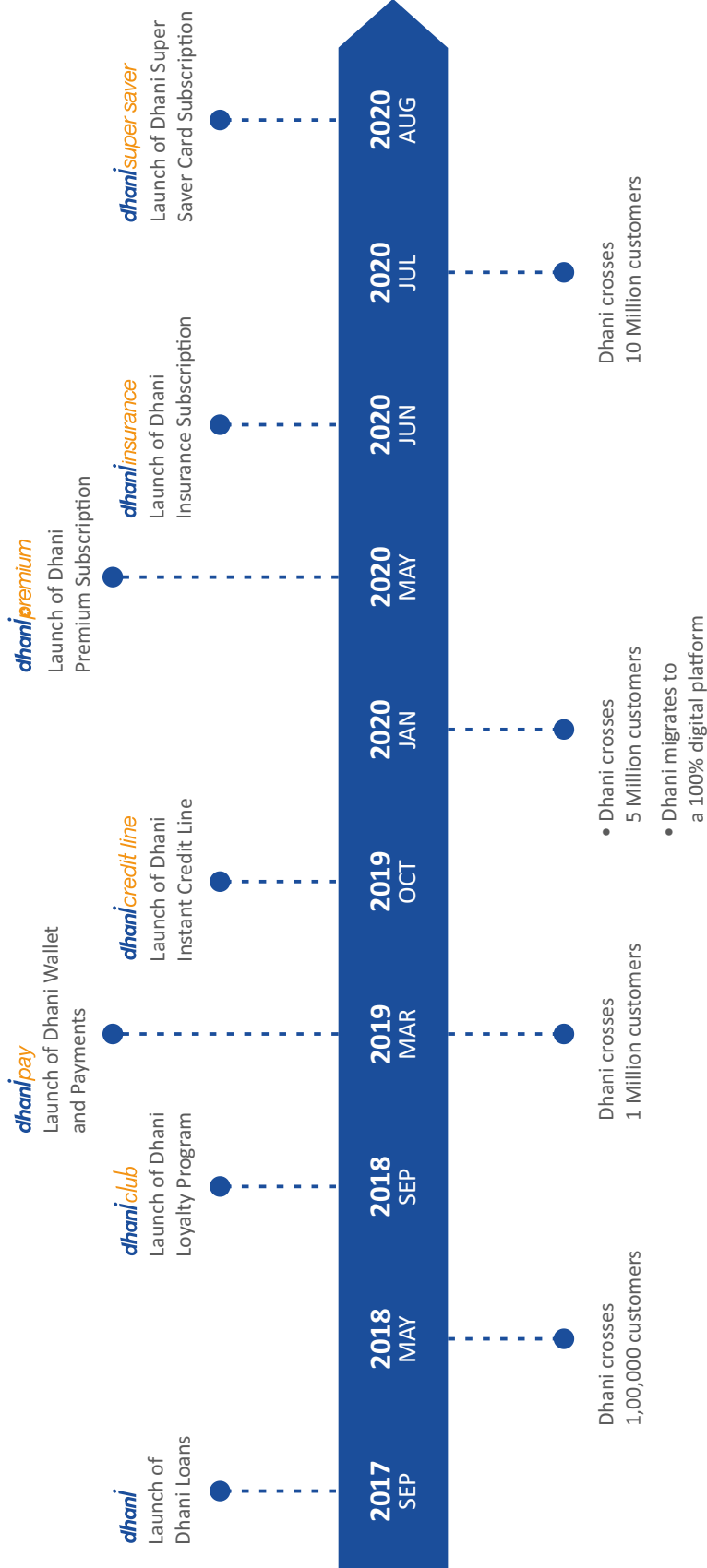
## BANKERS

- Indian Bank
- Axis Bank
- Bank of Baroda
- Canara Bank
- Central Bank of India
- HDFC Bank
- ICICI Bank
- IDBI Bank
- IDFC First Bank
- Indian Overseas Bank
- Indusind Bank
- Kotak Mahindra Bank
- Punjab and Sind Bank
- Punjab National Bank
- RBL Bank Limited
- South Indian Bank
- State Bank of India
- Lakshmi Vilas Bank
- South Indian Bank
- Union Bank of India
- Yes Bank





# JOURNEY OF DHANI



One common platform for digital payments, digital finance & digital health services



# MESSAGE FROM FOUNDER

To our shareholders:

Indiabulls Ventures passed many milestones in FY20:

1. By year end we had served more than 5 million customers
2. We moved our entire consumer business on the digital platform and shut down all physical sales locations
3. Our mobile application, Dhani, emerged as a consumer brand that our customers connect with, and has started to attract a lot of new customers
4. We started to move away from building a balance sheet business
5. We started thinking about other consumer products on Dhani, apart from loans

Above everything, we consider the start of our journey on focusing on the customer, as our biggest milestone. Customer experience and satisfaction that earlier sat amongst low priority items is now at the forefront and a bigger and far more important goal than the financial numbers. We realize that the digital platform is truly a democratic platform which can be hugely rewarding from the point of view of its reach to customers, in a digital consumer business, and very cruel at the same time if the customer experience is not right. It takes few minutes to download an app but only few seconds to delete it.

We want to grow our customers from 5 million to 20 million in FY21. Other than the loan products, we will introduce other financial products as well. However the defining and king product for our consumer business will be affordable healthcare for our customers through dhanidoctor that will be available 24 hours, 365 days a year, through online video consultations. Consumers will also have optional delivery of generic medicines at their doorstep, at a discount, as compared to the branded medicines otherwise available in the market. We believe that today digital healthcare is at the same inflexion point where online shopping was in 1995. We have set out to offer our customers digital healthcare products that they simply could not get before and at very affordable prices.

We want to introduce affordable monthly

subscriptions of various product offerings to our customers. To begin with, our goal is to get a small percentage of our customer base to take monthly subscriptions from us. We are careful not to oversell our products through call centers and other means at the cost of annoying our customers but instead want to let them freely choose digitally, only on the basis of merits and advantages of our products. We want to offer our products free for the first 30 days and then want our customers to opt for these products on the basis of the experience of using these products in their daily lives. We believe that if we can learn how to successfully offer subscription products to our customers and also keep healthy subscription renewal rates in the process then we will be able to scale up the customer base and the subscriptions very quickly in the subsequent years, in a very cost effective manner. This business has a huge potential of size and scale and has the ability to serve a significant percentage of the growing Indian population.

For us, FY21 is a year of building the right foundations for the long term and extend our brand and customer base. Once we can start serving our customers with products at affordable rates and with an experience that brings a smile to their faces, we believe that our business will grow and grow exponentially for the times to come. We have decided to invest heavily on customer acquisition and experience, our technology teams and delivery systems. The results of these actions will not show in the financial numbers anytime soon but for the consumer business we want to build, we believe that these are the right decisions for the long term growth of our business.

FY20 was a year of great learning's and taking baby steps towards building Dhani as a common platform for digital payments, digital finance and digital healthcare services. We, at Indiabulls Ventures are grateful to our customers and thankful to our shareholders for continuing to believe in us and our journey of building a strong digital consumer business.

**Sameer Gehlaut**  
Founder & Chairman  
Indiabulls Ventures Limited



# Boards' Report

## Dear Shareholders,

Your Directors are pleased to present the Twenty Fifth Annual Report of the Company alongwith the audited statement of accounts 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.

Through financial year 2019-20, the Company continued to rationalize its balance sheet following the difficult liquidity scenarios that the financial sector has been facing since September 2018, following the default by the infrastructure-lending focused NBFC IL&FS. The Company focused on managing liquidity and conserving capital.

## FINANCIAL HIGHLIGHTS (STANDALONE)

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

	Amount in ₹ Lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Profit before Depreciation &amp; Amortisation expenses and Tax</b>	25,718.59	9,411.34
Less: Depreciation & Amortisation expenses	16.50	14.93
Profit before Tax	25,702.09	9,396.41
Less: Tax Expense	1,014.46	1,656.22
Profit from continuing operations after tax	24,687.63	7,740.19
Profit / (Loss) from discontinued operations after tax	(82.83)	2,804.85
Profit for the year	24,604.80	10,545.04
Other comprehensive income (net of taxes)	(151.93)	(81.62)
Total comprehensive income for the year	24,452.87	10,463.42
<b>Balance in retained earnings at the beginning of the year</b>	<b>11,916.95</b>	<b>5,991.19</b>
Profit for the year	24,604.80	10,545.04
Other comprehensive income – Remeasurement of defined employee benefit plans (net of taxes)	15.42	12.68
Other comprehensive income - Sale for equity instruments	65.60	-
Transfer from share based payments - Options lapsed	227.07	-
Amount transferred to capital redemption reserve upon buy-back	(1,333.33)	-
Interim Dividend on Equity Shares	(17,174.35)	(4,631.28)
Corporate Dividend Tax on Interim Dividend on Equity Shares	(2.96)	(0.68)
Interim dividend received on Treasury Shares	234.00	-
<b>Balance in retained earnings at the end of the year</b>	<b>18,553.20</b>	<b>11,916.95</b>

The total revenue of the Company during the financial year ended March 31, 2020 stood at ₹ 31,002.19 lakh with a net profit of ₹ 24,604.80 lakh. The Company proposes to retain the entire amount of ₹ 18,553.20 lakh in the statement of profit & loss. The consolidated revenue of the Company stood at ₹ 291,885.23 lakh and the consolidated net profit stood at ₹ 4,180.90 lakh.



## Boards' Report (Contd.)

### DIVIDEND

The Company has consistently worked towards shareholders wealth maximization. With regard to this, and keeping with the Company's policy of rewarding its shareholders, the Company has, for the financial year 2019-20, declared interim dividends as under:

- (i) First interim dividend was declared by the Board in its meeting held on April 25, 2019 (Re. 1/- per Fully Paid up equity share (face value of ₹ 2/- per equity share), Re. 0.55 per Partly Paid up equity share (face value of ₹ 2/- per share with paid up value of Re. 1.10 per share) and Re. 0.40 per Partly Paid up equity share (face value of ₹ 2/- per share with paid up value of Re. 0.80 per share).
- (ii) Second interim dividend was declared by the Board in its meeting held on March 12, 2020 (₹ 2.25 per Fully Paid up equity share (face value of ₹ 2/- per equity share), ₹ 1.2375 per Partly Paid up equity share (face value of ₹ 2/- per share with paid up value of Re. 1.10 per share) and Re. 0.90 per Partly Paid up equity share (face value of ₹ 2/- per share with paid up value of Re. 0.80 per share).

Total outflow of dividend was ₹ 17,177.31 lakh (inclusive of Corporate Dividend Tax).

During the year, the unclaimed dividend of ₹ 52.63 lakh pertaining to the Financial Year 2012-13, got transferred to Investor Education and Protection Fund after giving due notice to the members.

Further, the Company has transferred 56,842 fully paid-up equity shares pertaining to the Financial Year 2012-13 in respect of which dividend has not been received or claimed for seven consecutive years to Demat Account of IEPF Authority, in respect of which, individual notice had also been sent to concerned Shareholders.

Those members who have not so far claimed their dividend for the subsequent financial years are also advised to claim it from the Company or Skyline Financial Services Private Limited. Further, in compliance with the requirements, in terms of the notification issued by the Ministry of Corporate Affairs (MCA) regarding the "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016" ("the Rules") which have come into force from September 7, 2016 and The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017 which have been notified by MCA on February 28, 2017 and October 13, 2017 respectively ("the Amended Rules"), the Company has till date transferred 1,30,149 fully paid-up equity shares in respect of which dividend has not been received or claimed for seven consecutive years from the Financial Year 2008-09 onwards to Demat Account of IEPF Authority, in respect of which, individual notice had also been sent to concerned Shareholders.

Further, pursuant to the requirements of SEBI Circular no. SEBI/ LAD-NRO/GN/2016-17/008 dated July 8, 2016, the Dividend Distribution Policy of the Company is available on the website of the Company [https://www.indiabullsventures.com/public/media/ivl-dividend-distribution-policy\\_1564992261.pdf](https://www.indiabullsventures.com/public/media/ivl-dividend-distribution-policy_1564992261.pdf).

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company (the Board) has appointed, Mr. Sameer Gehlaut as Whole time Director & Key Managerial Personnel, designated as Chairman and Chief Executive Officer (CEO) of the Company. This shall come into effect from the date of 25th Annual General Meeting of the Company. Also Mr. Divyesh B. Shah has been re-designated as Chief Operating Officer of the Company with effect from August 28, 2020.

During the financial year 2019-20 and upto the date of this report, the following changes have taken place in the Board:

- (a) Dr. Narendra Damodar Jadhav (former Member Planning Commission) (DIN: 02435444), Mr. Praveen Kumar Tripathi, IAS (Retd.) and Ex- Chief Secretary, Govt. of NCT Delhi (DIN: 02167497) and Mrs. Fantry Mein Jaswal, IRS (Retd.) (DIN: 07011247) have been appointed as Non-Executive Independent Directors of the Company.



## Boards' Report (Contd.)

(b) Mrs. Rekha Gopal Warriar (DIN: 08152356), Mr. Abhaya Prasad Hota (DIN: 02593219) have resigned as Independent Directors from the Board due to their personal reasons and Mrs. Vijayalakshmi Rajaram Iyer (DIN: 05242960), Mr. Shyam Lal Bansal (DIN: 02910086) and Mr. Alok Kumar Misra (DIN: 00163959) ceased to be the Independent Directors on completion of their respective tenure(s). The Board has placed on record appreciation for their contributions during their respective tenures as independent directors on the Board.

The Board recommends the re-appointment of Mr. Divyesh B. Shah (DIN: 00010933), Whole-time Director and Key Managerial Personnel, designated as Chief Operating Officer of the Company, who retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

All the Independent Directors have given declaration that they meet the criteria of independence laid down under Section 149 (6) of the Companies Act, 2013 ('the Act') and in Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'). The brief resume of the Directors proposed to be appointed/ reappointed, nature of their expertise in specific functional areas, terms of appointment and names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, are provided in the Notice convening the Twenty Fifth Annual General Meeting of the Company.

### SHARE CAPITAL/ESOP SCHEMES

During the financial year 2019-20, the Company had:

- (a) Issued and allotted 1,01,65,216 fully paid up equity shares of face value ₹ 2/- each, to eligible employees upon exercise of options vested in their favour under –'Indiabulls Ventures Limited Employees Stock Option Scheme – 2008' and 'Indiabulls Ventures Limited Employees Stock Option Scheme – 2009'.
- (b) Bought back its 6,66,66,666 fully paid up equity shares of face value of ₹ 2/- each, in Buy-back offer which was closed on February 4, 2020, and the same were extinguished on February 6, 2020.
- (c) Received the second call money of ₹36/- (₹ 0.50 face value and ₹ 35.50 premium) on 38,718 partly paid shares which got listed for trading in relevant ISIN.

During the current financial year, till the date of this report, the Company has issued and allotted an aggregate of 2,79,85,452 fully paid up equity shares of face value of ₹ 2/- each of the Company ("Equity Shares"), at a price of ₹ 550/- per Equity Share, (including a premium of ₹ 548 per Equity Share) to certain foreign investors, upon conversion of equivalent number of Compulsorily Convertible Debentures (CCDs) of face value of ₹ 550/- each, earlier issued and allotted to them on a preferential basis, in terms of shareholders' approval dated November 21, 2018 and November 28, 2018. Consequently, the paid up share capital of the Company increased to ₹ 107,81,98,237.60 divided into 49,35,14,892 Fully Paid-up Equity shares of face value ₹ 2/- each and 8,28,03,864 Partly Paid up Equity Shares (PPS) of face value of ₹2/- each (Paid-up value ₹1.10 per PPS) and 1,05,254 PPS of face value of ₹2/- each (Paid-up value Re.0.80 per PPS). Voting rights in respect of PPS are proportionate to the amount paid up thereon.

Presently, stock options granted to the employees operate under the schemes namely; "Indiabulls Ventures Limited Employees Stock Option Scheme – 2008 and "Indiabulls Ventures Limited Employees Stock Option Scheme - 2009. During the year under review no stock option was granted to any employee under these schemes. There has been no material variation in the terms of the options granted under any of these schemes and both the schemes are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"). 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 all existing ESOP Schemes of the Company have been placed on the website of the Company at [www.indiabullventures.com](http://www.indiabullventures.com)

Further pursuant to and in terms of shareholders authorization dated December 4, 2019 and March 20, 2020, the Company in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations,



## Boards' Report (Contd.)

2014, as amended from time to time (hereinafter referred to as “SBEB Regulations”) has implemented Employees Stock Option Scheme- 2019 (hereinafter individually and/or collectively referred to as the “Scheme”) and Employees Stock Option Scheme- 2020 (hereinafter individually and/or collectively referred to as the “Scheme”) inter-alia including ‘to transfer and/or offer and/or grant employee stock options (“ESOPs”) and/ or its fully paid-up equity shares of face value of ₹ 2 each (“Shares”) and/or stock appreciation rights (“SARs” as defined in SBEB Regulations). In line with the SBEB Regulations, the Company has created an employee’s welfare trust titled “Indiabulls Ventures Limited – Employees Welfare Trust” (the “Trust”) to efficiently manage these Schemes 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 these Schemes, as may be permissible under the SBEB Regulations. ESOPs/ Shares/ SARs granted under these Schemes would be upto an aggregate of 1,05,00,000 Shares and 93,00,000 Shares, respectively. Since shares granted under these Schemes, will be out of those purchased by the Trust from the secondary market, there will be no dilution in shareholding.

### PUBLIC DEPOSITS

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

### LISTING WITH STOCK EXCHANGES

The Fully paid up Equity Shares (ISIN: INE274G01010) and partly paid up Rights Equity Shares (ISIN: IN9274G01034) 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. The GDRs issued by the Company continue to remain listed on Luxembourg Stock Exchange.

### CHANGE OF NAME OF THE COMPANY

The Board of Directors in its meeting of June 25, 2020 has authorized the Company to change its name to ‘**Dhani Services Limited**’ so that the name suitably reflects the gamut of products and services being offered / to be offered by it through its various subsidiaries. The office of the Registrar of Companies, Ministry of Corporate Affairs, have, vide its letter dated June 28, 2020, made the proposed name “Dhani Services Limited” available to the Company. Further in terms of SEBI Listing Regulations, in-principle approvals of NSE and BSE have been obtained to the said proposed change of name of the Company.

### STATEMENT OF DEVIATION(S) OR VARIATION(S) PURSUANT TO REGULATION 32 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Pursuant to Regulation 32 of the SEBI LODR Regulations, statement of deviation, for the quarter and year ended March 31, 2020, on the utilization of proceeds of Rights Issue of the Company was placed before the Audit Committee, in its meeting held on June 25, 2020, wherein the Audit Committee noted that there was no deviation as regards the utilization of funds from the Objects stated in the Letter of Offer for Company’s Rights Issue and post its approval the same was submitted with the Stock Exchanges on June 25, 2020.

### TRANSFER OF STOCK BROKING UNDERTAKING OF THE COMPANY

Upon receipt of all requisite approvals from the shareholders/ statutory / regulatory authorities, the Company has transferred its Stock Broking Business to its wholly owned subsidiary Dhani Stocks Limited (formerly Indiabulls Securities Limited) with effect from February 21, 2020.

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

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



## Boards' Report (Contd.)

### AUDITORS

#### (a) Statutory Auditors

M/s Walker Chandio & Co LLP (Firm Regn. No. 001076N/N500013) (a member of Grant Thornton International), the statutory auditors of the Company were appointed by the members in their 22nd Annual General Meeting, held on September 29, 2017, for a period of five years i.e. until the conclusion of the 27th Annual General Meeting of the Company.

The Notes to the Accounts referred to in the Auditors' Report are self – explanatory and therefore do not call for any further explanation. No frauds have been reported by the Auditors of the Company in terms of Section 143(12) of the Companies Act, 2013.

#### (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 A. K. Kuchhal & Co., 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 Report of Secretarial Auditors for the Financial Year 2019-20, is annexed as “**Annexure 1**” and forming part of this Report. The Report is self – explanatory and therefore do not call for any further explanation.

The Secretarial Compliance Report as prescribed by SEBI is annexed as “**Annexure 2**” and forming part of this Report.

#### (c) Cost Records

The Company is not required to prepare and maintain cost records pursuant to Section 148(1) of the Companies Act, 2013.

### CORPORATE SOCIAL RESPONSIBILITY

As part of its initiatives under “Corporate Social Responsibility (CSR)”, the Company has undertaken projects in the area of Nutrition, as per its CSR Policy (available on your Company's website at [https://www.indiabullventures.com/public/media/csr-policy-isl\\_1564987829.pdf](https://www.indiabullventures.com/public/media/csr-policy-isl_1564987829.pdf) and the details are contained in the Annual Report on CSR Activities given in “**Annexure 3**”, forming part of this Report. The project is 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 SEBI LODR Regulations, Management's Discussion and Analysis Report, for the year under review, is presented in a separate section forming part of this Annual Report.

### CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 of the SEBI LODR, Corporate Governance Practices followed by the Company, together with a certificate from a practicing Company Secretary confirming compliance, is presented in a separate section forming part of this Annual Report.

### BUSINESS RESPONSIBILITY REPORT

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





## Boards' Report (Contd.)

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) that in the preparation of the annual accounts 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 had 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 had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts had been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that such financial controls were adequate and were operating effectively; and
- f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### GREEN INITIATIVES

The Company's Environmental Management System (EMS) focuses on assessing the environmental cost of the Company's services and activities, and seeks to reduce or eliminate the negative impact and increase their positive effects.

Environmental sustainability is important to the Company and is one of the reasons behind the Company's push to digitize its processes.

Pursuant to the guidelines and notification issued by the Ministry of Home Affairs, Government of India and in light of the MCA Circulars and pursuant to applicable provisions of the Companies Act and rules made thereunder and SEBI LODR and the MCA/SEBI Circulars, the AGM of the Company is being held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. 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. Electronic copies of the Annual Report for Financial year 2019- 20 and Notice of the Twenty Fifth AGM are sent to all the members whose email addresses are registered with the Company / Depository Participant(s). The Members who have not received the said Annual Report and Notice may download the same from the Company's website at [www.indiabullsvventures.com](http://www.indiabullsvventures.com) and on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

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 Twenty Fifth AGM. This is pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI LODR Regulations. The instructions for remote e-voting are provided in the Notice convening the Twenty Fifth AGM. The members may also cast their votes during the AGM.





## Boards' Report (Contd.)

### 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 Indiabulls Ventures Limited

Date: August 28, 2020  
Place: Mumbai

Sd/-  
**Divyesh B. Shah**  
Whole-time Director & COO  
DIN: 00010933

Sd/-  
**Pinank Jayant Shah**  
Executive Director  
DIN: 07859798



## Boards' Report (Contd.)

### ANNEXURE-A

#### ANNEXURE FORMING PART OF THE BOARDS' REPORT

##### EXTRACT OF ANNUAL RETURN

The details forming part of extract of Annual Return, for the financial year ended March 31, 2020, pursuant to Section 92(3) and 134(3) of the Companies Act, 2013 ("Act") and rules framed thereunder, in form MGT-9, are given in "Annexure 4" forming part of this Report. The annual return for the financial year 2019- 20 is uploaded on the website of the Company at [www.indiabullsvventures.com](http://www.indiabullsvventures.com).

##### BOARD MEETINGS

During the FY 2019-20, 6 (Six) Board Meetings were convened and held. The details of such meetings are given in Corporate Governance Report forming part of this Annual Report. The intervening gap between these meetings was within the period prescribed under the Companies Act, 2013. The notice and agenda including all material information and minimum information required to be made available to the Board under Regulation 17 read with Schedule II Part-A of the SEBI LODR Regulations, were circulated to all directors, well within the prescribed time, before the meeting or placed at the meeting. During the year, separate meeting of the Independent Directors was held on February 17, 2020, without the attendance of Non-Independent Directors and the members of the Company Management.

##### BOARD EVALUATION

The Nomination and 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)/Chairman 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 parameter includes Leadership, Management Skills, Vision, Knowledge, Participation in Company's management, its operations and meetings. Basis these parameters, the NRC had reviewed at length the performance of each director individually and expressed satisfaction on the process of evaluation and the performance of each Director. The performance evaluation of the Board as a whole and its committees namely Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee as well as the performance of each director individually, including the Chairman was carried out by the entire Board of Directors. The performance evaluation of the Chairman, Executive Directors and Non-Executive Director was carried out by the Independent Directors in their meeting held on February 17, 2020. The Directors expressed their satisfaction with the evaluation process.

Also the Chairman 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.

##### POLICY ON APPOINTMENT OF DIRECTORS & THEIR REMUNERATION

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

##### 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,



## Boards' Report (Contd.)

particulars of which are captured in financial statements of the Company for the financial year ended March 31, 2020, wherever applicable and required, forming part of this Annual Report.

### RELATED PARTY TRANSACTIONS

All the related party transactions, entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. There are no materially significant related party transactions entered by the Company with its Promoters, Key Management Personnel or other designated persons which may have potential conflict with the interest of the Company at large. None of the transactions with related parties fall under the scope of Section 188(1) of the Act and hence the informations on transactions with related parties pursuant to Section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules 2014 required to be given in the prescribed form AOC 2 are not applicable.

Further, the Policy for Dealing with Related Party Transactions is enclosed as “Annexure 5” and is also available on the website of the Company at [https://www.indiabullsvventures.com/public/media/IVL\\_Policy\\_For\\_Dealing\\_with\\_Realted\\_Party\\_Transactions\\_1598078265.pdf](https://www.indiabullsvventures.com/public/media/IVL_Policy_For_Dealing_with_Realted_Party_Transactions_1598078265.pdf)

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

### MATERIAL CHANGES AND COMMITMENTS

Apart from the information provided/disclosures made elsewhere in the Boards' Report including Annexures thereof, there are no material changes and commitments affecting the financial position of the Company, occurred between the date of end of the financial year of the Company i.e. March 31, 2020 till 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 Company has been the leader in technology adoption to set forth example for others to trail, and is continuously launching new products & services for the customers by leveraging existing and emerging technologies. Organisation has created single view for customers to enable usage of multiple services through single frontend leading to higher customer engagement. As part of the roadmap of technology stack modernisation, applications have been consolidating application layers leading to efficiency in the processes and enhanced customer experience. Organisation has invested into multiple technology platforms to enhance customer acquisition, servicing processes and handle volumes. The Company is also actively investing and deploying capabilities in Artificial Intelligence (AI), Machine learning (ML), natural language processing (NLP) in the area of customer service and collections through mailbot, chatbot & voicebot. Aim is to create an unmatched customer experience with swift response at their queries & needs. The technology architecture is being simplified to be able to manage the scale and agility requirements of the organisation. Organisation has intensely invested in cloud and data infrastructure to enable faster change management and provides ability to scale and deploy rapidly.



## Boards' Report (Contd.)

### 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 utilizing alternate sources of energy; and (iii) the capital investment on energy conservation equipment.

Consumption of electricity and its efficient utilization is an important area and the Company has taken many steps to reduce its carbon footprint on this front. The Company has been able to reduce energy consumption by using star rated appliances where possible and also through the replacement of CFL lights with LED lights. Monitoring resource usage, improved process efficiency, reduced waste generation and disposal costs have also supported the cause.

### B. Technology Absorption

The Company is investing in cutting edge technologies to upgrade its infrastructure set up and innovative technical solutions, thereby increasing customer delight & employee efficiency. Next Generation Business Intelligence & analytics tool have been implemented to ensure that while data continues to grow, decision makers gets answers faster than ever for timely & critical level decision making. The Company has implemented best of the breed applications to manage and automate its business processes to achieve higher efficiency, data integrity and data security. It has helped it in implementing best business practices and shorter time to market new schemes, products and customer services. The Company has taken major initiatives for improved employee experience, by implementing innovative solutions and empowering them by providing mobile platform to manage their work while on the go. The Company's investment in technology has improved customer services, reduced operational cost and development of new business opportunities.

### C. Foreign Exchange Earnings and Outgo

During the year under review, your Company had no foreign exchange earnings. Foreign exchange outgo was ₹ 118.85 crores.

## BUSINESS RISK MANAGEMENT

Pursuant to the applicable provisions of the Companies Act, 2013 and Regulation 21 of the SEBI LODR, the Company has in place a Board constituted Risk Management Committee. Details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of this report.

The Company has a robust Business Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on its business objectives and enhance its competitive advantage. It defines the risk management approach across the Company and its subsidiaries at various levels including the documentation and reporting. At present, the Company has not identified any element of risk which may threaten its existence.

## 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 6" 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 Boards' 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 of the Company. The inspection is to be carried out at the Company's Registered Office at New Delhi or at its Corporate Office, at Gurgaon, during business hours on working days (except Saturday and Sunday) of the Company up to date of ensuing Annual General Meeting.



## Boards' Report (Contd.)

### FAMILIARISATION PROGRAMME 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 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 programmes have been hosted on the website of the Company and link has been provided in the Report on Corporate Governance forming part of this Report.

### SUBSIDIARY & ASSOCIATE COMPANIES

As on March 31, 2020, the Company has 20 subsidiaries and 10 business trusts and there is no joint venture company, within the meaning of Section 2(6) of the Act. Pursuant to Section 129 of the Act and Indian Accounting Standard (IND AS) – 110 on Consolidated Financial Statements the Company has prepared its Consolidated Financial Statements along with all its subsidiaries and trusts, in the same form and manner, as that of the Company, which shall be laid before members in its ensuing twenty fifth Annual General Meeting along with its Standalone Financial Statement. The Consolidated Financial Statements of the Company for the year ended March 31, 2020, form part of this Annual Report.

For the performance and financial position of each of the subsidiaries of the Company, included in its Consolidated Financial Statements, the Members are requested to refer to Note No. 61 of the Summary of significant accounting policies and other explanatory information, of Consolidated 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 [www.indiabullsventures.com](http://www.indiabullsventures.com). 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.

During the year, Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) (DLSL) was material unlisted subsidiary of the Company, as per SEBI LODR.

The Company is in compliance with Regulation 24A of the SEBI LODR. The Company's unlisted material subsidiary DLSL undergoes Secretarial Audit. Copy of Secretarial Audit Report of DLSL is available on the website of the Company. The Secretarial Audit report of DLSL does not contain any qualification, reservation or adverse remark.

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

During the year under review, the Company has incorporated 5 new subsidiary companies namely, Evinos Developers Limited, Evinos Buildwell Limited, Savren Buildwell Limited, Krathis Buildcon Limited and Krathis Developers Limited. Transerv Limited ceased to be an associate of the Company and has become its subsidiary w.e.f. April 1, 2019.

### 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) Compensation Committee



## Boards' Report (Contd.)

- e) Corporate Social Responsibility Committee
- f) Allotment Committee
- g) Management Committee
- h) Securities Issuance Committee
- i) Restructuring Committee
- j) Risk Management Committee
- k) Internal Complaints Committee

The details with respect to the composition, powers, roles, terms of reference, etc. of relevant committees constituted under the Companies Act, 2013 and SEBI LODR Regulations are given in details in the Corporate Governance Report forming part of this Annual Report.

### 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 sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the financial year 2019-20, 2 (two) such cases were reported to the Company and 1 case was resolved during the year under review and 1 case was closed in current financial year.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress complaints received, if any, regarding sexual harassment.

### 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 formulated several policies to assist its employees in achieving and maintaining these standards. The purpose of the Whistle Blower Policy ("the Policy") is 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. A whistle-blowing or reporting mechanism as such 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 at [https://www.indiabullsvventures.com/public/media/Whistleblower\\_Policy\\_IVL\\_1590582862.pdf](https://www.indiabullsvventures.com/public/media/Whistleblower_Policy_IVL_1590582862.pdf).

### For Indiabulls Ventures Limited

Date: August 28, 2020  
Place: Mumbai

Sd/-  
**Divyesh B. Shah**  
Whole-time Director & COO  
DIN: 00010933

Sd/-  
**Pinank Jayant Shah**  
Executive Director  
DIN: 07859798



# Secretarial Audit Report

## ANNEXURE-1 Form No. MR-3 SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 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 Ventures Limited**  
**CIN L74999DL1995PLC069631**  
**M-62 & 63, First Floor**  
**Connaught Place, New Delhi-01**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indiabulls Ventures Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute 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 31st March, 2020 complied with the 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, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) 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; [Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investment]
- (v) The following Regulations and Guidelines 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, 2009; and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
    - (d) The SEBI (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; [Not Applicable as there was no reportable event during the period under review]; and
    - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as applicable;



## Secretarial Audit Report (Contd.)

(vi) The Management has identified and confirmed the following other laws, as applicable:

- (a) The Securities and Exchange Board of India Act, 1992;
- (b) The Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
- (c) The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018;
- (d) The Bye laws and Business Rules of NSDL/CDSL ;
- (e) Directives/ Circular/ Clarifications/ Guidelines issued by SEBI, the Government of India, Regulatory Bodies and NSDL/ CDSL, from time to time;
- (f) Prevention of Money Laundering Act, 2002 and the Rules and Guidelines notified there under by SEBI / Regulatory Authorities;
- (g) Securities and Exchange Board of India (Research Analysts) Regulations, 2014
- (h) Securities and Exchange Board of India (Stock Brokers) Regulations, 1992
- (i) Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### We further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director 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.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent, 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.
- iii. All the decisions of the Board and Committees thereof were carried out with requisite majority.

**We further report that** based on review of compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-

- As informed, the Company has responded appropriately to notices received from various statutory /regulatory authorities including initiating actions for corrective measures, wherever found necessary.

**We further report that** during the audit period the Company had the following specific events:

- (a) Issued and allotted 1,01,65,216 fully paid up equity shares of face value ₹ 2/- each, to eligible employees upon exercise of options vested in their favour under –‘Indiabulls Ventures Limited Employees Stock Option Scheme – 2008’ and ‘Indiabulls Ventures Limited Employees Stock Option Scheme – 2009’.
- (b) Bought back its 6,66,66,666 fully paid up equity shares of face value of ₹ 2/- each, in Buy-back offer which closed on February 4, 2020, and the same were extinguished on February 6, 2020.
- (c) The Company, for rewarding its employees for their





## Secretarial Audit Report (Contd.)

continuous hard work, dedication and support, has in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations") and in terms of shareholders authorisations, created share based employees benefits schemes, namely 'Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2019' and 'Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2020', to create and/or transfer and/or offer and/or grant employee stock options ("ESOPs") and/or fully paid-up equity shares of the Company of face value of ₹ 2 each ("Shares") and/or stock appreciation rights ("SARs" as defined in SBEB Regulations) under the Schemes, from time to time, upto an aggregate of 1,05,00,000 Shares and 93,00,000 Shares, respectively and authorised acquisition of shares from secondary market by "Indiabulls Ventures Limited- Employees Welfare Trust" established for undertaking the activities for the benefit of the employees that will be eligible under various share based employee benefit schemes of the Company.

- (d) Declared First interim dividend for FY 2019-20, in Board meeting held on April 25, 2019 (Re. 1/- per Fully Paid up equity share (face value of ₹ 2/- per equity share), Re. 0.55 per Partly Paid up equity share (face value of ₹ 2/- per share with paid up value of Re. 1.10 per share) and Re. 0.40 per Partly Paid up equity share (face value of ₹ 2/- per share

with paid up value of Re. 0.80 per share).

- (e) Declared Second interim dividend for FY 2019-20, in Board meeting held on March 12, 2020 (₹ 2.25 per Fully Paid up equity share (face value of ₹ 2/- per equity share), ₹ 1.2375 per Partly Paid up equity share (face value of ₹ 2/- per share with paid up value of Re. 1.10 per share) and Re. 0.90 per Partly Paid up equity share (face value of ₹ 2/- per share with paid up value of Re. 0.80 per share).
- (f) The Company had taken Board's and Shareholders approval on July 31, 2019 and September 28, 2019 respectively, to shift its Registered Office from Delhi to the State of Haryana.

For A. K. Kuchhal & Co.  
Company Secretaries

Sd/-  
(Robin Sen Giri)  
Partner  
C. P. 19074

Date: July 10th , 2020

Place: Noida

UDIN: A048884B000438174

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed and forms an integral part of this report.



## Secretarial Audit Report (Contd.)

### ANNEXURE TO SECRETARIAL AUDITORS' REPORT

To,  
The Members,  
**Indiabulls Ventures Limited**  
CIN L74999DL1995PLC069631  
M-62 & 63, First Floor  
Connaught Place, New Delhi-01

Our Secretarial Audit Report of even date, for the financial year 2019-20 is to be read along with this letter.

#### Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

#### Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

#### Disclaimer

5. 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.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

For A. K. Kuchhal & Co.  
Company Secretaries

Sd/-  
(Robin Sen Giri)  
Partner

Date: July 10th, 2020  
Place: Noida

C. P. 19074  
UDIN: A048884B000438174



# Secretarial Compliance Report

## ANNEXURE-2

### SECRETARIAL COMPLIANCE REPORT OF “INDIABULLS VENTURES LIMITED” FOR THE YEAR ENDED 31ST MARCH, 2020

We, M/s A.K. Kuchhal & Co., Practising Company Secretaries having office at C-154, Sector-51, Noida-201301 have conducted the Secretarial Compliance Audit of INDIABULLS VENTURES LIMITED (“the Listed Entity”) in terms of the applicable SEBI Regulations and the circulars/ guidelines issued thereunder for the Financial Year ended 31st March 2020. The audit was conducted in a manner that provided us a reasonable basis for evaluating the statutory compliances and expressing our opinion thereon.

We have examined:

- (a) the documents and records made available to us and explanation provided by the listed entity,
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) 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 to the extent applicable, includes:-

- (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 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 were not applicable during the review period;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including the provisions with regard to disclosure and maintenance of records required under the said Regulations;
- (h) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (i) The provisions of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 were not applicable during the review period;
- (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;



## Secretarial Audit Report (Contd.)

- (k) Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018;
- (l) SEBI (Research Analysts) Regulations, 2014;
- (m) SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011;
- (n) SEBI (Merchant Bankers) Regulations, 1992;
- (o) Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992; 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.	Action 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... (The years are to be mentioned)	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 A. K. Kuchhal & Co.  
Company Secretaries

Sd/-  
(Robin Sen Giri)  
Partner  
C. P. 19074

UDIN: A048884B000376211

Date: June 24, 2020  
Place: Noida



## ANNEXURE 3

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

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

The Company focuses its CSR efforts on areas where maximum benefit accrues to society, such as education, health, sanitation, rural development, and environmental conservation etc. The Company also engages with stakeholders including experts, NGOs, professional bodies / forums, and the government, and takes up such CSR activities that are important for the society at large. The Company may also undertake such CSR projects of sudden criticality such as providing relief in areas stuck by natural disasters etc.

The Company's CSR Policy is available at [https://www.indiabullsventures.com/public/media/csr-policy-isl\\_1564987829.pdf](https://www.indiabullsventures.com/public/media/csr-policy-isl_1564987829.pdf)

- Composition of the CSR Committee**

Mr. Divyesh B. Shah, Chairman (Whole-time Director)  
Mr. Alok Kumar Misra, Member (Independent Director)  
Mr. Pinank Jayant Shah, Member (Executive Director)

- Average Net Profit of the Company for last three financial years: ₹ 536,250,090/-**

- Prescribed CSR Expenditure (two percent of the amount as in item 4 above): ₹ 10,726,000/-**

- Details of CSR spend for the financial year:**

a. **Total amount spent for the financial year: ₹ 10,726,000/-**

b. **Amount unspent, if any: Nil**

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

(Figs. in Rupees)

1	2	3	4	5	6	7	8	
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs		Amount Outlay (Budget) Project or Programs-wise	Amount Spent on Project or Programs Sub Heads:	Cumulative Expenditure up to 31st March 2019	Amount Spent Direct or through implementing agency *
			District	State				
1	Poshtik Ahar	Nutrition	Mumbai	Maharashtra	10,726,000	10,726,000	10,726,000	Implementing Agency (Indiabulls Foundation)
			Thane					
			Raigad					
			Nashik					
			Palghar					
	<b>Total</b>				<b>10,726,000</b>	<b>10,726,000</b>	<b>10,726,000</b>	

\* *Indiabulls Foundation is a registered Trust established by the Company along with its other companies.*



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 CSR expenditure aggregating to ₹ 10,726,000/- to the corpus of Indiabulls Foundation, for undertaking CSR projects, on its behalf. Contribution made covers the mandatory CSR expenditure which was required to be made by the Company.

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 were environment friendly and in compliance with the applicable laws, CSR objectives and Policy of the Company.

**For Indiabulls Ventures Limited**

Date: June 25, 2020  
Place: Mumbai

Sd/-  
**Divyesh B. Shah**  
Chairman – CSR Committee  
DIN: 00010933

Sd/-  
**Pinank Jayant Shah**  
Executive Director  
DIN: 07859798



## ANNEXURE-4

### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014

#### I REGISTRATION & OTHER DETAILS

i	CIN	L74999DL1995PLC069631
ii	Registration Date	9-Jun-95
iii	Name of the Company	Indiabulls Ventures Limited
iv	Category/Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	M - 62 & 63 First Floor, Connaught Place, New Delhi 110001 Ph: (011) 30252900 Fax: (011) 30252901
vi	Whether listed company	Yes
vii	Name, Address & contact details of Registrar & Transfer Agent, if any.	KFIN Technologies Private Limited Unit: Indiabulls Ventures Limited Karvy Selenium, 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	Other financial services activities, except insurance and pension funding activities	64990	99.06%

#### 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 Investment Advisors Limited (Formerly Indiabulls Brokerage Limited) M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74992DL2008PLC182331	Subsidiary	100%	Section 2(87) of Companies Act, 2013



Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
2	Dhani Stocks Limited (formerly Indiabulls Securities Limited) M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2003PLC122874	Subsidiary	100%	Section 2(87) of Companies Act, 2013
3	Auxesia Soft Solutions Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U72900DL2011PLC225699	Subsidiary	100%	Section 2(87) of Companies Act, 2013
4	Indiabulls Distribution Services Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2009PLC191143	Subsidiary	100%	Section 2(87) of Companies Act, 2013
5	Devata Tradelink Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U51109DL2008PLC172459	Subsidiary	100%	Section 2(87) of Companies Act, 2013
6	Dhani Loans and Services Limited (Formerly Indiabulls Consumer Finance Limited and IVL Finance Limited) M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74899DL1994PLC062407	Subsidiary	100%	Section 2(87) of Companies Act, 2013
7	Pushpanjali Finsolutions Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U67190DL2009PLC196822	Subsidiary	100%	Section 2(87) of Companies Act, 2013
8	Arbutus Constructions Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70101DL2010PLC208342	Subsidiary	100%	Section 2(87) of Companies Act, 2013
9	Gyansagar Buildtech Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70200DL2010PLC209963	Subsidiary	100%	Section 2(87) of Companies Act, 2013
10	Dhani Healthcare Limited (Formerly Pushpanjali Fincon Limited) M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74110DL2009PLC197255	Subsidiary	100%	Section 2(87) of Companies Act, 2013
11	Indiabulls Alternate Investments Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2016PLC290926	Subsidiary	100%	Section 2(87) of Companies Act, 2013
12	Indiabulls Consumer Products Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2016PLC302574	Subsidiary	100%	Section 2(87) of Companies Act, 2013





Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
13	Indiabulls Asset Reconstruction Company Limited Indiabulls Finance Centre, Tower - 1, 9th Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai 400013	U67110MH2006PLC305312	Subsidiary	100%	Section 2(87) of Companies Act, 2013
14	Indiabulls Infra Resources Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U74999DL2017PLC311192	Subsidiary	100%	Section 2(87) of Companies Act, 2013
15	Transerv Limited 1002-B 10th Floor Tower1 Indiabulls Finance Center S B Marg, Elphinstone Road (W), Mumbai 400013	U93090MH2010PLC211328	Subsidiary	42%	Section 2(87) of Companies Act, 2013
16	Evinos Developers Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70100DL2019PLC351426	Subsidiary	100%	Section 2(87) of Companies Act, 2013
17	Evinos Buildwell Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70109DL2019PLC351424	Subsidiary	100%	Section 2(87) of Companies Act, 2013
18	Savren Buildwell Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70109DL2019PLC357692	Subsidiary	100%	Section 2(87) of Companies Act, 2013
19	Krathis Buildcon Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70109DL2019PLC357811	Subsidiary	100%	Section 2(87) of Companies Act, 2013
20	Krathis Developers Limited M - 62 & 63 First Floor, Connaught Place, New Delhi 110001	U70109DL2019PLC357999	Subsidiary	100%	Section 2(87) of Companies Act, 2013

Note1: During the year under review, the Company has incorporated 5 new subsidiary companies namely, Evinos Developers Limited, Evinos Buildwell Limited, Savren Buildwell Limited, Krathis Buildcon Limited and Krathis Developers Limited.

Note 2: During the year under review, the Company's subsidiary company Indiabulls Asset Reconstruction Company Limited, for its business purposes has set up five trusts namely Indiabulls ARC-VIII Trust, Indiabulls ARC-X Trust, Indiabulls ARC-XI Trust, Indiabulls ARC-XII Trust and Indiabulls ARC-XIII Trust.



#### IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to Total Equity)

##### (i) CATEGORY –WISE SHAREHOLDING

Category of Shareholders	No. of Shares held at the end of the year (Fully paid up Equity shares of face value of ₹ 2 each)(FPS) AND (Partly paid up Equity shares of face value of ₹ 2 each with paid up value of ₹ 1.10 & Re. 0.80 each)(PPS)							No. of Shares held at the end of the year (Fully paid up Equity shares of face value of ₹ 2 each)(FPS) AND (Partly paid up Equity shares of face value of ₹ 2 each with paid up value of ₹ 1.10 & Re. 0.80 each)(PPS)							% change during the year
	Demat		Physical		Total	% of Total Shares	Demat		Physical		Total	% of Total Shares			
	FPS	PPS	FPS	PPS	FPS+PPS		FPS	PPS	FPS	PPS	FPS+PPS	548438558			
<b>A. Promoters</b>															
(1) Indian															
a) Individual/HUF	41,489,078	9,408,927	0	0	50,898,005	8.41	22,143,566	9,408,927	0	0	31,552,493	5.75	-2.66		
b) Central Govt.	0	0	0	0	0	0	0	0	0	0	0	0	0		
c) State Govt.	0	0	0	0	0	0	0	0	0	0	0	0	0		
d) Bodies Corporates	146,390,510	26,379,507	0	0	172,770,017	28.56	117,051,863	26,379,507	0	0	143,431,370	26.15	-2.41		
e) Bank/FI	0	0	0	0	0	0	0	0	0	0	0	0	0		
f) Any other	0	0	0	0	0	0	0	0	0	0	0	0	0		
<b>SUB TOTAL:(A) (1)</b>	<b>187,879,588</b>	<b>35,788,434</b>	<b>0</b>	<b>0</b>	<b>223,668,022</b>	<b>36.97</b>	<b>139,195,429</b>	<b>35,788,434</b>	<b>0</b>	<b>0</b>	<b>174,983,863</b>	<b>31.91</b>	<b>-5.06</b>		
(2) Foreign															
a) NRI- Individuals	0	0	0	0	0	0	0	0	0	0	0	0	0		
b) Other Individuals	0	0	0	0	0	0	0	0	0	0	0	0	0		
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	0	0	0	0		
d) Banks/FI	0	0	0	0	0	0	0	0	0	0	0	0	0		
e) Any other	0	0	0	0	0	0	0	0	0	0	0	0	0		
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>187,879,588</b>	<b>35,788,434</b>	<b>0</b>	<b>0</b>	<b>223,668,022</b>	<b>36.97</b>	<b>139,195,429</b>	<b>35,788,434</b>	<b>0</b>	<b>0</b>	<b>174,983,863</b>	<b>31.91</b>	<b>-5.06</b>		
<b>B. PUBLIC SHAREHOLDING</b>															
(1) Institutions															
a) Mutual Funds	29,880	0	0	0	29,880	0.00	112,734	0	0	0	112,734	0.02	0.02		
b) Banks/FI	156,083	0	0	0	156,083	0.03	155,796	0	0	0	155,796	0.03	0.00		
C) Central Govt.	0	0	0	0	0	0	0	0	0	0	0	0			
d) State Govt.	0	0	0	0	0	0	0	0	0	0	0	0			
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0			
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0	0	0			
g) FIs	144,687,623	11,552,315	0	0	156,239,938	25.83	132,687,728	10,450,452	0	0	143,138,180	26.10	0.27		
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0			
i) Others	0	0	0	0	0	0	0	0	0	0	0	0			
<b>SUB TOTAL (B)(1):</b>	<b>144,873,586</b>	<b>11,552,315</b>	<b>0</b>	<b>0</b>	<b>156,425,901</b>	<b>25.86</b>	<b>132,956,258</b>	<b>10,450,452</b>	<b>0</b>	<b>0</b>	<b>143,406,710</b>	<b>26.15</b>	<b>0.29</b>		



Category of Shareholders	No. of Shares held at the end of the year (Fully paid up Equity shares of face value of ₹ 2 each)(FPS) AND (Partly paid up Equity shares of face value of ₹ 2 each with paid up value of ₹ 1.10 & Re. 0.80 each)(PPS)						No. of Shares held at the end of the year (Fully paid up Equity shares of face value of ₹ 2 each)(FPS) AND (Partly paid up Equity shares of face value of ₹ 2 each with paid up value of ₹ 1.10 & Re. 0.80 each)(PPS)						% change during the year
	Demat		Physical		Total	% of Total Shares	Demat		Physical		Total	% of Total Shares	
	FPS	PPS	FPS	PPS	FPS+PPS		FPS	PPS	FPS	PPS	FPS+PPS	548438558	
<b>(2) Non Institutions</b>													
a) Bodies corporates													
i) Indian	55,422,850	13,312,727	0	0	68,735,577	11.36	59,694,797	13,783,320	0	0	73,478,117	13.40	2.04
ii) Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0
b) Individuals													
i) Individuals holding nominal share capital upto ₹ 1 lakh	30,013,233	5,510,974	13,919	2,424	35,540,550	5.87	26,599,288	8,254,006	13,743	1,989	34,869,026	12.91	7.04
ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	31,381,673	5,646,894	0	0	37,028,567	6.12	32,475,939	3,460,323	0	0	35,936,262	5.94	-0.18
c) NBFCs Registered with RBI	0	0	0	0	0	0.00	49,298	2,343	0	0	51,641	0.01	0.01
c) Others (specify)													
i) Clearing Members	6,220,692	5,359	0	0	6,226,051	1.03	721,917	55,305	0	0	777,222	0.14	-0.89
ii) IEPF	73,282	0	0	0	73,282	0.01	129,759	0	0	0	129,759	0.02	0.01
iii) Foreign Corporate Bodies	2,250,000	0	0	0	2,250,000	0.37	0	0	0	0	0	0.00	-0.37
iv) Foreign Companies	62,213,000	11,103,288	0	0	73,316,288	12.12	62,213,000	11,103,288	0	0	73,316,288	13.37	1.25
v) Non-Resident Indians	1,630,090	11,227	0	0	1,641,317	0.27	1,025,579	9,658	0	0	1,035,237	0.19	-0.08
<b>SUB TOTAL (B)(2):</b>	<b>189,204,820</b>	<b>35,590,469</b>	<b>13,919</b>	<b>2,424</b>	<b>224,811,632</b>	<b>37.16</b>	<b>182,909,577</b>	<b>36,668,243</b>	<b>13,743</b>	<b>1,989</b>	<b>219,593,552</b>	<b>40.04</b>	<b>2.88</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>334,078,406</b>	<b>47,142,784</b>	<b>13,919</b>	<b>2,424</b>	<b>381,237,533</b>	<b>63.02</b>	<b>315,865,835</b>	<b>47,118,695</b>	<b>13,743</b>	<b>1,989</b>	<b>363,000,262</b>	<b>66.19</b>	<b>3.17</b>
C.Non-Promoter Non-Public Shareholding													
Custodian/DR holder	58977	0	0	0	58977	0.01	54433	0	0	0	54433	0.01	0
Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)	0	0	0	0	0	0	10,400,000	0	0	0	10,400,000	1.90	1.90
<b>Grand Total (A+B+C)</b>	<b>522,016,971</b>	<b>82,931,218</b>	<b>13,919</b>	<b>2,424</b>	<b>604,964,532</b>	<b>100.00</b>	<b>465,515,697</b>	<b>82,907,129</b>	<b>13,743</b>	<b>1,989</b>	<b>548,438,558</b>	<b>100.00</b>	<b>0.00</b>

Note 1: As on March 31, 2019, effect of forfeiture of 24,524 partly paid up equity shares was pending in depositories system.

Note 2: Voting Rights i.e.o partly paid-up shares are proportionate to the amount paid up on such shares.



## (ii) SHAREHOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year					Shareholding at the end of the year					% change in share holding during the year
		No. of shares			% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares			% of total shares of the Company	% of shares pledged/encumbered to total shares	
		FPS	PPS	Total			FPS	PPS	Total			
1	Mr. Sameer Gehlaut	41,489,078	9,408,927	50,898,005	8.41	0	22,143,566	9,408,927	31,552,493	5.76	0	-2.65
2	Orthia Properties Private Limited	39,981,305	9,367,460	49,348,765	8.16	0	32,256,317	9,367,460	41,623,777	7.59	0	-0.57
3	Zelkova Builders Private Limited	32,907,534	7,710,104	40,617,638	6.71	0	23,223,154	7,710,104	30,933,258	5.64	0	-1.07
4	Orthia Constructions Private Limited	39,701,671	9,301,943	49,003,614	8.10	0	27,772,392	9,301,943	37,074,335	6.76	0	-1.34
5	Inuus Properties Private Limited	17,000,000	0	17,000,000	2.81	0	17,000,000	0	17,000,000	3.10	0	0.29
6	Inuus Developers Private Limited	16,800,000	0	16,800,000	2.78	0	16,800,000	0	16,800,000	3.06	0	0.28
<b>Total</b>		<b>187,879,588</b>	<b>35,788,434</b>	<b>223,668,022</b>	<b>36.97</b>	<b>0</b>	<b>139,195,429</b>	<b>35,788,434</b>	<b>174,983,863</b>	<b>31.91</b>	<b>0</b>	<b>-5.06</b>

## (iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	<b>223,668,022</b>	<b>36.97</b>		
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.) #	# (Please see note 1)		# (Please see note 1)	
	At the end of the year	<b>174,983,863</b>	<b>31.91</b>		

# Note 1: Date wise increase/decrease in Promoters Shareholding:



FPS: Fully paid up shares

PPS: Partly paid up shares

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.19 to 31.03.20)	
		No. of Shares at the beginning (01.04.19) (FPS +PPS)	% of total shares of the Company				No. of Shares (FPS + PPS)	% of total shares of the Company
1	Mr. Sameer Gehlaut	50,898,005 (FPS- 41,489,078 & PPS-9,408,927)	8.41	01-Apr-19	-	-	-	-
				04- Feb-20	19,345,512 (FPS) (Decrease)	Accepted in Buyback	31,552,493 (FPS- 22,143,566 & PPS-9,408,927)	5.76
<b>At the end of the year (31.03.2020)</b>							<b>31,552,493</b> (FPS- 22,143,566 & PPS-9,408,927)	<b>5.76</b>
2	Orthia Properties Private Limited	49,348,765 (FPS- 39,981,305 & PPS- 9,367,460)	8.16	01-Apr-19	-	-	-	-
				04- Feb-20	7,724,988 (FPS) (Decrease)	Accepted in Buyback	41,623,777 (FPS- 32,256,317 & PPS- 9,367,460)	7.59
<b>At the end of the year (31.03.2020)</b>							<b>41,623,777</b> (FPS- 32,256,317 & PPS- 9,367,460)	<b>7.59</b>
3	Zelkova Builders Private Limited	40,617,638 (FPS- 32,907,534 & PPS- 7,710,104)	6.71	01-Apr-19	-	-	-	-
				04- Feb-20	9,684,380 (FPS) (Decrease)	Accepted in Buyback	30,933,258 (FPS- 23,223,154 & PPS- 7,710,104)	5.64
<b>At the end of the year (31.03.2020)</b>							<b>30,933,258</b> (FPS- 23,223,154 & PPS- 7,710,104)	<b>5.64</b>
4	Orthia Constructions Private Limited	49,003,614 (FPS- 39,701,671 & PPS- 9,301,943)	8.10	01-Apr-19	-	-	-	-
				04- Feb-20	11,929,279 (FPS) (Decrease)	Accepted in Buyback	37,074,335 (FPS- 27,772,392 & PPS- 9,301,943)	6.76
<b>At the end of the year (31.03.2020)</b>							<b>37,074,335</b> (FPS- 27,772,392 & PPS- 9,301,943)	<b>6.76</b>
5	Inuus Properties Private Ltd	17,000,000 (FPS)	2.81	01-Apr-19	-	-	-	-
<b>At the end of the year (31.03.2020)</b>							<b>17,000,000</b> (FPS)	<b>3.10</b>
6	Inuus Developers Private Ltd	16,800,000 (FPS)	2.78	01-Apr-19	-	-	-	-
<b>At the end of the year (31.03.2020)</b>							<b>16,800,000</b> (FPS)	<b>3.06</b>



**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs) \$**

Sl No.	Shareholders Name	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
		FPS	PPS	Total		FPS	PPS	Total	
1	Tamarind Capital Pte Ltd ** (1)	62,213,000	11,103,288	73,316,288	12.12	62,213,000	11,103,288	73,316,288	13.37
2	Jasmine Capital Investments Pte Ltd ** (1)	52,545,147	7,287,296	59,832,443	9.89	51,445,147	7,287,296	58,732,443	10.71
3	Steadview Capital Mauritius Limited ** (2)	34,907,801	1,095,774	36,003,575	5.95	20,791,525	1,095,774	21,887,299	3.99
4	Indiabulls Ventures Limited-Employees Welfare Trust #	0	0	0	0.00	10,400,000	0	10,400,000	1.90
5	Tupelo Consultancy LLP **	18,440,813	4,709,132	23,149,945	3.83	9,668,130	581,250	10,249,380	1.87
6	Brijkishor Trading Private Limited **	8,300,000	1,556,250	9,856,250	1.63	8,300,000	1,556,250	9,856,250	1.80
7	Morgan Stanley Asia (Singapore) Pte. - ODI #	0	0	0	0.00	8,636,747	160,000	8,796,747	1.60
8	Shubhi Consultancy Services LLP **	9,487,486	1,025,132	10,512,618	1.74	5,991,486	1,025,132	7,016,618	1.28
9	Kora Master Fund LP #	3,352,265	0	3,352,265	0.55	6,753,112	0	6,753,112	1.23
10	BNP Paribas Arbitrage - ODI #	378,262	0	378,262	0.06	6,046,598	0	6,046,598	1.10
11	Inuus Constructions Private Limited *	4,911,456	920,898	5,832,354	0.96	4,911,456	920,898	5,832,354	1.06
12	Nomura Singapore Limited *	4,973,435	0	4,973,435	0.82	5,313,437	0	5,313,437	0.97
13	ABG Capital * (2)	5,565,280	257,726	5,823,006	0.96	1,607,584	257,726	1,865,310	0.34
14	TIMF Holdings *	4,950,000	0	4,950,000	0.82	0	0	0	0.00

\*\* Top 10 shareholders as on 01.04.2019 and 31.03.2020

# Top 10 shareholders as on 31.03.2020 only

\*Top 10 shareholders as on 01.04.2019 only

(1) Acting as PACs

(2) Acting as PACs

\$ 99.99% of paid-up Equity share capital of the Company was held in dematerialised form. These are traded on a daily basis at BSE & NSE and hence, the date wise increase/decrease in shareholding is not indicated.

**Voting Rights i.r.o Partly Paid-up Shares (PPS) are proportionate to the amount paid up on such shares.**



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

### A) Shareholding of Directors

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.19 to 31.03.20)	
		No. of Shares at the beginning (01.04.19) (FPS)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. Sameer Gehlaut, Non-Executive Chairman (Refer Note 1)	50,898,005 (FPS- 41,489,078 & PPS-9,408,927)	8.41	01-Apr-19	-	-	-	-
				04- Feb-20	19,345,512 (FPS) (Decrease)	Accepted in Buyback	31,552,493 (FPS- 22,143,566 & PPS-9,408,927)	5.76
<b>At the end of the year (31.03.2020)</b>							<b>31,552,493</b> (FPS- 22,143,566 & PPS-9,408,927)	<b>5.76</b>
2	Mr. Divyesh B. Shah, Whole-time Director & CEO (Refer Note 2)	12,550,687 (FPS- 10,569,000 & PPS-1,981,687)	2.07	01-Apr-19	-	-	-	-
				27 May-19 to 28 May 19	325,000 (FPS) (Decrease)	Market Sale	12,225,687 (FPS- 10,244,000 & PPS- 1,981,687)	1.99
				29 May-19	815,000 (FPS) (Increase)	Pursuant to exercise of ESOPs	13,040,687 (FPS- 11,059,000 & PPS- 1,981,687)	2.13
				04- Feb-20	2,448,784 (FPS) (Decrease)	Accepted in Buyback	10,591,903 (FPS- 8,610,216 & PPS- 1,981,687)	1.94
				13-Feb-20	245,000 (FPS) (Increase)	Pursuant to exercise of ESOPs	10,836,903 (FPS- 8,855,216 & PPS- 1,981,687)	1.98
<b>At the end of the year (31.03.2020)</b>							<b>10,836,903</b> (FPS- 8,855,216 & PPS- 1,981,687)	<b>1.98</b>
3	Mr. Gagan Banga, Non-Executive Director	691,422 (FPS- 547,040 & PPS- 144,382)	0.11	01-Apr-19	-	-	-	-
				29 May-19	1,666,800 (FPS) (Increase)	Pursuant to exercise of ESOPs	2,358,222 (FPS- 2,213,840 & PPS- 144,382)	0.39
				30 Mar-19 to 03- Jun-19	461,115 (FPS) (decrease)	Market Sale	1,897,107 (FPS- 1,752,725 & PPS- 144,382)	0.31
				04- Feb-20	1,063,939 (FPS) (Decrease)	Accepted in Buyback	833,168 (FPS- 688,786 & PPS-144,382)	0.15
<b>At the end of the year (31.03.2020)</b>							<b>833,168</b> (FPS- 688,786 & PPS-144,382)	<b>0.15</b>



Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.19 to 31.03.20)	
		No. of Shares at the beginning (01.04.19) (FPS)	% of total shares of the Company				No. of Shares	% of total shares of the Company
4	Mr. Pinank Jayant Shah, Executive Director	0	0.00	01-Apr-19	-	-	-	-
				29-May-19	192,000 (FPS) (Increase)	Pursuant to exercise of ESOPs	192,000 (FPS)	0.03
				04- Feb-20	185,211 (FPS) (Decrease)	Accepted in Buyback	6,789 (FPS)	0.00
				13-Feb-20	96,000 (FPS) (Increase)	Pursuant to exercise of ESOPs	102,789 (FPS)	0.02
<b>At the end of the year (31.03.2020)</b>							<b>102,789 (FPS)</b>	<b>0.02</b>
5	Mrs. Vijayalakshmi Rajaram Iyer*, Non-Executive Independent Director	0	0.00	01-Apr-19	-	-	-	-
<b>At the end of the year (31.03.2020)</b>							<b>N.A</b>	<b>N.A</b>
6	Mr. Shyam Lal Bansal, Non-Executive Independent Director (Refer Note 3)	0	0.00	01-Apr-19	-	-	-	-
<b>At the end of the year (31.03.2020)</b>							<b>0</b>	<b>0.00</b>
7	Mr. Alok Kumar Misra, Non-Executive Independent Director (Refer Note 3)	1,235 (FPS-1,000 & PPS-235)	0.00	01-Apr-19	-	-	-	-
<b>At the end of the year (31.03.2020)</b>							<b>1,235 (FPS-1,000 &amp; PPS-235)</b>	<b>0.00</b>
8	Mrs. Rekha Gopal Warriar**, Non-Executive Independent Director	N.A	N.A	01-Apr-19	-	-	-	-
<b>At the end of the year (31.03.2020)</b>							<b>0</b>	<b>0.00</b>
9	Mr. Abhaya Prasad Hota#, Non-Executive Independent Director	0	0.00	01-Apr-19	-	-	-	-
<b>At the end of the year (31.03.2020)</b>							<b>N.A</b>	<b>N.A</b>
10	Mr. Praveen Kumar Tripathi##, Non-Executive Independent Director	N.A	N.A	01-Apr-19	-	-	-	-
<b>At the end of the year (31.03.2020)</b>							<b>0</b>	<b>0.00</b>

**Note 1:** On August 28, 2020, the Board has appointed Mr. Sameer Gehlaut, as Whole time Director & Key Managerial Personnel, designated as Chairman and Chief Executive Officer (CEO) of the Company. This appointment will come into effect from the conclusion of ensuing 25th Annual General Meeting of the Company.





**Note 2:** On August 28, 2020, the Board has re-designated Mr. Divyesh B. Shah as Chief Operating Officer of the Company.

**Note 3:** Ceased to be as Independent Directors of the Company w.e.f August 27, 2020 on completion of their tenure of one year.

\* Mrs. Iyer ceased to be as Independent Director of the Company w.e.f August 27, 2019 on completion of her tenure as Independent Director on the Board of the Company.

\*\* Mrs. Warriar has resigned as Independent Director of the Company w.e.f. May 23, 2020, due to her personal commitments.

# Mr. Hota has resigned as Independent Director of the Company w.e.f. September 16, 2019, due to his health issues.

## Mr. Praveen Kumar Tripathi was appointed as Independent Director of the Company w.e.f. September 16, 2019.

## B) Shareholding of KMP

1	Mr. Rajeev Lochan Agrawal, CFO	29,500 (FPS-24,500 & PPS-5,000)	0.00	01-Apr-19	-	-	-	-
				29-May-19	22,250 (FPS) (Increase)	Pursuant to exercise of ESOPs	51,750 (FPS-46,750 & PPS-5,000)	0.00
				13-Feb-20	20,000 (FPS) (Increase)	Pursuant to exercise of ESOPs	71,750 (FPS-66,750 & PPS-5,000)	0.01
				5 Dec -19 to 6 Mar-20	13,000 (FPS) (Decrease)	Market Sale	58,750 (FPS-53,750 & PPS-5,000)	0.01
<b>At the end of the year (31.03.2020)</b>							<b>58,750 (FPS-53,500 &amp; PPS-5,000)</b>	<b>0.01</b>
2	Mr. Lalit Sharma, Company Secretary	600 (PPS)	0.00	01-Apr-19	-	-	-	-
				29-May-19	8,000 (FPS) (Increase)	Pursuant to exercise of ESOPs	8,600 (FPS 8,000 & PPS-600)	0.00
				13-Feb-20	8,000 (FPS) (Increase)	Pursuant to exercise of ESOPs	16,600 (FPS-16,000 & PPS-600)	0.00
				9- Sep-19 to 31 Mar-20	12,000 (FPS) (Decrease)	Market Sale	4,600 (FPS-4,000 & PPS-600)	0.00
<b>At the end of the year (31.03.2020)</b>							<b>4,600 (FPS-4,000 &amp; PPS-600)</b>	<b>0.00</b>



## V INDEBTEDNESS

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

Amount (₹ in Lacs)

	Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i)	Principal Amount	23,617.25	30,019.30	-	53,636.55
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	9.96	-	-	9.96
	Total (i+ii+iii)	23,627.21	30,019.30	-	53,646.51
	Change in Indebtedness during the financial year				
	Additions	231,186.60	21,500.00	-	252,686.60
	Reduction	246,523.42	22,460.53	-	268,983.95
	Net Change	(15,336.82)	(960.53)	-	(16,297.35)
	Indebtedness at the end of the financial year				
i)	Principal Amount	8,290.39	29,058.77	-	37,349.16
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>8,290.39</b>	<b>29,058.77</b>	<b>-</b>	<b>37,349.16</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Amount (₹)		
		Mr. Divyesh B Shah (CEO & Whole-time Director)#	Mr. Pinank Jayant Shah (Executive Director) ##	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	40,058,696	-	40,058,696
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961*	28,800	-	28,800
	(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, please specify	-	-	-
	<b>Total (A)</b>	<b>40,087,496</b>		<b>40,087,496</b>
	Ceiling as per the Act	₹ 26.73 crores (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act 2013)		

\*Excludes value of perquisites on exercise of stock options



# w.e.f. April 1, 2020, Mr. Divyesh B. Shah, Whole-time Director & COO had opted to take 90% cut on his salary.

## w.e.f. April 1, 2020, Mr. Pinank Jayant Shah, Executive Director (CEO of Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Ltd), wholly owned subsidiary of the Company) had opted to take 50% cut on his salary.

#### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Amount in (₹)						
		Mrs. Vijayalakshmi Rajaram Iyer	Mrs. Rekha Gopal Warriar	Mr. Shyam Lal Bansal	Mr. Alok Kumar Misra	Mr. Abhaya Prasad Hota	Mr. Praveen Kumar Tripathi	Total Amount
1	<b>Independent Directors</b>							
	(a) Fee for attending board/ committee meetings	100,000	300,000	700,000	700,000	200,000	500,000	2,500,000.00
	(b) Commission	-	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>100,000</b>	<b>300,000</b>	<b>700,000</b>	<b>700,000</b>	<b>200,000</b>	<b>500,000</b>	<b>2,500,000.00</b>
2	<b>Other Non -Executive Directors</b>	Mr. Sameer Gehlaut	Mr. Gagan Banga					
	(a) Fee for attending board/ committee meetings	-	-					-
	(b) Commission	-	-					-
	(c) Others, please specify.	-	- *					-
	<b>Total (2)</b>	-	-					-
	<b>Total (B)=(1+2)</b>	<b>100,000</b>	<b>300,000</b>	<b>700,000</b>	<b>700,000</b>	<b>200,000</b>	<b>500,000</b>	<b>2,500,000.00</b>
	<b>Total Managerial Remuneration</b>	<b>100,000</b>	<b>300,000</b>	<b>700,000</b>	<b>700,000</b>	<b>200,000</b>	<b>500,000</b>	<b>2,500,000.00</b>
	<b>Overall Ceiling as per the Act.</b>	₹ 2.67 crores (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act 2013)						

\*Excludes value of perquisites on exercise of stock options.



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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel@ other than MD/MANAGER/WTD		Amount (₹)
		Mr. Rajeev Lochan Agrawal, Chief Financial Officer	Mr. Lalit Sharma, Company Secretary	Total
	<b>Gross Salary</b>			
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2,801,332	1,167,476	3,968,808
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961*	28,800	9,653	38,453
	(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, specify	-	-	-
5	Others	-	-	-
	<b>Total</b>	<b>2,830,132</b>	<b>1,177,129</b>	<b>4,007,261</b>

@ w.e.f. April 1, 2020, Mr. Rajeev Lochan Agrawal and Mr. Lalit Sharma had opted to take 15% and 25% cut on their respective salary.

\*Excludes value of perquisites on exercise of stock options

### VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

During the year under review, the Company, its directors or any of its officers were not liable for any penalty, punishment or any compounding of offences under the Companies Act, 2013

**For Indiabulls Ventures Limited**

Date: August 28, 2020  
Place: Mumbai

Sd/-  
**Divyesh B. Shah**  
Whole-time Director & COO  
DIN: 00010933

Sd/-  
**Pinank Jayant Shah**  
Executive Director  
DIN: 07859798



## Annexure-5

### Policy for Dealing with Related Party Transactions

#### I. INTRODUCTION

Indiabulls Ventures Limited (the “Company” / “IVL”) is governed, amongst others, by the rules and regulations framed by Securities Exchange Board of India (“SEBI”). SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. Accordingly, Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Company has formulated this policy on materiality of related party transactions and on dealing with related party transactions.

This policy aims at preventing and providing guidance in situations of potential conflict of interests in the implementation of transactions involving such related parties.

#### II. DEFINITIONS

For the purposes of this Policy, the following definitions apply:

- a) “Act” means the Companies Act, 2013, for the time being in force and as amended from time to time.
- b) “Listing Regulations” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the time being in force and as amended from time to time.
- c) “Audit Committee” means Committee of Board of Directors of the Company constituted under provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- d) “Board/Board of Directors” means the board of directors of IVL.
- e) “Related Party” shall mean a person or entity that is related to the Company as defined under Section 2(76) of the Companies Act, 2013 or under Regulation 2(zb) of the Listing Regulations, as may be amended from time to time.
- f) “Related Party Transaction” shall mean all transactions as per Section 188 of the Act or under regulation 2(zc) of the Listing Regulations or as per applicable accounting standards, as may be amended from time to time.
- g) “Material transaction” means transaction(s) defined as Material Related Party Transaction(s) under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015.
- h) “Arm’s length transaction” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- i) “Ordinary Course of Business” - The transactions shall be in the ordinary course of business if - (a) If the transaction is covered in the main objects or objects in furtherance of the main objects or (b) If the transaction is usual as per industry practice or (c) If the transaction is happening frequently over a period of time and is for the business purpose of the Company.
- j) “Annual Consolidated Turnover” is defined as Total Income (including other income) of the last audited Consolidated Financial Statements of the Company.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time.



### III. POLICY

All RPTs must be in compliance of this Policy and subject to all applicable regulatory requirements.

### IV. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

Approval of Related Party Transactions:

#### A. Audit Committee:

- i. All the transactions which are identified as Related Party Transactions should be pre-approved by the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.
- ii. Any member of the Audit Committee who has a potential interest in any Related Party Transaction will recuse himself and shall not participate in discussion and voting on the approval of the Related Party Transactions.

#### B. Board of Directors:

- i. In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances.
- ii. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and shall not participate in discussion and voting on the approval of the Related Party Transaction.

#### C. Shareholders:

- i. If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, it shall require shareholders' approval by a special resolution.
- ii. Any member, who is a Related Party, shall not participate in discussion and voting on resolution for approving such Related Party Transaction.

### V. OMNIBUS APPROVAL BY AUDIT COMMITTEE FOR RELATED PARTY TRANSACTIONS

The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23(3) of the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.

### VI. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a RPT with a Related Party that has not been approved under this Policy prior to its consummation, the Company would obtain post facto approval from the Audit Committee.



In case the Company is not able to take prior approval from the Audit Committee, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is informed to the Audit Committee as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

The Audit Committee shall consider all relevant facts and circumstances regarding the RPT and shall evaluate all options available to the Company, including ratification, revision or termination of the RPT.

#### **VII. THRESHOLD LIMITS FOR MATERIALITY OF RELATED PARTY TRANSACTIONS**

The threshold limits for materiality of related party transactions shall be –

- (a) ₹ 200 crore (Rupees Two Hundred Crores), or
- (b) ten percent of the annual consolidated turnover, as per the last audited financial statements of the Company, whichever is lower.

#### **VIII. DISCLOSURE OF THE POLICY**

This Policy will be uploaded in the website of the Company at <http://www.indiabullsvventures.com/>.

#### **IX. POLICY REVIEW**

This Policy is framed based on the provisions of Regulation 23 of the Listing Regulations. In case of any subsequent changes in the provisions of the Listing Regulations or the Companies Act, 2013 and Rules made thereunder (Act), then the amended Listing Regulations/Act would prevail over the Policy and the provisions in the Policy would be suitably modified in due course to make it consistent with law.

The Board may review and amend this policy from time to time. The Audit Committee (the “Committee”) will review, modify and approve the related party transaction to be entered by the Company.



## Annexure 6

### Disclosures on Managerial Remuneration

Details of remuneration as required under Rule 5.1 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are as under –

#### Ratio of the remuneration of each director to the median employees' remuneration, for FY 2019-20

Designation	Ratio of remuneration to the median employees' remuneration
Chief Executive Officer & Whole time Director	28:1

It is to be noted that the above table is drawn up on the amounts of remuneration paid to the executive directors during FY2019-20.

In the first quarter of FY2020-21, the directors took voluntary pay cuts such that:

- Whole-time Director & COO, Mr. Divyesh B. Shah, has voluntarily opted for total pay cut of 90%
- Executive Director, Mr. Pinank Jayant Shah, CEO of Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Ltd), wholly owned subsidiary of the Company, has voluntarily opted for total pay cut of 50%

The details of fee for attending Board meetings and other incentives, if any, paid to Independent and Non- Executive Directors have been disclosed in Corporate Governance Report, forming part of this Annual Report.

No remuneration was paid to other Director(s) during the Financial Year 2019-20 and hence, not forming part of this clause.

#### Percentage increase in remuneration of each Director, Chief Financial Officer , Chief Executive Officer, Company Secretary or Manager, in FY 2019-20

Designation	Increase in Remuneration (%)
Chief Executive Officer & Whole time Director	-12.00%
Chief Financial Officer	0
Company Secretary	0

Details of voluntary pay cuts taken in the Q1 FY2020-21 have been mentioned below the first table above.

No remuneration was paid to other Director(s) during the Financial Year 2018-19 and FY 2019-20 hence not forming part of this clause.

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

There has been an increase of 3.22% in the median remuneration of all the employees (including KMPs), for FY 2018-19 and FY 2019-20.

#### Number of permanent employees on the rolls of Company.

During the financial year 2019-20, upon receipt of all requisite approvals from the statutory / regulatory authorities, Stock Broking Business of the Company has been transferred to its 100% subsidiary company namely Dhani Stocks Limited (formerly Indiabulls Securities Limited) ("DSL") and all the employees of the Company related to such business were transferred on ongoing basis to DSL. In view of the same the Company had 12 employees on its permanent rolls, as on March 31, 2020.





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

The average percentile increase made in the salaries of total employees other than the key managerial personnel, for FY 2019-20 is around 2.63%, while the average increase in the remuneration of key managerial personnel is around -5.62%.

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.

There were no exceptional circumstances which warranted an increase in managerial remuneration, which was not justified, by the overall performance of the Company. Further, Overall remuneration of Key Managerial Personnel has decreased.

The change in remuneration of Key Managerial Personnel is based on the overall performance of the Company. With the macro-economic headwinds facing the financial sector for most of the last two years, the Company has focused on conserving capital and liquidity, and consequent rationalisation of the balance sheet. The management has also looked at cost structures, taking voluntary pay cuts and reducing other operating expenses.



# Management Discussion and Analysis

## ABOUT THE COMPANY

Indiabulls Ventures Limited (IVL) is a consumer business focussed around technology enabled solutions in the Finance & Healthcare space through its app Dhani. Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) (DLSL), a 100% subsidiary of IVL, is a Non-banking Financial Services Company (NBFC) classified by the RBI as Non Deposit Taking, Systemically Important (NBFC-ND-SI). DLSL extends consumer and business loans through digitally enabled loan fulfilment solutions. As digitization continues to transform the banking and financial services sector, the Company is making most of the opportunity by catering to its customer's financing requirements, delivered digitally. Dhani App offers multiple products to fulfil customers funding, transactional and healthcare requirements including offerings of easy and affordable monthly subscriptions

## BUSINESS STRATEGY

Dhani is a consumer business delivering cutting edge technology enabled products for various financial and healthcare requirements of the vast growing Indian population. Dhani is a 100% digital platform. Dhani app has evolved over the last 3 years and has given loans to over 5 million customers. Dhani is now focussed around a fee based model through its various product offerings like Dhani Instant Credit Line, Dhani Doctor, Dhani Pay, Dhani Insurance, Dhani Rupay Card, Dhani Stocks, etc. We bring together a large number of people under the Dhani umbrella and offer them subscriptions across various Dhani products. As more and more customers experience Dhani products there is a significant increase the number of users on Dhani app on a daily basis. The Company has launched various engagement tools for its customers like Dhani Zone.

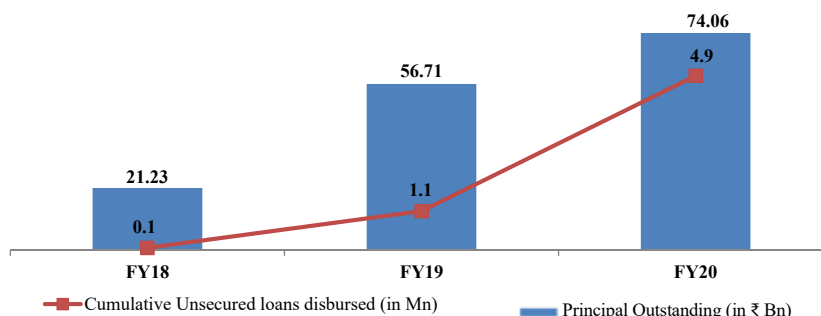
The Company had decided to build a balance sheet light business. To strengthen its liquidity position and diversify its funding profile, the Company endeavours to mobilize funds by sell down of its loan portfolio apart from raising funds through traditional sources of funding like Banks and Commercial Paper's/Debentures. The Company sells its loans under both the structures, Pass through Certificate (PTC) and Direct Assignment (DA). This mode of raising funds is in sync with the Company's objective of building a strong fee based income with no need of any additional equity capital for funding future growth. Sell down transactions are an efficient means of raising liquidity, ensure high capitalization as the loan portfolio is moved off balance sheet while retaining the spread. During the FY 2020, the Company has raised funds of Rs 7,014 Crores by sell down of its loan portfolio, which has helped Company to manage its liquidity and lending activities in an efficient manner.

## Lending Products

The Company provides multiple lending products, basis the customer's requirement and risk profile, leveraging its technology platform and using data analytics.

In a short span, Dhani has positioned itself amongst the top fintech apps, with a total of over 61 million downloads across the Google play store and Apple app store, demonstrating its increasing popularity. The Company has disbursed 4.9 million unsecured loans as of March 31, 2020 supported by a robust digital lending platform.

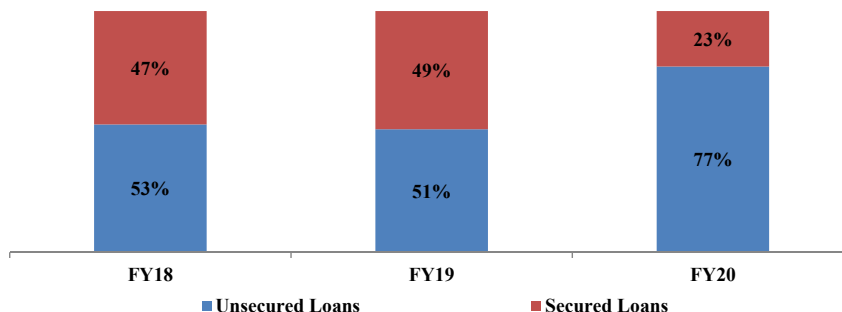
Year on year snapshot of the unsecured loans disbursed and principal outstanding is shown below:





## Management Discussion and Analysis (Contd.)

The product mix of Assets Under Management between Unsecured and Secured Loans is given below:



### Payment Platform - Dhani Wallet and RuPay Card

Dhani Wallet is a secured prepaid account / mobile wallet, which can be used for various transactions like online purchases, use at over 3 million merchants across the country, paying bills online, mobile recharge, travel bookings, and getting exciting rewards & exclusive discounts on every payment made using the Dhani Wallet. The payments made on this platform are secure and makes the entire process quick and easy.

The Company has become first non-bank to launch a Rupay Card in India which allows Dhani Pay customers to spend and earn rewards at over 3 million merchants across India and on all E-tailing platforms. This card is a chip & pin card which is completely secure and a customer can manage, block, unblock, set transaction limits etc. using the Dhani App. The product is a complete package which comes with rewarding points, cash backs and attractive offers. This helps us deepen our engagement with our customers and learn more about their needs while extending credit lines to them.



Dhani Pay wallet



Dhani Pay RuPay cards for individuals and in the family pack



Phone recharge, Bill payments, Gift cards, Hotel & Flight bookings

### Dhani Stock:

The all new Dhani Stocks is a discount broking platform offering fixed subscription based plan for unlimited trading at Rs 500 per month. Dhani Stocks is powered by robust technology and offers seamless and lightning fast trading experience.

Dhani Stocks offers a completely 'Online DEMAT Account Opening Process'. Dhani Stocks offers Subscription plans in Equity, F&O & Currency segment, which provide trading access to NSE, BSE, NSE F&O, and Currency derivatives segments. Customers can choose to trade through Dhani App which is available on Android and IOS or trade using desktop.

The Dhani stock app provides many effective features under one umbrella which includes most cost effective plan, no hidden charges, more exposure in equity and F&O segment, opening online account instantly, no fund transfer charges, online IPO application etc.



## Management Discussion and Analysis (Contd.)

**dhani**stocks

**UNLIMITED TRADING @ ₹500 PER MONTH ONLY**

Zero charges for F&O, Delivery & Intraday

Open Demat & Trading A/c

T&C Apply

### Dhani Insurance:

Dhani App bring comprehensive Health care plan for all customers necessary medical expenses powered by GoDigit Health Insurance. This insurance comes with cashless facility across the country in more than 4700+ hospitals.

This insurance covers comes with number of features which includes COVID-19 & easy claim process. Its provides many benefits like Sum insured of Rs.50,000, coverage of Covid-19, one month pre and two months post hospitalisation expenses coverage, room rent, ICU charges and ambulance charges up to certain % of Sum Insured, four years Pre-Existing Disease waiting period, Second Opinion of any illness, All Day Care procedures and Annual Health check-up coverage, etc.

**dhani**insurance

**₹50,000 Medical Insurance @ ₹160 p.m. only**

More than 10 lac people have taken insurance with Dhani

✓ Cashless facility at 4700+ hospitals

GET INSURED NOW

### New Products Launch: Dhani Super Saver, Dhani Doctor & Dhani Medicines

Healthcare being of the most important needs in today's times of COVID-19, the Company is in the process of launching new products in healthcare and lifestyle space in H1 FY 2021. One of the products is Dhani doctor, offering 24/7, 365 days a year, online video consultation blended with Dhani Medicines, where a customer can order generic medicines at steep discounts to be delivered at their doorstep. The company intends to offer affordable monthly subscriptions for benefit of its customers. Dhani Supersaver is another new product the company has launched where customers can enjoy cash backs on spends done on Dhani Card & wallet at a nominal monthly fee.



## Management Discussion and Analysis (Contd.)

**Supersaver**  
5% cashback on everything  
First month FREE  
SUBSCRIBE NOW

**dhanidoctor**  
24x7 Doctor Consultations on video  
FREE for first 30 days  
CONSULT NOW

**dhanimedical**  
Your Prescription and order

### TECHNOLOGY FOCUSED BUSINESS

The Company continues to invest in technology to provide solutions to millions of customers. The Company will focus on the following themes in FY21:

- Will deepen the investment in in-house analytics, data science & technology for greater agility and innovation in our products and maintaining our competitive edge in digital solutions
- Continuous innovation & improvement to provide seamless journey at the same time ensure robust system performance
- Machine learning based Analytics to determine customer product requirement basis life cycle of the consumer

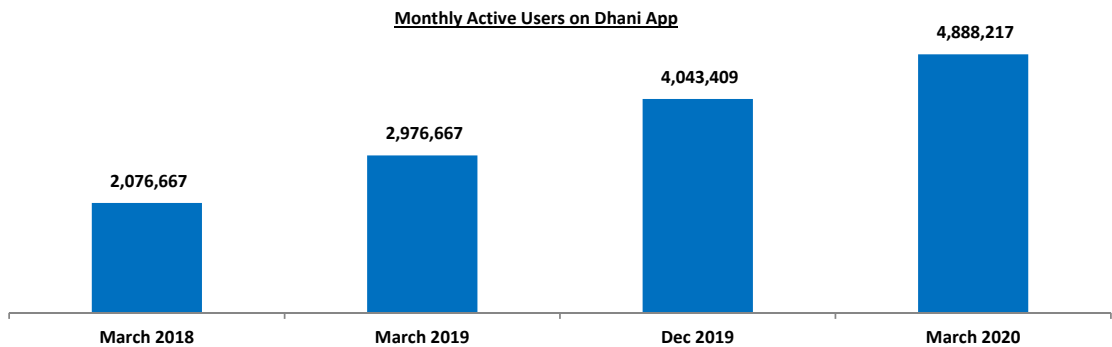
The technology platform allows the company to deepen the engagement with its customers through various products & services. Some of the customer engagement initiatives which the Company has undertaken are as follows:

- Bill Payment, Mobile recharge and other services
- Flights, Bus, Hotel and other travel services
- Money Transfer facility
- Dhani Cash Loyalty Program
- Credit Lines, Top-Up Loans
- Refer & Earn &
- Dhani News

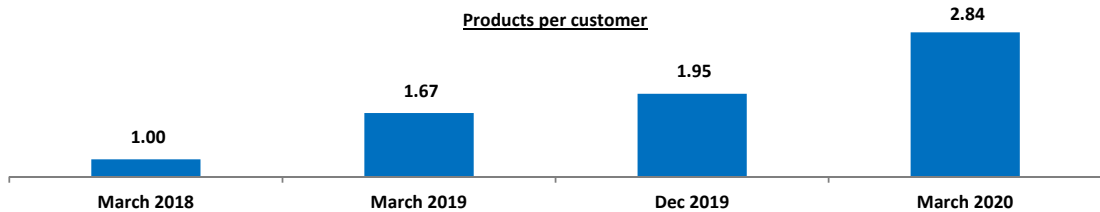


## Management Discussion and Analysis (Contd.)

Increasing number of customers are visiting the Dhani App and fulfilling their daily requirements of digital transactions through Dhani loans.



Increased customer engagement has helped us improve our product per customer penetration.



### PERFORMANCE HIGHLIGHTS: FY 2020

- Consolidated Revenue of 29.19 Bn
- Consolidated Normalized Profit After Tax of 4.16 Bn (adjusted for COVID-19 provision & write offs )
- AUM of 96.26 Bn
- CRAR as of 31st March, 2020 was at 58.92%
- Net Gearing as of 31st March, 2020 was at 0.66 in the lending business



## Management Discussion and Analysis (Contd.)

- Total customer franchise of approx. 4.9 million as of 31st March, 2020
- Total provisions as a percentage of GNPA as of 31st March, 2020 was at 583%

### Asset Liability Management:

Given the short term maturity of its loan portfolio and adequate liquidity buffers enjoyed by the company, its Asset Liability Position is comfortable

During FY2020, the RBI sought to address NBFCs asset liability mismatches and introduced the liquidity coverage ratio (LCR) requirement for all deposit taking NBFCs, and non-deposit taking NBFCs with an asset size of ₹ 5,000 crores and above. The new regulation mandated these NBFCs to maintain a minimum level of high-quality liquid assets to cover expected net cash outflows in a stressed scenario. The regulation also stipulated that these NBFCs should attain LCR of 100 per cent over a period of four years in a phased manner commencing from December 2020. DLSL's liquidity buffer management framework is equipped to adhere to such requirements.

### ANALYTICS

As world is increasingly moving towards data-driven approach, data analytics play a crucial role in informed decision making to drive organizations towards better and improved efficiency and help achieving desired organization objectives. Particularly in the Financial Services sector, companies through data analytics can manage large customer data and help create customized offers/product for the customer for their respective needs, at the same time it also aids in risk management by monitoring the trends at customer segment level performance and help resultant proactive risk management strategies by segmenting delinquent borrowers. The Artificial Intelligence (AI) based data analysis helps predicting customer's preference and recommend proactive retention strategies to improve customer loyalty.

DLSL's premise for lending business has been on data analytics which Company has further invested in, primarily driven by data driven digital lending platform. This enables delivery of customized offering to loan applicants. The Company has made sizable investments in technology which enables quick app based disbursements reducing the operating costs for the Company and managing risk efficiently. Artificial intelligence based models and decision trees are deployed on state-of-the-art technologies like decision engines with real time processing capabilities.

### RISK MANAGEMENT IN LENDING

DLSL is exposed to a variety of risks such as credit, interest rate, liquidity, operational, business, regulatory risks among others. The Company continues to invest in people, processes and technology to have an integrated approach towards Risk Management. The Company has a robust overall risk management framework which involves risk identification, assessment, monitoring, reporting and mitigation planning. The Company's analytics driven lending platform which is refined basis trends, both internal and external macro environment and prudent underwriting approach has enabled the Company to effectively manage credit risk. In order to mitigate liquidity risk, Company ensures the short-term and long-term fund resources are favourably matched with deployment. The Company also maintains adequate liquid assets and reserves and has access to funding to hedge against unexpected requirements. Regular internal audits provide a check on any contingent deviation from operational efficiency.

### BORROWINGS

The Company has raised funds through term loans as well as capital market instruments. During the year FY 2019-20, the Company had issued Non-convertible debentures of ₹ 4.18 Bn.

Total borrowings of DLSP as of March 2020 were ₹ 47.74 Bn. The net gearing ratio of the Company stood at 0.66 times as of March 31, 2020 (1.52 times as of March 31, 2019).

### CAPITAL ADEQUACY RATIO

DLSP is required to maintain capital adequacy of 15% on its risk weighted assets as per RBI regulations. The capital adequacy ratio as of March 31, 2020 was 58.92%, as compared to 37.7% as of March, 31, 2019. Given such a high level of capitalization, the Company is protected from any unexpected credit losses which can arise due to current economic scenario





## Management Discussion and Analysis (Contd.)

### ASSET QUALITY

GNPAs of the NBFC sector as a percentage of total advances increased from 6.1% in FY 2019 to 6.4%\* in FY 2020. However, the net NPA ratio declined marginally from 3.3% in FY 2019 to 3.2%\* in FY 2020.

Risk assessment of customers is made at the time of initial approvals eventually leading to risk based pricing before granting loans. The Company also makes a portfolio risk analysis at frequent intervals with its stringent review mechanism. A data based credit underwriting model, focussed around offering products to customer's basis their credit profile and an in house collection team brings the desired portfolio quality.

Gross non-performing loans (GNPA) of the DLSL as at March 31, 2020 amounted to 0.91 Bn, which is equivalent to 0.94% of the AUM. Net non-performing loans (NNPA) as at March 31, 2020 amounted to 0.35 Bn, which is equivalent to 0.36% of the AUM. The Company has created a total provision of 5.30 Bn, which covers 583% of the total GNPA.

\*Provisional as per RBI Financial Stability report Jul'20

### REGULATORY GUIDELINES / AMENDMENTS

DLSL complies with Reserve Bank of India norms for NBFCs. In accordance with this, the Company is in compliance with all regulations pertaining to Accounting Standards, Prudential norms for asset classification, income recognition, provisioning, capital adequacy and credit ratings.

### TRAINING AND HUMAN RESOURCES MANAGEMENT

Our vision is to create a cohesive work environment that encourages employees to pursue their professional and self-development goals in addition to building operational excellence and a sense of belongingness. In an endeavor to augment the right talent in a timely manner, the recruitment process was strengthened. During the year, we re-engineered our recruitment process by development of Applicant tracking system in Recruitment process to bring more efficiency for hiring managers, reduce paper work and improve accuracy. We strongly believe that our employees play a pivotal role in the success of our Company and its initiatives. They are representatives of the Company for the customers and it is of utmost importance that our employees are skilled and well trained to attend to customer's needs in the best way possible. Our focus and belief lies in enabling and empowering our talent pool for the challenges of tomorrow by providing new learning avenues that are technology driven. The Company also undertook various health-care and general initiatives promoting well-being to enhance employee engagement. In all the areas of work, the Human Resources firmly believes in confidentiality, accountability and trust. Human Resource department provides internal processes and services like talent management, administration benefits and many other services that are essential for organization.

The key focus is to find a right fit between the organization and the individual. Our constant endeavor is to select people who are able to match personal aspiration with the organization's growth plans. Agility is one of the key traits that we look for, as it is required to quickly adapt to the changing needs of the dynamic external environment. As a new age company, the focus is to build a robust team which is not only geared to face today's challenges but to also be prepared for the opportunities of tomorrow. The Company provides fast track growth for key performers in every department. The Human Resource team partnered with businesses to ensure that right talent is on-boarded for all roles. The leadership is engaged with all key performers and ensures that they have a defined career path within the organization. We have a competitive reward policy to keep the team motivated and engaged to achieve every milestone we set our eyes upon.

### IT SECURITY AND CUSTOMER PRIVACY

Information has become the critical asset for our organization encompassing sensitive customer information. Shielding such information along with its supporting IT Infrastructure from rapidly evolving cyber threats is one of our top business priorities which is being catered through careful monitoring and effective implementation of risk mitigation measures.

Aiming to cater the Cyber Security challenges, we have outlined and espoused the comprehensive IT Policies based on the industry best practices encompassing ISO 27001:2013 standard. Our Information Technology Policy,





## Management Discussion and Analysis (Contd.)

Information Security Management System Framework and Cyber Security Policy include detailed directions to ensure the protection of business information at all levels. Effective and adequate security controls have been in-placed to ensure the business resilience in case of any adversity. Backup and restoration policy supported through industry best solution has been implemented to safeguard critical information. Periodic assessment of implemented controls has been carried out to ensure its effectiveness and improve them as needed.

Our Company's "Privacy Policy" ensures the protection of customers' personal information. The Company explicitly discloses the manner in which customer information is collected, stored and used. The policy also ensures that the usage of customer information is in compliance with various statutory and regulatory authorities' requirements.

### INTERNAL CONTROL SYSTEMS

DLSL has adequate internal control systems, based on policies and guidelines, which ensure timely and accurate execution of responsibilities. Internal Control Systems evaluate operations, financial reporting, strategic investments and regulatory compliances to protect interests of the investors. The effectiveness and reliability of Internal Control Systems is reviewed periodically by the Audit Committee and the Board of Directors which gives its recommendations regarding improvements over existing control systems.

### SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

In compliance with the requirements of Schedule V of the SEBI LODR Amendment Regulations, 2018, significant changes (change of 25% or more from FY 2018-19 to FY 2019-20) in the key financial ratios applicable to the Company, are as under:

#### Debt Equity Ratio:

The debt equity ratio of the Company on a consolidated basis has reduced from 1.04 for FY 2018-19 to 0.60 for FY 2019-20 primarily due to decrease in borrowings in FY 2019-20.

#### Return on Average Equity (Net worth):

The return on equity of the Company on a consolidated basis as on March 31, 2020 stood at 0.69% compared to 10.86% as on March 31, 2019. The said reduction in the Company's return on equity ratio is on account of the conservative COVID-19 related provisions & write offs of Rs.5 Bn.

#### Interest Coverage Ratio

The interest coverage ratio of the Company on a consolidated basis has reduced from 2.07 for FY 2018-19 to 1.03 for FY 2019-20. As stated above the Company has taken conservative COVID-19 related provisions & write-offs of Rs. 5 Bn which has led to reduction in its profit before tax. This coupled with an increase in the Company's interest expense on debt securities in FY 2019-20 which has led to a reduction of its interest coverage ratio.

#### Net Profit Margin (%)

The net profit margin % of the Company on a consolidated basis has reduced from 23.05 for FY 2018-19 to 1.43 for FY 2019-20. The said reduction in the Company's net profit margin is on account of the conservative COVID-19 related provisions & write offs of Rs.5 Bn.

#### Current Ratio

The current ratio of the Company on a consolidated basis has improved from 1.65 for FY 2018-19 to 2.80 for FY 2019-20, primarily due to decrease in the short term borrowings in FY 2019-20.

There has been no significant change in the other key financial ratios, as applicable to the Company.

### CAUTIONARY STATEMENT

The statements that are not historical facts presented in the Annual Report about Company are forward looking statements. These statements reflect the assumptions, views and expectations based on current market dynamics and future outlook. There might be deviations in expectations from those expressed in the Annual Report. It should not be assumed that the statements will be changed if there is new information or subsequent developments.



# Business Responsibility Report

## (Pursuant to regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Indiabulls Ventures Limited (IVL or the Company), as an incorporated legal entity, came into existence on June 9, 1995, under the Companies Act, 1956.

The Company has various subsidiary one of its wholly owned subsidiary Dhani Loans and Services Limited (DLSL) which is a non-deposit taking NBFC registered with the Reserve Bank of India and is in the business of giving personal loans and business Loans. Over the last few years it has built a technology platform through its digital application Dhani, which have been amongst the top 5 financial services applications in the India in 2019. Approximately 60 million users have downloaded Dhani application for their use. These millions of users have benefitted by taking small ticket personal loans and business loans for their immediate requirements

In addition, IVL through its various other subsidiaries, is engaged in multifarious business activities including Asset Reconstruction, Stock Broking. Moving forward, IVL under the brand “Dhani” through its proprietary Dhani Technology platform,, is venturing into new sunrise sector of healthcare and telemedicine, which will cater to domestic, NRIs and other offshore customers, by providing end to end mobile application based technology solutions for its e-commerce business through “Dhani” app. In addition it may venture into the business of providing bouquet of services, directly or through its various subsidiary companies, depending upon the available business opportunities in domestic and / or international markets.

The Company’s equity shares are listed on The National Stock Exchange of India Limited and BSE Limited and its Global Depository Receipts are listed on the Luxembourg Stock Exchange.

Over the last two decades we have diversified our business to include lending, online brokerage services, commodities trading, asset reconstruction services, and real estate brokerage services. We believe that the “Indiabulls” name has developed significant brand equity, particularly in the financial services sector in India, and has contributed to the growth of our business. Our Company has been rated “BQ1” by CRISIL for our broking activities (valid upto May 30, 2020), which reflects the Company’s strong risk management systems, robust system framework, adequate compliance track record, and healthy credit risk profile.

IVL’s key subsidiaries include Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited), Indiabulls Asset Reconstruction Company Limited, Dhani Stocks Ltd (earlier name was Indiabulls Securities Limited), Indiabulls Investment Advisors Limited, Auxesia Soft Solutions Limited, Indiabulls Distribution Services Limited, Pushpanjli Finsolutions Limited, Devata Tradelink Limited, Arbutus Constructions Limited, Gyansagar Buildtech Limited, Dhani Healthcare Limited (formerly Pushpanjli Fincon Limited), Indiabulls Alternate Investments Limited, Indiabulls Consumer Products Limited, Transerv Limited and Indiabulls Infra Resources Limited.

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

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L74999DL1995PLC069631
2.	Name of the Company	Indiabulls Ventures Limited (hereinafter referred to as “IVL” or “the Company”)
3.	Registered office address	M-62 & 63, First Floor, Connaught Place, New Delhi - 110001



## Business Responsibility Report (Contd.)

4.	Corporate office address	'Indiabulls House', Plot No. 448-451, Udyog Vihar, Phase - V, Gurugram – 122 016, Haryana "Indiabulls House", Indiabulls Finance Centre, Senapati Bapat Marg, Mumbai - 400 013
5.	Website	http://www.indiabullsvventures.com
6.	E-mail id	helpdesk@indiabulls.com
7.	Financial Year Reported	April 1, 2019 to March 31, 2020
8.	Sector(s) that the Company is engaged in	Financial Sector
9.	List three key products/services that the Company provides	Other financial services activities, except insurance and pension funding activities
10.	Total number of locations where business activity is undertaken by the Company	As per the applicable regulations all lending activities are done only in India. (21 locations across India)
11.	Markets served by the Company – Local/State/ National/International	21 locations across India

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	₹ 102.22 Crore
2.	Total Networth (INR)	₹ 4,679.88 Crore
3.	Total Revenue (INR)	₹ 310.02 Crore
4.	Total profit after taxes (INR)	₹ 246.05 Crore
5.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% (₹ 10,726,000/-)
6.	List of activities in which expenditure in 5 above has been incurred:-	Please refer <i>Annexure-3: Annual Report on CSR Activities</i> , to Board's Report for details on CSR initiatives undertaken by the Company.

### SECTION C: OTHER DETAILS

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

The Company had 20 subsidiaries, 10 business trusts as on financial year ended March 31, 2020. The details of the subsidiaries are well detailed in Annexure 4 to Board's Report i.e. Form MGT-9: Extract of Annual Return.

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

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

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

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



# Business Responsibility Report (Contd.)

## SECTION D: BR INFORMATION

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

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

1	DIN	00010933
2	Name	Mr. Divyesh B. Shah
3	Designation	Whole-time Director & COO*

#### b) Details of the BR head

1	DIN	00010933
2	Name	Mr. Divyesh B. Shah
3	Designation	Whole-time Director & COO*
4	Telephone No.	+91- 022 – 61891805
5	E-mail ID	helpdesk@indiabulls.com

*\*On August 28, 2020, the Board has re-designated Mr. Divyesh B. Shah as Chief Operating Officer of the Company.*

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

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

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



## Business Responsibility Report (Contd.)

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

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

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



## Business Responsibility Report (Contd.)

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

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

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

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

### 3. Governance related to BR

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

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

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

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

Business Responsibility Report of the Company is available on the website of the company viz. [www.indiabullsvventures.com](http://www.indiabullsvventures.com).

### SECTION E: PRINCIPLE-WISE PERFORMANCE

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

Ethics, transparency and personal accountability are core values of the Company. It focuses on high standards of corporate governance, in the conduct of its business. It has a zero tolerance for bribery and corruption and strives to build and maintain relationships with its lenders, borrowers, shareholders and other stakeholders in a fair, transparent and professional manner. This helps promote moral behavior, act as a guideline for ethical decision-making, enhance reputation, prevent negative legal consequences, encourage positive relationships, and prevent discrimination or harassment.

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

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

#### Code of Conduct

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

The Employee Code of Conduct provides the framework within which the Company expects its business operations to be carried out and lays down the standards and principles, to be followed by all its employees. Failure to comply with the Code leads to disciplinary action, including dismissal from the services of the Company.



## Business Responsibility Report (Contd.)

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

### Stakeholder Complaints

The Company is committed to providing effective and prompt service to all its stakeholders. The central operations team along with the call center records and redresses grievances and feedback from customers. Complaints and grievances are addressed in a time-bound manner. Regular analysis of customer issues is conducted and where required corrective measures are taken in the Company's processes.

Designated senior personnel at individual branches are responsible for ensuring efficient and effective resolution of complaints within the prescribed turnaround time. All complaints are centrally monitored at the Head Office by the Operations team.

The Company has in-built Grievance Redressal Policy with escalation mechanism wherein complaints are escalated to the level of Branch heads, Head Customer Care and National Head Operation/Principal Officer, Compliance Officer. Complaints forwarded by regulatory and supervisory authorities are tracked separately. Code of Conduct and Grievance redressal procedure are available on the Company website for the benefit of its customers and stakeholders.

During the financial year 2019-20, the Company had received 172 complaints from its shareholders which were resolved expeditiously except 1 complaint which has been resolved in current financial year.

Further, the Company had received 176 complaints from Depositories and Stock Exchanges and no complaint, received from Depositories and/or exchanges, was pending at the end of the year. Also the Company has created dedicated email id i.e. [grievances\\_ibsl@indiabulls.com](mailto:grievances_ibsl@indiabulls.com) to receive complaints from its clients. This email id was mentioned on various documents like contract notes, ledgers statement, member's website and various other communications that are delivered by the company to its clients. During the relevant period, the Company had received total 1193 communication from client which includes complaints as well as queries and no communications were pending for response to client at the end of the year.

The Company submits a periodic status of complaints received, redressed and outstanding from its stakeholders along with the nature of complaints and their mode of redressal to the Board constituted Customer Grievance Committee and Stakeholders Relationship Committee.

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

Given the nature of the Company's business activities, which is providing financial products and services, it consumes resources primarily for running its operations. Through varied initiatives, the company works towards reducing its resource consumption, mainly paper and grid electricity. In addition, the digitization of its internal processes has aided its efforts.

#### Focus on Technology: Shubh

The Company had launched 'Shubh' – next generation trading platform to help customers take charge of their financial future. It provide customers seamless internet trading experience through various features such as streaming stock quotes, online payment gateways, portfolio tracker, research reports, IPO, live market news and real time market statistics.



## Business Responsibility Report (Contd.)

### Environmental Standards

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

In a bid to reduce the Company's carbon footprint, video conference systems have been set up at key office locations to cut down on unnecessary travel.

The Company continues to explore collaboration with partners that ensure conservation of energy and resources. On this front, the Company recognizes the need to work with real estate developers that promote the use of innovative technologies such as green buildings and other energy efficient measures for construction of their projects.

### Resource Savings

The Company has undertaken initiatives and energy efficient measures at its office premises such as use of LED light fittings, provision of centralised waste collection, etc. At most of its offices across India, the CFL light fitting have been replaced by LED light fittings to conserve energy.

In an endeavor for quick and paperless services, the Company promotes the use of electronic means of communication with its shareholders by sending electronic communication for confirmation of payments and such other purposes. The Company also encourages the use of electronic mode of payment to and from all its stakeholders. Soft copies of the annual report 2018-19 along with the notice convening the 24th Annual General Meeting and the dividend e-payment advice, dividend unpaid reminder letters were sent to over 194,630 shareholders so as to minimize the usage of paper.

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

#### Equitable Employment

During the financial year 2019-20, upon receipt of all requisite approvals from the statutory / regulatory authorities, Stock Broking Business of the Company has been transferred to its 100% subsidiary company namely Indiabulls Securities Limited (formerly Indiabulls Commodities Limited) ("ISL") and all the employees of the Company related to such business were transferred on ongoing basis to ISL. In view of the same the Company had 12 employees on its permanent rolls, as on March 31, 2020, out of which 2 were women. As at March 31, 2020, the male female ratio was 5:1. The Company has always advocated a business environment that favours the concept of equal employment opportunities for all without any discrimination with respect to caste, creed, gender, race, religion, disability or sexual orientation. The Company provides a workplace environment that is safe, hygienic, and humane which upholds the dignity of its employees. The Company does not use child labour directly or indirectly in any of its offices.

#### Enabling a Gender Friendly & safe Workplace

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

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

Also, to ensure confidentiality, a dedicated e-mail address has been created for employees to report complaints pertaining to sexual harassment at the workplace. The complaints reported on the designated e-mail are accessible





## Business Responsibility Report (Contd.)

by the ICC only. Mechanisms have been established to ensure that complaints received by the ICC are dealt with promptly, sensitively, confidentially and in the most judicious and unbiased manner.

### **Policies for Employee Grievances**

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

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

### **Gender Inclusion**

The Company ensures that a gender inclusive environment is provided. To create an inclusive work culture for women, the awareness for the same is spread through special workshops and seminars. Wherever required, women employees have been provided with laptops with the view that they can work from home. Various activities and initiatives are undertaken round the year: health check-up.

### **Work-Life Balance**

The Company's policies are structured around promoting work- life balance which ensures improved employee productivity at work. We give our employees the option of flexible working hours through our Flexi-time policy to enable them strike a better work-life balance. This culture permits our employees to pursue their aspirations, passions and shape their professional and personal growth.

All our female employees are entitled to paid maternity leave for up to 26 weeks, including both pre-delivery and post-delivery leaves. Commissioning mothers and adopting mothers are entitled to a maternity leave of up to 12 weeks. We provide our employees with 32 annual leaves and also have a mandatory leave policy mandating employees to avail of continuous 10 days of leave in a year, which gives them quality time off from work and help them to relax and rejuvenate.

### **Employee Engagement**

The Company firmly believes that highly engaged employees are more productive. Besides work, the Company encourages its employees to regularly participate in sports, get-togethers, milestone celebrations, festivities, and team building programs.

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

### **Corporate Social Responsibility**

The Company strives to approach its CSR activities with the goal to identify and work across a range of social initiatives that have a long-term sustainable impact. The Company has endeavoured to choose projects keeping in mind the Human Development Index norms which address human resource development in areas of Sanitation, Health Education, Nutrition, Renewable Energy and Rural Development. The details of CSR activities undertaken by the Company are provided in the Annual Report.

### **Employee Welfare & Participation**

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



## Business Responsibility Report (Contd.)

### **Principle 5: Businesses should respect and promote Human Rights**

The Company complies and adheres to all the human rights laws, guidelines of the Constitution of India, national laws and policies. The Company treats all its stakeholders and customers with dignity, respect and due understanding. The Company takes care to be just, patient and understanding while dealing with customers that are late on their loan repayments. The Company has put in place a code of conduct where customers are treated with fairness. The company does not employ child labour.

Customers who have difficulty in making regular payments are counselled and given opportunities to recover from difficulties. In instances where the Company resorts to legal action, care is taken to treat customers and their family with dignity and respect. Employee training programs lay emphasis on this aspect. Any complaints and grievances pertaining to behavioral issues are attended to personally by senior officers.

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

#### **Green Initiatives**

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

We have also started an initiative where we are planning to reduce the use of plastic in our offices to reduce our carbon footprint. We want to make our office environments plastic-free and we're confident of achieving this.

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

The Company is committed in providing innovative financial product offerings to multiple customer segments. The Company puts forwards its views on setting new industry standards or regulatory developments and tries to maintain balance interest of its stakeholders. The Company continues to makes various recommendations/ representations before various regulators, forums and associations.

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

As a responsible corporate citizen, the Company has undertaken various social welfare initiatives for promoting Sanitation, Health, Education, Nutrition, Renewable Energy and Rural Development. Details of CSR activities undertaken by the Company are provided in the Annual Report.

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

#### **Customer Relationship Enhancement and Managing System**

The Company is committed to providing effective and prompt service to all its stakeholders. It has in place a central operation team to record and redresses the grievances/feedback from its customers which helps in ensuring standard operating procedure and maintaining service standards.

The Company has identified senior personnel at all its branches and made them responsible for ensuring efficient and effective resolution of complaints within the prescribed turnaround time. All complaints are monitored at the Head Office by its Operations team.

The Company has an in-built Grievance Redressal Policy with escalation mechanism wherein complaints are escalated to the level of Branch heads, Head Customer Care and National Head Operation/Principal Officer, Compliance. Complaints forwarded by regulatory and supervisory authorities are tracked separately.



## Business Responsibility Report (Contd.)

The Company aims to reduce the number of grievances, attain the operational excellence and ensures continuous improvement by doing periodical root-cause analysis (RCA) of all the received grievances.

### **Transparent Communication**

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

The Company is an avid proponent of true and fair advertising and as such, discourages all kinds of means and activities that are unethical, abusive, derogatory or anti- competitive. All the communication material released by the Company adheres to the mandated regulatory requirements. The Company has formulated the Fair Practices Code. A copy of the said code is available on the Company's website and at all its offices. The Company has complied with all the advertising norms applicable to the Company.

The important product attributes, relevant information about the products and services being offered, fees and charges, benchmark interest rates and other important notifications like Most Important Terms & Conditions and KYC documents are displayed prominently in each of the Company offices. This information is available on the Company's website as well.

The Company is extending its presence to various social and digital platforms to engage and connect with existing customers and also to reach out to newer audiences through constant communication, which is in consonance with its brand values and the prescribed regulatory framework.

The performance and financials of the Company are disclosed to the stock exchanges, BSE and NSE, and is also uploaded on the Company's website.



# Report On Corporate Governance

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

Indiabulls Ventures Limited ("the Company") is committed towards achieving the highest standards of Corporate Governance by staying true to its core values of Customer First, Transparency, Integrity and Professionalism. The Company continually works towards implementing robust, resilient and best-in-class corporate practices in every facet of its operations, and in all spheres of its activities, thereby generating higher returns and maximizing shareholder value.

The Company also engages in a credible and transparent manner with all its stakeholders and clearly communicates its long-term business strategy. All its actions are governed by its values and principles, which are reinforced at all levels of the Company. Its transparent and robust business practices have helped the Company build strong relationship with its investors, customers, employees, shareholders and lenders.

The Company believes that success requires the highest standards of corporate behavior and engagement with all of its stakeholders. This is the path to consistent, competitive, profitable and responsible growth, and for creating long-term value for its shareholders, its employees and business partners. The Board of Directors ('the Board') is responsible for and is committed to sound principles of Corporate Governance of the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in its governance practices, under which it strives to maintain an effective, informed and independent Board. The Company keeps its governance practices under continuous review and benchmark itself to best practices.

The COVID-19 pandemic has caused an unprecedented health and economic crisis across the globe. The severity of its impact on business activity is still evolving, and companies are working to protect their positions while maintaining strategy and setting priorities for the weeks and months ahead. The Board of Directors ("the Board") has played a critical role helping the Company navigate many complicated COVID-19-related issues. They are proactive and agile, and bring a value-add perspective to the management teams and implemented austerity measures at every level and across every function of the Company. The senior management of the Company has decided to lead the efforts on expense control by volunteering to take pay cuts up to an average of 50% for the current financial year.

The Company is in compliance with all the applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR].

## 2. BOARD OF DIRECTORS (BOARD)

### (A) Composition and size of the Board

The Company has a broad based Board of Directors, constituted in compliance with the Companies Act, 2013, ('the Act') Listing Agreement executed by the Company with the Stock Exchanges and SEBI LODR and in accordance with highest standards of Corporate Governance in its management, which ensures an appropriate mix of Executive/Non Executive, Woman Director and Independent Directors with demonstrated skill sets and relevant experience in diverse fields viz. finance, banking, regulatory and public policy etc., thereby bringing an enabling environment for value creation through sustainable business growth.

Presently, as on the date of this report, the Board consists of seven directors, of which three are Executive Directors including the Chairman and one is a Non-Executive Non Independent Director. The remaining three Directors namely Mr. Praveen Kumar Tripathi, IAS (Retd.) and Ex-Chief Secretary, Govt. of NCT Delhi (DIN: 02167497), Dr. Narendra Damodar Jadhav (former Member Planning Commission) (DIN: 02435444) and Mrs. Fantry Mein Jaswal, IRS (Retd.) (DIN: 07011247), are Non-Executive Independent Directors. No Director is related to any other Director on the Board. The Board comprises of individuals as Directors that bring a wide range of skills, expertise and experience which enhance overall board effectiveness.



## Report On Corporate Governance (Contd.)

The Board has identified skills and domain expertise required by the Directors of the Company which includes Banking & Finance, Business Strategy, Corporate Governance, Corporate Social Responsibility, Foreign Exchange, Human Resources, Information Technology, Legal, Marketing, Operations and Process Optimization, Policy Making, Recovery, Regulatory Compliances, Risk Management, Stakeholder Management, Taxation, Treasury and Value Creation. The Directors of the Company have mapped their skills based on the board skill matrix.

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 constituted Committees, including skill sets/ expertise/ competencies/practical knowledge, as on March 31, 2020, are as under:

S. No.	Name of the Director	Nature of Office	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies	Names of the other listed entities where the person is a director	Category of directorship in other listed entities where the person is a director	No. of Directorships in other Listed Companies	No. of Directorships in other Companies*	No. of Memberships/ Chairmanship in Board Committees of various companies (including the Company)**	
								Member	Chairman
1.	Mr. Sameer Gehlaut (DIN: 00060783) (refer Note 1)	Founder and Non-Executive Chairman	Policy Making, Banking & Finance, Business Strategy, Risk Management, Corporate Governance, Value Creation	Indiabulls Real Estate Limited  Indiabulls Housing Finance Limited	Non - Executive Chairman  Executive Chairman	2	9	Nil	Nil
2.	Mr. Divyesh B. Shah (DIN: 00010933) (refer Note 2)	Whole-time Director & CEO	Policy Making, Business Strategy, Risk Management Corporate Governance, Value Creation	SORIL Infra Resources Limited	Non - Executive Director	1	6	1	Nil
3.	Mr. Gagan Banga (DIN: 00010894)	Non-Executive Director	Banking and Finance, Business Strategy, Risk Management, Treasury, Foreign Exchange, Recovery, Marketing, Corporate Governance, Corporate Social Responsibility, Stakeholder Management, Operations and Process Optimization	Indiabulls Housing Finance Limited  Dhani Loans and Services Limited (Formerly known as Indiabulls Consumer Finance Limited) ***	Executive Director  Non-Executive Director	2	2	Nil	Nil



## Report On Corporate Governance (Contd.)

S. No.	Name of the Director	Nature of Office	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies	Names of the other listed entities where the person is a director	Category of directorship in other listed entities where the person is a director	No. of Directorships in other Listed Companies	No. of Directorships in other Companies*	No. of Memberships/ Chairmanship in Board Committees of various companies (including the Company)**	
								Member	Chairman
4.	Mr. Pinank Jayant Shah (DIN: 07859798)	Executive Director	Banking and Finance, Business Strategy, Risk Management, Treasury, Marketing, Corporate Governance, Corporate Social Responsibility, Stakeholder Management, Operations and Process Optimization	Dhani Loans and Services Limited (Formerly known as Indiabulls Consumer Finance Limited) ***	Executive Director	1	1	1	Nil
5.	Mr. Shyam Lal Bansal (DIN: 02910086) (refer Note 3)	Non-Executive Independent Director	Banking and Finance, Risk Management, Corporate Governance, Operations and Process Optimization	N.A.	N.A	Nil	1	1	Nil
6.	Mr. Alok Kumar Misra (DIN: 00163959) (refer Note 3)	Non-Executive Independent Director	Banking and Finance, Risk Management, Corporate Governance, Operations and Process Optimization	Monte Carlo Fashions Limited The Investment Trust of India Ltd. Dhani Loans and Services Limited (Formerly known as Indiabulls Consumer Finance Limited) ***	Non-Executive-Independent Director Non-Executive-Independent Director Non-Executive-Independent Director	3	6	7	Nil



## Report On Corporate Governance (Contd.)

S. No.	Name of the Director	Nature of Office	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies	Names of the other listed entities where the person is a director	Category of directorship in other listed entities where the person is a director	No. of Directorships in other Listed Companies	No. of Directorships in other Companies*	No. of Memberships/ Chairmanship in Board Committees of various companies (including the Company)**	
								Member	Chairman
7.	Mr. Praveen Kumar Tripathi (DIN: 02167497)	Non-Executive Independent Director	Public Administration, Risk Management, Corporate Governance, Operations and Process Optimization	Indiabulls Real Estate Limited  Indiabulls Integrated Services Limited  JBM Auto Limited	Non-Executive-Independent Director  Non-Executive-Independent Director  Non-Executive-Independent Director	3	3	3	2
8.	Mrs. Rekha Gopal Warriar # (DIN: 08152356)	Non-Executive Independent Director	Banking and Finance, Management and Administrative matters Risk Management, Corporate Governance, Operations and Process Optimization	IIFL Securities Limited  IIFL Facilities Services Limited ***	Non-Executive-Independent Director  Non-Executive-Independent Director	2	1	3	1

Note 1: On August 28, 2020, the Board has appointed Mr. Sameer Gehlaut, as Whole time Director & Key Managerial Personnel, designated as Chairman and Chief Executive Officer (CEO) of the Company. This appointment will come into effect from the conclusion of ensuing 25th Annual General Meeting of the Company.

Note 2: On August 28, 2020, the Board has re-designated Mr. Divyesh B. Shah as Chief Operating Officer of the Company.

Note 3: Ceased to be as Independent Directors of the Company w.e.f August 27, 2020 on completion of their tenure of one year.

# Resigned w.e.f. May 23, 2020 due to her other personal commitments.

\*Includes directorship(s) held in foreign companies & private limited companies and Companies under section 8 of the Companies Act, 2013.

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

\*\*\*Only debt security of this company is listed on NSE & BSE.



## Report On Corporate Governance (Contd.)

Dr. Narendra Damodar Jadhav (former Member Planning Commission) (DIN: 02435444) and Mrs. Fantry Mein Jaswal, IRS (Retd.) (DIN: 07011247) have been appointed as Non-Executive Independent Directors on the Board of the Company with effect from August 23, 2020.

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

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

As on March 31, 2020, the shareholding of Non-Executive Directors of the Company was as under:

Mr. Sameer Gehlaut was holding 2,21,43,566 Fully paid up Equity Shares & 9,408,927 Partly paid-up Equity Shares, Mr. Gagan Banga was holding 6,88,786 Fully paid up Equity Shares & 144,382 Partly Paid up Equity Shares and Mr. Alok Kumar Misra was holding 1,000 Fully paid up Equity Shares & 235 Partly Paid up Equity Shares of the Company.

The Company has familiarization programme for Independent Directors with regard to their roles, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programme along with details of the same imparted to the Independent Directors during the year are available on the website of the Company: [https://www.indiabullventures.com/public/media/ivl\\_board-familiarisation-programmes-0216866001567510224\\_1569586619.pdf](https://www.indiabullventures.com/public/media/ivl_board-familiarisation-programmes-0216866001567510224_1569586619.pdf)

### **(B) Number and Dates of Board Meetings held, attendance record of Directors thereat and at the last AGM held.**

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 was 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 make presentations on various matters including the financial results, operations related issues, risk management, the economic and regulatory environment, compliance, investors' perceptions etc.

During the financial year 2019-20, the Board met 6 (Six) times. Meetings were held on April 25, 2019, July 31, 2019, October 11, 2019, October 22, 2019, January 23, 2020 and March 12, 2020. During the year, separate meeting of the Independent Directors was held on February 17, 2020, without the attendance of non-independent directors and the members of the management. All Independent Directors attended the said meeting. At the meeting, the independent directors assessed the quality, quantity and timeliness of the flow of information between the Company's management and the board.

### **The last Annual General Meeting of the Company was held on September 28, 2019.**

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





## Report On Corporate Governance (Contd.)

Sr. No.	Name of the Director	No. of board meetings attended during tenure	Attendance at the last AGM
1	Mr. Sameer Gehlaut (DIN: 00060783)	5*	No
2	Mr. Divyesh B. Shah (DIN: 00010933)	6	Yes
3	Mr. Gagan Banga (DIN: 00010894)	6	No
4	Mr. Pinank Jayant Shah (DIN: 07859798)	6	No
5	Mrs. Vijayalakshmi Rajaram Iyer (DIN: 05242960)	1**	No
6	Mr. Shyam Lal Bansal (DIN: 02910086)	6	No
7	Mr. Alok Kumar Misra (DIN: 00163959)	6	No
8	Mr. Abhaya Prasad Hota (DIN: 02593219)	2***	No
9	Mrs. Rekha Gopal Warriar (DIN: 08152356)	2#	No
10	Mr. Praveen Kumar Tripathi (DIN: 02167497)	4@	Yes

\*Could not attend the meeting, held on July 31, 2019, due to some pre-occupancy.

\*\* Mrs. Iyer ceased to be as Independent Director of the Company w.e.f August 27, 2019 on completion of her tenure as Independent Director on the Board of the Company.

\*\*\*Mr. Hota has resigned as Independent Director of the Company w.e.f. September 16, 2019, due to his health issues.

# Mrs. Warriar has resigned as Independent Director of the Company w.e.f. May 23, 2020, due to her personal commitments.

@ Mr. Praveen Kumar Tripathi was appointed as Independent Director of the Company w.e.f. September 16, 2019.

The minutes of the board meetings of the unlisted subsidiary companies of the Company are placed in 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. Further, terms of reference were revised to align with the provisions of Companies Act, 2013, SEBI LODR.

The role and the composition of these 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.



## Report On Corporate Governance (Contd.)

### (A) Audit Committee

#### Composition

Effective from August 28, 2020, the Audit Committee comprises of three members, namely, Mr. Praveen Kumar Tripathi as the Chairman and member, Dr. Narendra Damodar Jadhav and Mrs. Fantry Mein Jaswal as members. All the three members comprising the Committee are Independent Directors. Mr. Lalit Sharma, is the Secretary to the Audit Committee.

#### Terms of reference

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

- To oversee the financial reporting process and disclosure of financial information;
- To review with management, quarterly, half yearly 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/reports 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 their remuneration;
- To review and approve required provisions to be maintained as per IRAC norms and write off decisions;
- To hold discussions with the Statutory and Internal Auditors;
- Review and monitoring of the auditor's independence and performance, and effectiveness of audit process;
- Examination of 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 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.



## Report On Corporate Governance (Contd.)

- 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 size of the respective subsidiary companies, whichever is lower, including existing loans / advances / investment existing as on April 1, 2019.

### Meetings and Attendance during the year

During the financial year ended March 31, 2020, the Committee met 4 (four) times i.e. on April 25, 2019, July 31, 2019, October 22, 2019 and January 23, 2020.

The attendance of the Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Praveen Kumar Tripathi*	2
Mr. Alok Kumar Misra**	4
Mr. Divyesh B Shah***	4
Mrs. Vijayalakshmi Rajaram Iyer****	1

\*Appointed as member and chairman of the Committee w.e.f. September 16, 2019.

\*\* Mr. Misra ceased to be the member of the Committee on his cessation as Independent Director of the Company w.e.f August 27, 2020.

\*\*\*The Board in its meeting of August 28, 2020, reconstituted the Audit Committee with the redesignation of Mr. Divyesh B Shah from the member of the Committee to its invitee.

\*\*\*\* Mrs. Iyer ceased to be the member of the Committee on her cessation as Independent Director of the Company w.e.f August 27, 2019.

The Chief Financial Officer, Statutory and Internal Auditors attended the meetings as invitees.

### (B) Nomination & Remuneration Committee

#### Composition

The Nomination & Remuneration Committee of the Board comprises of three Independent Directors as its members, namely, Mr. Praveen Kumar Tripathi as its Chairman and member, Dr. Narendra Damodar Jadhav and Mrs. Fantry Mein Jaswal as the other two members.

#### Terms of reference

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

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- to recommend to the Board all remuneration, in whatever form, payable to senior management.



## Report On Corporate Governance (Contd.)

### Meetings and Attendance during the year

During the financial year ended March 31, 2020, the Committee met three times i.e. July 30, 2019, August 27, 2019 and September 16, 2019.

The attendance of the Committee members in these meetings is as under:

Name of the Member	No. of meeting attended
Mr. Alok Kumar Misra*	3
Mr. Shyam Lal Bansal*	3
Mrs. Vijayalakshmi Rajaram Iyer**	1
Mr. Praveen Kumar Tripathi***	0

\* Mr. Misra and Mr. Bansal ceased to be the members of the Committee on their cessation as Independent Directors of the Company w.e.f August 27, 2020.

\*\*Mrs. Iyer ceased to be the member of the Committee on her cessation as Independent Director of the Company w.e.f August 27, 2019.

\*\*\*Appointed as member and chairman of the Committee w.e.f. September 16, 2019. No meeting held after his appointment.

### Policy for selection and appointment of Directors

The Nomination and Remuneration Committee (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.

- 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.
- 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 diverse fields.
- In case of appointment of Independent Directors, the independent nature of the proposed appointee vis-a-vis the Company, shall be ensured.
- 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.
- 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 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: [https://www.indiabullventures.com/public/media/ivl\\_remuneration-policy-0207168001567487819\\_1569586523.pdf](https://www.indiabullventures.com/public/media/ivl_remuneration-policy-0207168001567487819_1569586523.pdf)



## Report On Corporate Governance (Contd.)

### **Evaluation of the Board and Directors**

The Independent directors play a key role in the decision-making process of the board as they approve the overall strategy of the Company and oversee performance of the management. The independent directors are committed to act in the best interest of the Company and its stakeholders. The Independent Directors bring a wide range of experience, knowledge and judgment. Their wide knowledge of both, their field of expertise and boardroom practices brings in varied, unbiased, independent and experienced outlook. All independent directors have committed and allocated sufficient time to perform their duties effectively. All the independent directors of the Company have confirmed that they have registered themselves in the databank created for independent directors, well within the stipulated time frame.

The Nomination and 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)/Chairman 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 parameter includes Leadership, Management Skills, Vision, Knowledge, Participation in Company's management, its operations and meetings. Basis these parameters, the NRC had reviewed at length the performance of each director individually and expressed satisfaction on the process of evaluation and the performance of each Director. The performance evaluation of the Board as a whole and its committees namely Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee as well as the performance of each director individually, including the Chairman was carried out by the entire Board of Directors. The performance evaluation of the Chairman, Executive Directors and Non-Executive Director was carried out by the Independent Directors in their meeting held on February 17, 2020. The Directors expressed their satisfaction with the evaluation process.

Also the Chairman 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.

### **Policy on Board Diversity**

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

### **Director's Remuneration:**

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

The Executive Director(s) are being paid remuneration as recommended by Nomination & Remuneration Committee and approved by the Board of Directors/Shareholders.



## Report On Corporate Governance (Contd.)

Details of remuneration paid to Executive Directors, during the Financial Year 2019-20 are provided below:

Sl. No.	Particulars of Remuneration	Name of the Executive Directors		Amount (₹)
		Mr. Divyesh B Shah (CEO & Whole-time Director)#	Mr. Pinank Jayant Shah (Executive Director) ##	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	40,058,696	-	40,058,696
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961*	28,800	-	28,800
	(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, please specify	-	-	-
	<b>Total (A)</b>	<b>40,087,496</b>		<b>40,087,496</b>
	Ceiling as per the Act	₹ 26.73 crores (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act 2013)		

\*Excludes value of perquisites on exercise of stock options.

# w.e.f. April 1, 2020, Mr. Divyesh B. Shah, Whole-time Director & COO had opted to take 90% cut on his salary.

## w.e.f. April 1, 2020, Mr. Pinank Jayant Shah, Executive Director (CEO of Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Ltd), wholly owned subsidiary of the Company) had opted to take 50% cut on his salary.

### (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, at [https://www.indiabullsvventures.com/public/media/ivl-criteria-for-making-payment-to-non-executive-directors\\_1564992340.pdf](https://www.indiabullsvventures.com/public/media/ivl-criteria-for-making-payment-to-non-executive-directors_1564992340.pdf), criteria for making payment to Non- Executive



## Report On Corporate Governance (Contd.)

Directors. During the Financial Year ended March 31, 2020, the Non- Executive Directors/Independent Directors have been paid, sitting fees for attending the Board meetings of the Company. The details of which are provided below:

Details of remuneration paid to Non-Executive Directors, during the FY 2019-20 are provided below:

Sl. No.	Particulars of Remuneration	Name of the Non-Executive Directors						Total Amount (₹)
		Mrs. Vijayalakshmi Rajaram Iyer	Mrs. Rekha Gopal Warriar	Mr. Shyam Lal Bansal	Mr. Alok Kumar Misra	Mr. Abhaya Prasad Hota	Mr. Praveen Kumar Tripathi	
1	Independent Directors							
	(a) Fee for attending board/ committee meetings	100,000	300,000	700,000	700,000	200,000	500,000	2,500,000.00
	(b) Commission	-	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>100,000</b>	<b>300,000</b>	<b>700,000</b>	<b>700,000</b>	<b>200,000</b>	<b>500,000</b>	<b>2,500,000.00</b>
2	Other Non-Executive Directors	Mr. Sameer Gehlaut	Mr. Gagan Banga					
	(a) Fee for attending board/ committee meetings	-	-					-
	(b) Commission	-	-					-
	(c) Others, please specify.	-	- *					-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>					<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>100,000</b>	<b>300,000</b>	<b>700,000</b>	<b>700,000</b>	<b>200,000</b>	<b>500,000</b>	<b>2,500,000.00</b>
	<b>Total Managerial Remuneration</b>	<b>100,000</b>	<b>300,000</b>	<b>700,000</b>	<b>700,000</b>	<b>200,000</b>	<b>500,000</b>	<b>2,500,000.00</b>
	<b>Overall Ceiling as per the Act.</b>	<b>₹ 2.67 crores (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act 2013)</b>						

\*Excludes value of perquisites on exercise of stock options.



## Report On Corporate Governance (Contd.)

### (C) Stakeholders Relationship Committee

#### Composition

The Stakeholders Relationship Committee currently comprises of three members, namely, Mr. Praveen Kumar Tripathi as the Chairman and member, Mrs. Fantry Mein Jaswal and Mr. Pinank Jayant Shah as the other two members. Two out of the three members of the Committee, namely, Mr. Praveen Kumar Tripathi and Mrs. Fantry Mein Jaswal are Independent Directors and Mr. Pinank Jayant Shah is an Executive Director.

#### 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 financial year ended March 31, 2020, the Committee met 4 (Four) times i.e. on April 25, 2019, July 31, 2019, October 22, 2019 and January 23, 2020.

The attendance of the Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Pinank Jayant Shah	4
Mr. Alok Kumar Misra*	4
Mr. Abhaya Prasad Hota**	2
Mr. Praveen Kumar Tripathi ***	2

\*Mr. Misra ceased to be the member of the Committee on his cessation as Independent Director of the Company w.e.f August 27, 2020.

\*\* Mr Hota ceased to be the member of the Committee on his resignation as Independent Director of the Company w.e.f September 16, 2019.

\*\*\*Appointed as member and chairman of the Committee w.e.f. September 16, 2019.

#### Name and designation of Compliance Officer

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





## Report On Corporate Governance (Contd.)

**Details of queries / complaints received and resolved pertaining to Equity Shares of the Company during the year 2019-20:**

Sl. No.	Particulars	Opening	Received	Disposed	Pending
1	Legal Cases / Cases before Consumer Forums	0	0	0	0
2	Letters from SEBI / Stock Exchange.	0	49	48	1
3	Non-receipt of dividend	0	118	118	0
4	Non-receipt of annual report	0	2	2	0
5	Non-credit/receipt of shares in demat account	0	2	2	0
6	Non receipt of securities after transfer	0	0	0	0
7	Non-receipt of Refund order	0	0	0	0
8	Non receipt of Rights Issue CAF	0	0	0	0
9	Non receipt of allotment/call notice and request for issue of the same	0	1	1	0
	<b>Total</b>	<b>0</b>	<b>172</b>	<b>171</b>	<b>1</b>

### (D) Risk Management Committee

#### Composition

The Risk Management Committee of the Board comprises of five members, namely, Mr. Praveen Kumar Tripathi, Independent Director as its Chairman and member, Mrs. Fantry Mein Jaswal, Independent Director, Mr. Divyesh B. Shah, Whole-time Director, Mr. Rajeev Lochan Agrawal and Mr. Pankaj Sharma as members.

#### Terms of Reference

The Terms of reference of the Risk Management Committee inter-alia, include:

- To monitor and review the Risk Management Plan of the Company;
- To approve all functional policies of the Company;
- To ensure appropriate fraud control mechanism and cyber security in the system, while dealing with the customers etc.;
- Any other matter involving Risk to the asset / business of the Company.

#### Meetings and Attendance during the year

During the financial year ended March 31, 2020, the Committee met on May 20, 2019.

The attendance of Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Alok Kumar Misra*	1
Mr. Shyam Lal Bansal*	-
Mr. Divyesh B Shah	1
Mr. Rajeev Lochan Agrawal	1
Mr. Pankaj Sharma	1

\* Mr. Misra and Mr. Bansal ceased to be the members of the Committee on their cessation as Independent Directors of the Company w.e.f August 27, 2020. Mr. Bansal could not attend the meeting due to his health reasons.



## Report On Corporate Governance (Contd.)

### (E) Corporate Social Responsibility (CSR) Committee

#### Composition

The Corporate Social Responsibility Committee of the Board comprises of four members, namely, Mr. Divyesh B. Shah, as the Chairman and Mr. Praveen Kumar Tripathi and Mr. Narendra Damodar Jadhav, Independent Directors and Mr. Pinank Jayant Shah as other members.

#### Terms of Reference

The Terms of reference of the CSR Committee inter-alia, include:

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

#### Meetings and Attendance during the year

During the financial year ended March 31, 2020, the Committee met 2 (Two) times i.e. on January 14, 2020 and March 20, 2019.

The attendance of Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Alok Kumar Misra*	2
Mr. Divyesh B. Shah	2
Mr. Pinank Jayant Shah	2
Mr. Abhaya Prasad Hota**	N.A.

\*Mr. Misra ceased to be the member of the Committee on his cessation as Independent Director of the Company w.e.f August 27, 2020.

\*\* Mr Hota ceased to be the member of the Committee on his resignation as Independent Director of the Company w.e.f September 16, 2019.



## Report On Corporate Governance (Contd.)

### 4. GENERAL BODY MEETINGS

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	22nd	Mapple Emerald, Rajokri, NH-8, New Delhi – 110 038	September 29, 2017	2.00 PM	3
2017-18	23rd	Mapple Emerald, Rajokri, NH-8, New Delhi – 110 038	September 21, 2018	10:00 AM	2
2018-19	24th	Mapple Emerald, Rajokri, NH-8, New Delhi – 110 038	September 28, 2019	11:00 AM	3

### B. Postal Ballot during the Financial Year 2019-20

During the financial year 2019-20, the Company has, in pursuance of Section 110 of the Companies Act, 2013, conducted three Postal Ballots for seeking approval of the shareholders by way of Special Resolutions, details of which are as under:

#### (i) Result approved on June 4, 2019 through Postal Ballot is as under:

Item No.	Particulars	% of votes polled on outstanding shares	% of votes in favour on votes polled	% of votes against on votes polled
1	Approval to sell/transfer/disposal of the stock broking business undertaking of the Company in favour of its wholly owned subsidiary company, namely, Indiabulls Securities Limited (earlier Indiabulls Commodities Limited).	77.95	97.31	2.69

Ms. Swati Jain (Membership No. 526173), Proprietor of M/s Swati Jain & Associates, Practicing Chartered Accountants, Gurugram, was appointed as the Scrutinizer for the purpose of conducting and scrutinizing the postal ballot voting process in a fair and transparent manner.



## Report On Corporate Governance (Contd.)

(ii) Result approved on December 4, 2019 through Postal Ballot is as under:

Item No.	Particulars	% of votes polled on outstanding shares	% of votes in favour on votes polled	% of votes against on votes polled
1	Approval of Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2019 and grant of Employee Stock Options and/or Shares and/or Stock Appreciation Rights to the employees of the Company.	77.95	97.31	2.69
2	Approval to grant Employee Stock Options and/or Shares and/or Stock Appreciation Rights to the employees of the subsidiary company (ies), if any, of the Company, under Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2019.	77.95	97.31	2.69
3	Grant of Employee Stock Options and/or Shares and/or Stock Appreciation Rights to the Employees of Company and that of the Subsidiary company (ies) by way of Secondary Acquisition under Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2019.	77.95	97.31	2.69
4	Approval of Trust Route for the implementation of Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2019.	77.95	97.31	2.69
5	Provision of Money by the Company for purchase of its own shares by the Trust / Trustees for the benefit of Employees under Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2019.	77.95	97.31	2.69
6	Approval for grant of Employee Stock Options and/or Shares and/or Stock Appreciation Rights to the identified employees during any one year, equal to or exceeding one percent of the issued capital of the Company at the time of grant of Employee Stock Options and/or Shares and/or Stock Appreciation Rights.	77.95	97.31	2.69
7	Approval for Buy-back of Equity Shares of the Company through Tender Route.	41.81	100.00	0.00

Mr. Raj Kumar (Membership No. 501863) of M/s. AMRK & Associates, Practicing Chartered Accountants, Gurugram, was appointed as the Scrutinizer for the purpose of conducting and scrutinizing the postal ballot voting process in a fair and transparent manner.



## Report On Corporate Governance (Contd.)

(iii) Result approved on March 20, 2020 through Postal Ballot is as under:

Item No.	Particulars	% of votes polled on outstanding shares	% of votes in favour on votes polled	% of votes against on votes polled
1	Approval of Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2020 and grant of Employee Stock Options and/or Shares and/or Stock Appreciation Rights to the employees of the Company.	70.69	99.82	0.18
2	Approval to extend the benefits of Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2020 to the employees and directors of the subsidiary company(ies), of the Company.	70.69	99.72	0.28
3	Grant of Employee Stock Options and/or Shares and/or Stock Appreciation Rights to the Employees of Company and that of the Subsidiary company(ies) by way of Secondary Acquisition under Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2020.	70.69	99.72	0.28
4	Approval of Trust Route for the implementation of Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2020.	70.69	99.72	0.28
5	Approval for grant of Employee Stock Options and/or Shares and/or Stock Appreciation Rights to the identified employees during any one year, equal to or exceeding one percent of the issued capital of the Company at the time of grant of Employee Stock Options and/or Shares and/or Stock Appreciation Rights.	70.69	99.67	0.33
6	To extend the date for making Third and Final Call on partly paid up equity shares allotted under the Rights Issue in terms of Letter of Offer dated February 1, 2018.	70.69	100.00	0.00

Mr. Nishant Mittal (Membership No 553860) of M/s. N Mittal & Associates, Practicing Chartered Accountants, Gurugram, was appointed as the Scrutinizer for the purpose of conducting and scrutinizing the postal ballot voting process in a fair and transparent manner.

The Company had followed-up all the applicable legal requirements as prescribed in the SEBI Listing Regulations and the Companies Act, 2013 and rules made thereunder, for conducting the aforesaid Postal Ballots which inter-alia included mailing / dispatch of Postal Ballot Notice to the shareholders, appointing scrutinizer to receive and scrutinize the completed postal ballot papers, publication of advertisement in the newspaper informing on postal ballot notice and its dispatch, opening / closing time for exercising e voting and timeline for declaration of postal ballot results.

Mr. Lalit Sharma, Company Secretary was responsible for the entire Postal Ballot / e-voting process.



## Report On Corporate Governance (Contd.)

### 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 normally published in the leading newspapers viz. The Economic Times (English), Business Standard (English and Hindi), and Nav Bharat Times (Hindi).
- (ii) News, Release, etc.: The Company has its own website <http://www.indiabullsvventures.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 presentations etc. are regularly posted on the website.
- (iii) Presentation to institutional investors or analysts: The presentations whenever made to the institutional investors or analysts, are uploaded on the website of the Company, and also sent to the Stock Exchange for dissemination.
- (iv) Management's Discussion and Analysis Report has been included in the Annual Report, which forms a part of the Annual Report.

### 6. GENERAL SHAREHOLDERS' INFORMATION

#### (A) Company Registration Details

The Company is registered in the National Capital Territory (NCT) of Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74999DL1995PLC069631.

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

The 25th AGM of the Company would be held on the day, date, time and venue as mentioned in the Notice convening the said AGM.

#### (C) Financial year:

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

#### (D) Dividend Payment Date

The First Interim Dividend of Re. 1/- per fully paid-up equity share (on the face value of ₹ 2/- per share) for the financial year 2019-20 (dividend on outstanding partly paid up equity shares was in proportion to the capital paid-up on these shares) was paid on/from May 9, 2019 and the Second Interim Dividend of ₹ 2.25 per fully paid-up equity share (on the face value of ₹ 2/- per share) for the financial year 2019-20 (dividend on outstanding partly paid up equity shares was in proportion to the capital paid-up on these shares) was paid on/from March 23, 2020. The aggregate Dividend payout for the financial year 2019-20 was ₹ 3.25/- per fully paid-up equity share.

#### (E) Date of Book Closure

The dates of book closure are as mentioned in the notice convening the 25th AGM of the Company.



## Report On Corporate Governance (Contd.)

### (F) Listing on Stock Exchanges

The Company's fully paid up equity shares (FPS), partly paid up equity shares (PPS) and GDRs are listed at the following stock exchanges:

<b>Equity Shares (FPS &amp; PPS):</b> BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	<b>Global Depository Receipts (GDRs):</b> Luxembourg Stock Exchange Societe de la Bourse de Luxembourg, 11 av de la Porte – Neuve, L-2227, Luxembourg.
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	-	FPS: 532960, PPS: 890145
National Stock Exchange of India Ltd.	-	FPS: IBVENTURES –EQ, PPS: IBVENTPP –E1
ISIN for Dematerialization	-	FPS: INE274G01010 PPS: IN9274G01034

### (H) Stock Market Price at National Stock Exchange of India Ltd (NSE) and BSE Ltd (BSE)

(a) The monthly high and low market prices of **fully paid up equity shares** of face value of ₹ 2/- each, 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 (₹)
Apr-19	362.70	286.05	362.00	286.55
May-19	358.90	238.65	359.00	238.55
Jun-19	318.70	208.55	319.00	208.75
Jul-19	343.25	217.05	343.20	217.45
Aug-19	248.00	164.10	250.00	163.90
Sep-19	199.90	123.85	199.95	123.75
Oct-19	121.25	78.15	121.00	78.10
Nov-19	186.90	101.80	186.80	101.90
Dec-19	214.35	147.00	213.90	146.95
Jan-20	223.20	172.05	222.85	171.00
Feb-20	229.60	147.25	229.80	147.30
Mar-20	223.25	99.25	223.00	99.30



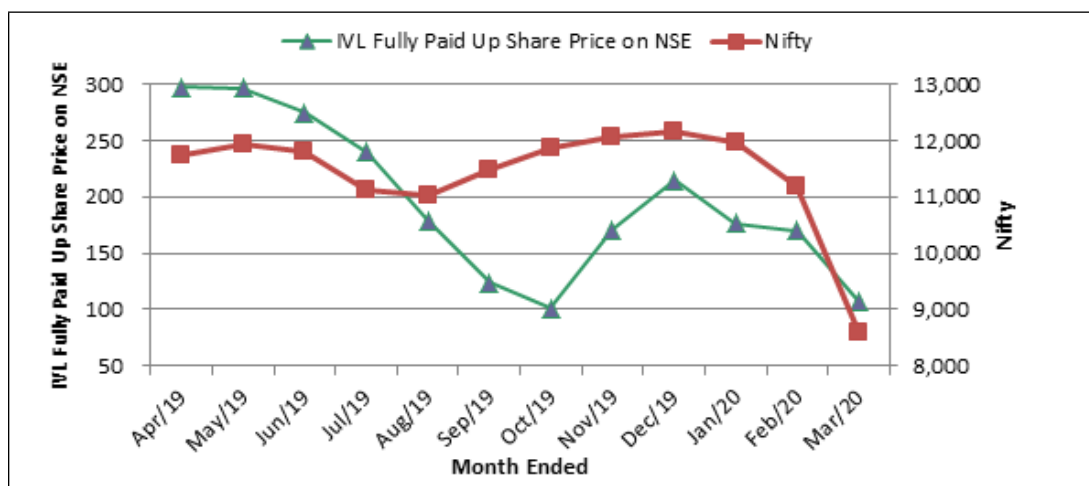
## Report On Corporate Governance (Contd.)

- (b) The high and low market prices of **partly paid up equity shares** of face value of ₹ 2 each, 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 (₹)
Apr-19	259.90	170.55	260.00	173.50
May-19	230.00	130.10	217.00	132.00
Jun-19	190.00	115.30	190.00	130.00
Jul-19	197.00	111.00	195.50	111.30
Aug-19	124.95	62.00	116.95	65.00
Sep-19	94.90	52.75	97.90	52.10
Oct-19	45.20	12.10	45.80	12.25
Nov-19	105.50	24.00	105.70	24.55
Dec-19	107.00	52.55	106.80	54.00
Jan-20	110.00	68.00	110.00	70.00
Feb-20	102.80	52.75	102.80	52.15
Mar-20	92.05	28.00	92.00	27.00

\*In terms of Letter of Offer dated February 1, 2018, trading in partly paid up equity shares was suspended from January 23, 2019 till April 11, 2019 on account of fixation of record date for payment of second call money.

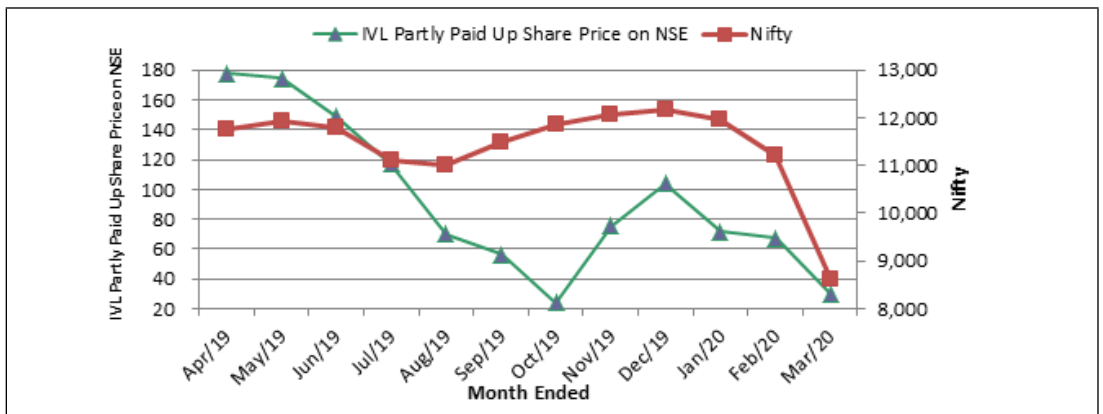
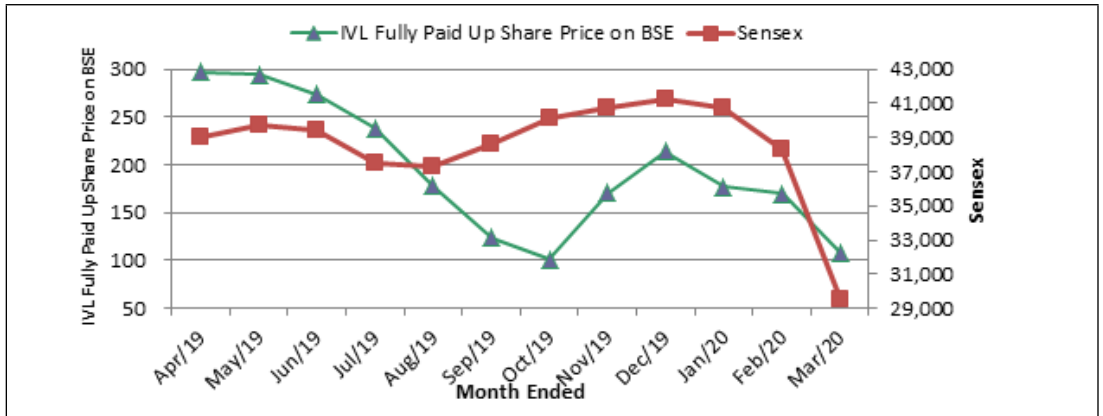
- (i) Performance of the Company in comparison to broad – based indices



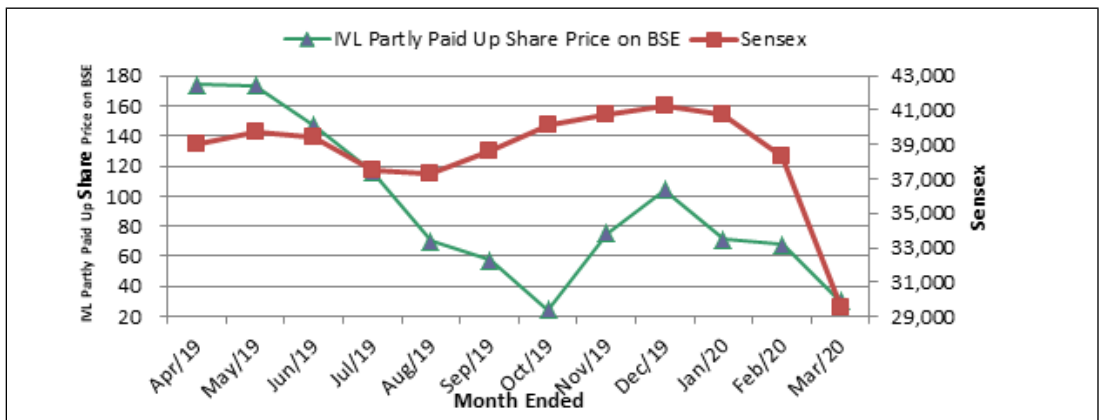




## Report On Corporate Governance (Contd.)



\*In terms of Letter of Offer dated February 1, 2018, trading in partly paid up equity shares was suspended from January 23, 2019 till April 11, 2019 on account of fixation of record date for payment of second call money.



\*In terms of Letter of Offer dated February 1, 2018, trading in partly paid up equity shares was suspended from January 23, 2019 till April 11, 2019 on account of fixation of record date for payment of second call money.



## Report On Corporate Governance (Contd.)

### (J) Registrar and Transfer Agents

During the Financial Year ended March 31, 2020, KFin Technologies Private Limited was the Registrar and Transfer Agent (RTA) of the Company for handling the share related matters both in physical and dematerialized mode. However, w.e.f. May 28, 2020, M/s Skyline Financial Services Private Limited, a SEBI registered Category – 1 Registrar and Transfer Agent (SEBI Registration number - INR000003241), has been appointed as Registrar and Transfer Agent of the Company in place of M/s KFin Technologies Private Limited, for the reason that KFin was not able to render RTA services at reduced cost.

**The contact details of RTA are as under:**

#### **Skyline Financial Services Pvt. Ltd**

Unit: Indiabulls Ventures Limited

D-153 A 1st Floor Okhla Industrial Area Phase-1 New Delhi-110020

Tel: 011-40450193 TO 197, Fax: 011-26812682

E-mails: compliances@skylinerta.com, info@skylinerta.com

Website: www.skylinerta.com

### (K) Share Transfer System

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

**(L) (i)(a) Distribution of shareholding of fully paid up equity shares of face value of ₹ 2/- each, as on March 31, 2020:**

S . No.	Category	No. of holders	% to total holders	Total Shares	Amount (face value) (₹)	% of Amount
1	1-5000	71,063	97.12	13,548,568	2,709,7136.00	2.91
2	5001- 10000	923	1.26	3,402,879	6,805,758.00	0.73
3	10001- 20000	504	0.69	3,722,189	7,444,378.00	0.80
4	20001- 30000	144	0.20	1,789,573	3,579,146.00	0.38
5	30001- 40000	94	0.13	1,713,648	3,427,296.00	0.37
6	40001- 50000	79	0.11	1,793,697	3,587,394.00	0.39
7	50001- 100000	123	0.17	4,336,264	8,672,528.00	0.93
8	100001& Above	241	0.33	435,222,622	870,445,244.00	93.49
	<b>Total:</b>	<b>73,171</b>	<b>100.00</b>	<b>465,529,440</b>	<b>931,058,880.00</b>	<b>100.00</b>



## Report On Corporate Governance (Contd.)

(i)(b) Distribution of shareholding of partly paid up equity shares of face value of ₹ 2/- each with paid up value of ₹ 1.10 each as on March 31, 2020: (Voting Rights i.r.o these partly paid-up shares are proportionate to the amount paid up on such shares).

S. No.	Category	No. of holders	% to total holders	Total Shares	Amount (paid-up value) (₹)	% of Amount
1	1-5000	7598	94.55	2,389,476	2,628,423.60	2.89
2	5001- 10000	181	2.25	1,152,038	1,267,241.80	1.39
3	10001- 20000	96	1.19	1,194,601	1,314,061.10	1.44
4	20001- 30000	39	0.49	873,713	961,084.30	1.06
5	30001- 40000	20	0.25	640,683	704,751.30	0.77
6	40001- 50000	17	0.21	677,061	744,767.10	0.82
7	50001- 100000	42	0.52	2,767,278	3,044,005.80	3.34
8	100001& Above	43	0.54	73,109,014	80,419,915.40	88.29
	<b>Total:</b>	<b>8036</b>	<b>100.00</b>	<b>82,803,864</b>	<b>91,084,250.40</b>	<b>100.00</b>

(i)(c) Distribution of shareholding of partly paid up equity shares of face value of ₹ 2/- each with paid up value of Re. 0.80 each, as on March 31, 2020: (Voting Rights i.r.o these partly paid-up shares are proportionate to the amount paid up on such shares).

S. No.	Category	No. of holders	% to total holders	Total Shares	Amount (paid-up value) (₹)	% of Amount
1	1-5000	343	98.84	41,926	33,540.80	39.84
2	5001- 10000	2	0.58	14,766	11,812.80	14.03
3	10001- 20000	1	0.29	18,750	15,000.00	17.81
4	20001- 30000	1	0.29	29,812	23,849.60	28.32
	<b>Total:</b>	<b>347</b>	<b>100.00</b>	<b>105,254</b>	<b>84,203.20</b>	<b>100.00</b>

(ii) Shareholding pattern as on March 31, 2020

Sr. No.	Category	No. of Shares			% holding
		Fully paid up equity shares	Partly Paid up equity shares *	Total No. of Shares	
1	Promoters	139,195,429	35,788,434	174,983,863	31.91
2	Banks /Mutual Funds/Indian Financial Institutions/Alternate Investment Funds	268,530	0	268,530	0.05
3	FII's/FPIs	132,687,728	10,450,452	143,138,180	26.10
4	Bodies Corporate	59,694,797	13,783,320	73,478,117	13.40
5	Indian Public (Employees/HUF/ Public/Trusts/Directors)	69,488,970	11,716,318	81,205,288	14.80
6	NRIs	1,025,579	9,658	1,035,237	0.19
7	GDRs (Shares underlying)	54,433	0	54,433	0.01
8	Other foreign entities (Foreign companies)	62,213,000	11,103,288	73,316,288	13.36
9	NBFCs Registered with RBI	49,298	2,343	51,641	0.01
10	Others(Clearing Members/IEPF)	851,676	55,305	906,981	0.17
	<b>Total</b>	<b>465,529,440</b>	<b>82,909,118</b>	<b>548,438,558</b>	<b>100.00</b>

\* Voting Rights i.r.o partly paid-up shares are proportionate to the amount paid up on such shares.



## Report On Corporate Governance (Contd.)

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

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

As on March 31, 2020, 99.99% equity shares of the Company representing 548,422,826 out of a total of 548,438,558 equity shares were held in dematerialized form and the balance 15,732 equity shares representing 0.01% of the total equity capital of the Company were held in physical form.

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

### **(N) Outstanding GDRs/Convertible Instruments**

As on March 31, 2020, the number of outstanding GDRs was 54,433. Each GDR represents one fully paid up equity share of ₹ 2/- each in the Company. Also as on March 31, 2020, an aggregate of 17,313,900 Employees Stock options and 27,985,452 Compulsorily Convertible Debentures (CCDs) were in force. These options and CCDs, upon exercise/conversion, were convertible into equivalent number of fully paid-up equity shares of the Company. As and when these stock options are exercised, the paid-up equity share capital of the Company shall stand increased accordingly. During current financial year, 27,985,452 CCDs have been converted into equivalent number of fully paid up equity shares of the Company and have been listed on the National Stock Exchange of India Limited and BSE Limited.

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

During FY 2019-20, the Company doesn't have Commodity price risk. Further, the Company has not borrowed any loans in foreign currency. The working capital of the Company doesn't comprise of any amount in foreign currency. However, the Company has long term foreign currency amount receivable through loan notes and escrow account against long-term non-trade investment sold in previous years. The same has not been hedged.

### **(P) Plant Location: Not applicable**

### **(Q) Address for Correspondence**

#### **(i) Registered Office:**

M- 62 & 63, First Floor,  
Connaught Place, New Delhi- 110 001  
E-mail: helpdesk@indiabulls.com,  
Tel: 0124-6681199, Fax: 0124-6681240  
Website: <http://www.indiabullsvventures.com/>

#### **(ii) Corporate Office(s):**

1. Indiabulls House, 448-451, Udyog Vihar, Phase V, Gurugram – 122 016.
2. One International Center (Formely IFC), Senapati Bapat Marg, Elphinstone Road, Mumbai- 400 013.

### **(R) Profiles of Directors seeking appointment/ re-appointment have been captured in the Notice convening the 25th Annual General Meeting of the Company.**



## Report On Corporate Governance (Contd.)

### (S) Credit Ratings

Rating Agency	Rating assigned to Company	Instrument/Purpose
Brickwork Ratings	BWR A1+	Commercial Paper
Infomerics Valuation and Rating	IVR A1+	Commercial Paper
Brickwork Ratings	BWR A1+	Short-term-Non-Fund based-Sanctioned Bank Guarantee

### (T) Details of utilization of fund raised through preferential allotment or qualified institutions placement:

During the Financial Year 2019-20, the Company had not raised any funds through preferential allotment or qualified institutions placement.

### (U) Fees paid to Statutory Auditors

Total fees for all services paid to the statutory auditor M/s Walker Chandio & Co LLP, by the Company and its subsidiaries, on a consolidated basis, and all entities in the network firm/network entity of which the statutory auditor is a party, was ₹ 114.97 lakh (including fee as auditors and reimbursement expenses).

## 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, 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:

Number of complaints filed during the financial year 2019-20	Number of complaints disposed of during the financial year 2019-20	Number of complaints pending at the end of financial year 2019-20
2	1	1*

\*closed in current financial year.

## 9. OTHER DISCLOSURES

### (i) Subsidiary Companies

During the year under review, the Company has incorporated 5 new subsidiary companies namely, Evinos Buildwell Limited, Evinos Developers Limited, Savren Buildwell Limited, Krathis Buildcon Limited, Krathis Developer Limited. The Company has acquired additional 9% equity stake of "Transerv Limited" (formerly "Transerv Private Limited") through one of its wholly owned subsidiary and total holding of the Company in Transerv Limited stands at 42%. By virtue of control as per Ind AS 110 - Consolidated Financial Statements, "Transerv Limited" has become subsidiary of the Company. Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) was material unlisted subsidiary of the Company during the financial year 2019-20. The Company has formulated a Policy for determining material subsidiaries, pursuant to the provisions of the SEBI LODR, which is available on the website of the Company at [https://www.indiabullsvventures.com/public/media/IVL\\_Policy\\_for\\_Determining\\_Material\\_Subsiary\\_1598077992.pdf](https://www.indiabullsvventures.com/public/media/IVL_Policy_for_Determining_Material_Subsiary_1598077992.pdf)



## Report On Corporate Governance (Contd.)

### (ii) MCA Inspection

During FY 2019-2020, the office of Regional Director, Northern Region, New Delhi, Ministry of Corporate Affairs, Government of India ( R D Office), had conducted inspection under section 206(5) of the Companies Act, 2013 (the Act) of the records and documents of the Company pertaining to the Financial years 2015 to 2019 and issued Preliminary Findings letter inter-alia mentioning certain technical / clerical omissions under sections i.e. 118 and 188(5) of the Act, all of which are compoundable in nature. The Company, suo moto to buy peace, has filed compounding applications under section 441 of the Act with the office of Registrar of Companies, Ministry of Corporate Affairs, Government of India, for composition of these alleged minor technical non-compliances. These applications are under the jurisdiction and to be compounded by RD Office. The Company shall pay the monetary penalty, as may be adjudicated and imposed by RD Office.

### (iii) Related Party Transactions

All the related party transactions, entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. There are no materially significant related party transactions entered by the Company with its Promoters, Key Management 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 <https://www.indiabullsvventures.com/investors/policies-and-codes>.

### (iv) CEO / CFO Certification

- (a) The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued certificate pursuant to the Regulation 33(2)(a) of SEBI LODR, certifying that the financial results 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 CEO and CFO have also 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.

### (v) Codes of the Company

#### (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 at [https://www.indiabullsvventures.com/public/media/code-of-conduct-for-board-members-and-senior-management\\_1564991994.pdf](https://www.indiabullsvventures.com/public/media/code-of-conduct-for-board-members-and-senior-management_1564991994.pdf).

All Board Members and Senior Management personnel have affirmed compliance with the Code. A declaration signed by the Chief Executive Officer 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 SEBI (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.



## Report On Corporate Governance (Contd.)

### (vi) 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 at:

[https://www.indiabullsvventures.com/public/media/Whistleblower\\_Policy\\_IVL\\_1590582862.pdf](https://www.indiabullsvventures.com/public/media/Whistleblower_Policy_IVL_1590582862.pdf)

### (vii) Strictures and Penalties

During the last three financial years including the year under review, no penalty was imposed by BSE Limited, National Stock Exchange of India Limited and SEBI consequent to routine inspection conducted by them in compliance with applicable regulatory requirements.

### (viii) Details of compliance with mandatory requirements and adoption of discretionary requirements pursuant to SEBI LODR

The Company has complied with all the mandatory requirements pursuant to SEBI LODR in letter as well as in spirit. The details of these compliances have been given in the relevant sections of this Report. The status on compliance with the discretionary requirements is given at the end of the Report.

## 9. DISCRETIONARY REQUIREMENTS

### (A) The Board

During the financial year 2019-20, The Company had a non-executive Chairman. Hence, the requirement recommended with regard to non-executive Chairman under Regulation 27(1) of SEBI LODR has been adopted by the Company.

### (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 website.

### (C) Unqualified Financial Statements

The Auditors' Report on the audited 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.



## Report On Corporate Governance (Contd.)

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

The Internal Auditor of the Company reports to CFO and has direct access to the Audit Committee.

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.

### **(E) 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 March 31, 2020 is in compliance with the requirements 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.





## Report On Corporate Governance (Contd.)

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

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

Date: June 25, 2020  
Place: Mumbai

Sd/-  
**Divyesh B. Shah**  
Chief Executive Officer\*

*\*On August 28, 2020, the Board has re-designated Mr. Divyesh B. Shah as Chief Operating Officer of the Company.*

### CEO/CFO certification pursuant to regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Board of Directors  
**Indiabulls Ventures Limited**

As required by Regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm to the Board that:

- A. We have reviewed financial statements including the cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
- (1) There were no significant changes in internal control over financial reporting during the year;
  - (2) There were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: June 25, 2020  
Place: Mumbai

Sd/-  
**Divyesh B. Shah**  
WTD & CEO\*

Sd/-  
**Rajeev Lochan Agrawal**  
CFO

*\*On August 28, 2020, the Board has re-designated Mr. Divyesh B. Shah as Chief Operating Officer of the Company.*



## Report On Corporate Governance (Contd.)

### CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To  
The Members of  
Indiabulls Ventures Limited

We have examined the compliance of conditions of Corporate Governance by Indiabulls Ventures Limited (“the Company”), for the year ended March 31, 2020, as stipulated 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 as directors of 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 **S. Khandelwal & Co.**  
Company Secretaries

Sd/-  
**Sanjay Khandelwal**  
Proprietor  
Membership No: FCS-5945  
CP No.: 6128  
UDIN: F005945B000479462

Date: July 20, 2020  
Place: New Delhi



# Independent Auditor's Report

## To the Members of Indiabulls Ventures Limited

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

#### Opinion

1. We have audited the accompanying consolidated financial statements of Indiabulls Ventures Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2020, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

4. We draw attention to Note 63 to the accompanying consolidated financial statements, which describes the effects of uncertainties relating to COVID-19 pandemic outbreak on the Group's operations that are dependent on future developments, and the impact thereof on the impairment assessment of financial assets outstanding as at 31 March 2020. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries were of most significance in our audit of the financial statements of the current period. 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.
6. We have determined the matters described below to be the key audit matters to be communicated in our report.



## Independent Auditor's Report (contd.)

Key audit matter	How our audit addressed the key audit matter
<p><b>1. Expected Credit Losses on loans</b> [Refer note 5 for the accounting policy]</p> <p>As at 31 March 2020, the Group has financial assets (loans) amounting to ₹ 470,924.65 lakh against which the Group has recognized an impairment loss of ₹ 52,970.11 lakh. Further the Group has written off loan assets aggregating to ₹ 36,205.41 lakh in current year.</p> <p>Indian Accounting Standard ('Ind AS') 109, Financial Instruments requires the Group to provide for impairment of its financial assets using expected credit losses approach.</p> <p>The expected credit loss is calculated using the percentage of probability of default, loss given default and exposure at default for each of the stages of loan portfolio based on industry data sourced from a leading credit bureau. Such estimates have then been adjusted to reflect the uncertainties relating to COVID-19 pandemic outbreak and its impact on impairment loss assessment.</p> <p>Loan assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial assets on statement of profit and loss.</p> <p>The determination of impairment provisions and write offs is complex, and significant judgements are required around both the timing of recognition of impairment provisions and estimation of the amount of allowances required in relation to loss events.</p> <p>Considering the significance of the above matter to the consolidated financial statements, high estimation uncertainty and significant management judgments involved, this area required significant auditor's attention to test such complex accounting estimates. Therefore, we have identified this as a key audit matter for current year audit.</p> <p>We also draw attention to Note 63 to the accompanying financial statements which describe the uncertainties relating to the effects of COVID-19 pandemic outbreak that impact the impairment assessment of loan assets outstanding as at 31 March 2020.</p>	<p>Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through the following procedures, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>a) obtaining an understanding of the model adopted by the Group for calculation of expected credit losses on loan assets and the appropriateness of such methodology in accordance with the requirements of applicable accounting standards;</li> <li>b) testing the design and operating effectiveness of key controls relating to calculation of expected credit loss. This includes testing performed by IT specialists to test the data flows from source systems to spreadsheet-based models to test their completeness and accuracy;</li> <li>c) testing the modelling assumptions and inputs which are based on industry experience as collated by an expert, by benchmarking independently such inputs with data of other comparable companies to assess reasonability of such assumptions. The management overlay of additional provision recognised due to impact of COVID-19 was also reviewed for reasonableness basis our understanding of the loan portfolio risk and historical experience;</li> <li>d) testing the ageing of loan balances on sample basis to ensure the appropriateness of loan categorisation across various stages performed by the management in accordance with the accounting policy, while considering the directions issued by the Reserve Bank of India on such classification of loans falling due during the moratorium period extended to the borrowers;</li> <li>e) testing the arithmetical accuracy of the calculation of expected credit losses;</li> <li>f) verifying the adequacy and appropriateness of the related disclosures in accordance with the requirements of relevant accounting standards;</li> <li>g) obtaining and verifying the relevant approvals for write-off of the loan assets in accordance with the Group's policy;</li> <li>h) obtaining written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.</li> </ul>



## Independent Auditor’s Report (contd.)

Key audit matter	How our audit addressed the key audit matter
<b>2. Use of information processing system for accounting and financial reporting</b>	
<p>The Group relies upon information processing systems for recording, processing, classifying and presenting the large volume of transactions entered into by the Group. The Group has put in place IT General Controls and automated IT Controls to ensure that the information produced by the Group is reliable. Among other things, the management also uses the information produced by the Group’s information processing systems for accounting and the preparation and presentation of the financial statements.</p> <p>Since our audit strategy included focus on Group’s information processing systems relevant to our audit due to their pervasive impact on the financial statements, we have determined the use of information processing system for accounting and financial reporting as a key audit matter for the current year audit.</p>	<p>Our key audit procedures on this matter included, but were not limited, to the following:</p> <ul style="list-style-type: none"> <li>a) obtaining an understanding of the Group’s information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit;</li> <li>b) involving IT specialists (auditor’s expert) for performance of the following procedures:               <ul style="list-style-type: none"> <li>i) testing the IT General Controls around user access management, changes to IT environment and segregation of duties over key financial accounting and reporting processes;</li> <li>ii) testing the automated controls like interfaces, configurations and information generated by the Group’s information processing systems for loans, brokerage fees, interest income and other significant financial statement items; and</li> </ul> </li> <li>c) obtaining written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.</li> </ul>

### Information other than the Consolidated Financial Statements and Auditor’s Report thereon

7. The Holding Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The accompanying consolidated financial statements have been approved by the Holding Company’s Board of Directors. 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 including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group



## Independent Auditor's Report (contd.)

in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the companies included in the Group are responsible for 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 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 the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. 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 the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

11. 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 Standards on Auditing 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.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the 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 with reference to 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based



## Independent Auditor's Report (contd.)

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; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associates and joint ventures, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. 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.
  14. 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.
  15. 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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely

rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

16. We did not audit the financial statements of 18 subsidiaries, whose financial statements reflects total assets of ₹ 266,407.75 lakh and net assets of ₹ 94,494.62 lakh as at 31 March 2020, total revenues of ₹ 21,799.80 lakh and net cash inflows amounting to ₹ 9,659.50 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries, associates and joint ventures, we report that the Holding Company and 3 subsidiary companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that 17 subsidiary companies covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.





## Independent Auditor's Report (contd.)

18. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, 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 purpose of our audit of the aforesaid consolidated financial statements;
- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are 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 financial statements of the Holding Company, and its subsidiary companies, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'; and
- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:

- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 48 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2020; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

**For Walker Chandio & Co LLP**

Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Lalit Kumar**

Partner

Membership No.: 095256

UDIN: 20095256AAAABW8422

**Place:** Noida

**Date:** 25 June 2020





## Independent Auditor's Report (contd.)

### Annexure I

List of subsidiaries included in the consolidated financial statements

- 1) Indiabulls Investment Advisors Limited (earlier Indiabulls Brokerage Limited)
- 2) Auxesia Soft Solutions Limited
- 3) Indiabulls Securities Limited (earlier Indiabulls Commodities Limited)
- 4) Indiabulls Distribution Services Limited
- 5) Indiabulls Consumer Finance Limited (earlier IVL Finance Limited)
- 6) Pushpanjli Finsolutions Limited
- 7) Devata Tradelink Limited
- 8) Arbutus Constructions Limited
- 9) Gyansagar Buildtech Limited
- 10) Pushpanjli Fincon Limited
- 11) Indiabulls Alternate Investments Limited
- 12) Indiabulls Consumer Products Limited
- 13) Indiabulls Asset Reconstruction Company Limited
- 14) Indiabulls Infra Resources Limited
- 15) Evinos Developers Limited
- 16) Evinos Buildwell Limited
- 17) Transerv Private Limited
- 18) Savren Buildwell Limited
- 19) Krathis Buildcon Limited
- 20) Krathis Developers Limited



## Annexure II to Independent Auditor's Report of even date to the members of Indiabulls Ventures Limited, on the consolidated financial statements for the year ended 31 March 2020

### Annexure II

#### 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')

1. In conjunction with our audit of the consolidated financial statements of Indiabulls Ventures 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

2. 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 financial controls over financial reporting criteria established by the Company considering the essential components of internal financial controls stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by 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

3. 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.

4. 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.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

#### Meaning of Internal Financial Controls with Reference to Financial Statements

6. 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



## Annexure II to Independent Auditor's Report of even date to the members of Indiabulls Ventures Limited, on the consolidated financial statements for the year ended 31 March 2020

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

7. 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

8. 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 financial controls over financial reporting criteria established by the Company considering the essential components of internal financial controls stated in Guidance Note issued by ICAI'.

### Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to 18 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 266,407.75 lakh and net assets of ₹ 94,494.62 lakh as at 31 March 2020, total revenues of ₹ 21,799.80 lakh and net cash inflows amounting to ₹ 9,659.50 lakh for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Lalit Kumar**

Partner

Membership No.: 095256

UDIN: 20095256AAAABW8422

**Place:** Noida

**Date:** 25 June 2020



# Consolidated Balance Sheet

as at 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

	Notes	As at 31 March 2020	As at 31 March 2019
<b>I. ASSETS</b>			
<b>(1) Financial assets</b>			
(a) Cash and cash equivalents	6	211,941.33	194,717.37
(b) Bank balance other than cash and cash equivalents	7	74,050.60	39,674.07
(c) Receivables			
Trade receivables	8	15,214.76	27,336.19
Other receivables	9	6,875.11	11,073.74
(d) Loans	10	523,096.07	1,119,664.22
(e) Investments	11	63,412.25	60,272.12
(f) Other financial assets	12	92,337.38	98,615.28
<b>Total financial assets</b>		<b>986,927.50</b>	<b>1,551,352.99</b>
<b>(2) Non-financial assets</b>			
(a) Current tax assets (net)	13	16,036.80	7,248.31
(b) Deferred tax assets (net)	14	17,269.39	13,756.90
(c) Investment accounted for using the equity method	15	-	3,567.58
(d) Property, plant and equipment	16A	7,753.10	4,617.26
(e) Right-of-use assets	16B	24,135.20	-
(f) Intangible assets under development	16C	608.12	901.20
(g) Goodwill	16D	3,906.43	319.77
(h) Other intangible assets	16E	12,608.41	6,894.97
(i) Investment property	16F	27,122.50	-
(j) Other non-financial assets	17	61,355.07	12,889.28
<b>Total non-financial assets</b>		<b>170,795.02</b>	<b>50,195.27</b>
<b>TOTAL ASSETS</b>		<b>1,157,722.52</b>	<b>1,601,548.26</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial liabilities</b>			
(a) Derivative financial instruments	18	-	209.42
(b) Payables			
(i) Trade payables	19		
(i) total outstanding dues of micro enterprises and small enterprises		2.42	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		8,508.62	6,430.98
(ii) Other payables	20		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4,051.25	2,674.15
(c) Debt securities	21	88,736.01	203,505.46
(d) Borrowings (other than debt securities)	22	424,468.39	661,278.77
(e) Lease liabilities	23	25,624.33	-
(f) Other financial liabilities	24	32,304.58	59,282.28
<b>Total financial liabilities</b>		<b>583,695.60</b>	<b>933,381.06</b>
<b>(2) Non-financial Liabilities</b>			
(a) Current tax liabilities (net)	25	284.96	753.48
(b) Provisions	26	3,741.04	4,256.87
(c) Deferred tax liabilities (net)	27	1,098.28	-
(d) Other non-financial liabilities	28	10,129.08	5,644.06
<b>Total non-financial liabilities</b>		<b>15,253.36</b>	<b>10,654.41</b>
<b>(3) Equity</b>			
(a) Equity share capital	29	10,222.47	11,348.76
(b) Other equity	30	492,512.96	631,248.03
<b>Equity attributable to the owners of the Holding Company</b>		<b>5,02,735.43</b>	<b>6,42,596.79</b>
Non controlling interest		56,038.13	14,916.00
<b>Total equity</b>		<b>558,773.56</b>	<b>657,512.79</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,157,722.52</b>	<b>1,601,548.26</b>

The accompanying notes form an integral part of these consolidated financial statements.

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

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

Lalit Kumar

Partner

Membership No.: 095256

Place: Noida

Date: 25 June 2020

For and on behalf of Board of Directors

Divyesh B. Shah

Whole Time Director &  
Chief Executive Officer

DIN: 00010933

Place: Mumbai

Date: 25 June 2020

Pinank Shah

Whole Time Director

DIN: 07859798

Rajeev Lochan Agrawal

Chief Financial Officer

Lalit Sharma

Company Secretary



# Consolidated Statement of Profit and Loss

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>I. Revenue from operations</b>			
Interest income	31	197,233.11	157,995.14
Dividend income	32	4,951.19	2,558.17
Fees and commission income	33	27,518.30	33,719.01
Net gain on fair value changes	34	-	1,634.83
Net gain on derecognition of financial assets	35	61,775.95	3,435.91
<b>Total revenue from operations</b>		<b>291,478.55</b>	<b>199,343.06</b>
II. Other income	36	406.68	384.94
<b>III. Total income (I + II)</b>		<b>291,885.23</b>	<b>199,728.00</b>
<b>IV. Expenses</b>			
Finance costs	37	79,969.98	58,741.38
Fees and commission expense	38	3,417.74	1,137.03
Net loss on fair value changes	34	1,512.19	-
Impairment of financial assets	39	96,023.15	12,681.05
Employee benefits expenses	41	50,842.82	36,881.88
Depreciation and amortisation	42	11,607.23	2,697.75
Other expenses	43	45,808.18	24,658.29
<b>Total expenses</b>		<b>289,181.29</b>	<b>136,797.38</b>
<b>V. Profit before share of loss of an associate and tax (III - IV)</b>		<b>2,703.94</b>	<b>62,930.62</b>
VI. Share of loss in an associate		-	(2.84)
<b>VII. Profit before tax (V + VI)</b>		<b>2,703.94</b>	<b>62,927.78</b>
<b>VIII. Tax expense:</b>	44		
Current tax		1,881.82	15,080.89
Deferred tax (credit)/charge		(3,358.78)	1,818.27
		<b>(1,476.96)</b>	<b>16,899.16</b>
<b>IX. Profit for the year (VII - VIII)</b>		<b>4,180.90</b>	<b>46,028.62</b>
<b>XII. Other comprehensive income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
(a) Remeasurement gain on defined benefit plans		(79.60)	(73.10)
(b) Equity instruments through other comprehensive income		(167.35)	(94.30)
<b>(ii) Income-tax relating to items that will not be reclassified to profit or loss</b>		20.85	23.96
<b>(iii) Items that will be reclassified to profit or loss</b>			
(a) Remeasurement of business model on assignment transaction		1,059.00	-
<b>(iv) Income-tax relating to items that will be reclassified to profit or loss</b>		(266.53)	-
<b>Total other comprehensive income (net of taxes)</b>		<b>566.37</b>	<b>(143.44)</b>
<b>XI. Total comprehensive income for the year (IX + X)</b>		<b>4,747.27</b>	<b>45,885.18</b>
<b>Net profit after tax attributable to -</b>			
Owners of the Holding Company		432.67	45,909.69
Non controlling interests		3,748.23	118.93
		<b>4,180.90</b>	<b>46,028.62</b>
<b>Other comprehensive income attributable to -</b>			
Owners of the Holding Company		553.37	(143.44)
Non controlling interests		13.00	-
		<b>566.37</b>	<b>(143.44)</b>
<b>Total comprehensive income attributable to -</b>			
Owners of the Holding Company		986.04	45,766.25
Non controlling interests		3,761.23	118.93
		<b>4,747.27</b>	<b>45,885.18</b>
<b>XII. Earnings per equity share (₹):</b>	45		
Basic		0.07	8.42
Diluted		0.07	8.01
Face value per equity share (₹)		2.00	2.00

The accompanying notes form an integral part of these consolidated financial statements.

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

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

**Lalit Kumar**

Partner

Membership No.: 095256

Place: Noida

Date: 25 June 2020

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

**Divyesh B. Shah**

Whole Time Director &

Chief Executive Officer

DIN: 00010933

Place: Mumbai

Date: 25 June 2020

**Pinank Shah**

Whole Time Director

DIN: 07859798

**Rajeev Lochan Agrawal**

Chief Financial Officer

**Lalit Sharma**

Company Secretary



# Consolidated Statement of Cash Flows

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A Cash flow from operating activities :</b>		
Profit before tax	2,703.94	62,927.78
Adjustments for:		
Depreciation and amortisation	11,607.23	2,697.75
Profit on sale of property, plant and equipment (net)	(3.64)	(2.79)
Provision for employee benefits (net)	1,340.32	702.45
Impairment on financial assets	96,023.15	12,681.05
Net gain on ineffective portion of hedges	-	(196.13)
Excess provisions for expenses no longer required written back	(260.47)	(105.70)
Liabilities written back	(1.57)	(7.63)
Unrealised gain on foreign exchange fluctuations (net)	(106.73)	(53.38)
Gain on sale of loan portfolio through assignment	(61,775.95)	(3,435.91)
Interest expenses on leasing arrangement	2,774.91	-
Net loss/(gain) on fair value changes	292.80	(1,634.83)
Share based payments expense	2,025.83	4,361.83
Effective interest rate adjustment for financial instruments	2,517.58	(2,492.58)
<b>Operating profit before working capital changes</b>	<b>57,137.40</b>	<b>75,441.91</b>
Adjustments for:		
Decrease/(increase) in trade receivables	4,073.77	(1,075.10)
Decrease in other receivables	3,433.70	1,143.73
Decrease/(increase) in loans	545,791.73	(708,545.12)
(Increase) in bank balance other than cash and cash equivalents	(34,329.81)	(6,825.16)
Decrease/(increase) in other financial assets	67,101.50	(67,748.80)
(Increase) in non financial assets	(3,879.47)	(4,539.13)
(Decrease) in derivative financial instruments	(209.42)	(1,098.85)
Increase in trade payable	1,949.74	2,778.75
Increase in other payable	1,632.34	1,878.78
(Decrease)/increase in other financial liabilities	(28,450.41)	19,110.79
(Decrease)/increase in provision	(1,977.71)	858.67
Increase in non-financial liabilities	4,448.05	2,076.24
<b>Cash generated from /(used in) operating activities</b>	<b>616,721.41</b>	<b>(686,543.29)</b>
Income-taxes paid (net)	(12,710.72)	(17,846.76)
<b>Net cash generated from /(used in) operating activities</b>	<b>604,010.69</b>	<b>(704,390.05)</b>
<b>B Cash flows from investing activities :</b>		
Purchase of property, plant and equipments, intangible assets under development and intangible assets (including capital advances)	(80,991.10)	(8,770.52)
Proceeds from sale of property, plant and equipments	75.05	4.54
Purchase of investments in associate	-	(3,567.58)
Purchase of treasury shares	(18,305.73)	-
Payment made on acquisition of subsidiary	(1,402.48)	-
Purchase of investment (net)	(3,262.72)	(8,019.90)
<b>Net cash (used in)/ generated from investing activities</b>	<b>(103,886.98)</b>	<b>(20,353.46)</b>



# Consolidated Statement of Cash Flows

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>C Cash flows from financing activities</b>		
Proceeds from issue of equity shares (fully paid up and partly paid up including securities premium)	4,118.56	276,494.33
Dividends paid (including dividend distribution tax)	(20,462.69)	(5,513.79)
Lease payments	(6,009.48)	-
Buy-back of equity shares (including buy back expenses and taxes)	(107,160.77)	-
Amount transferred to investor education and protection fund	(52.63)	-
Repayment of debt securities	(159,960.53)	(939,419.18)
Proceeds from debt securities	43,320.28	1,157,169.82
Repayment of borrowings (other than debt securities)	(1,873,454.28)	(894,454.73)
Proceeds from borrowings (other than debt securities)	1,728,642.69	1,111,938.91
<b>Net cash (used in)/ generated from financing activities</b>	<b>(391,018.85)</b>	<b>706,215.36</b>
<b>D Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>109,104.86</b>	<b>(18,528.15)</b>
<b>E Cash and cash equivalent of subsidiary acquired</b>	<b>764.67</b>	<b>-</b>
<b>F Cash and cash equivalents at the beginning of the year</b>	<b>91,216.02</b>	<b>109,744.17</b>
<b>Cash and cash equivalents at the end of the year (D+E+F)</b>	<b>201,085.55</b>	<b>91,216.02</b>

## Notes:

- The above statement of cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) -7 'Statement of Cash Flows' as specified under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- Cash and cash equivalents as at the end of the year include:**

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents (as per note 6 to the financial statements) *	211,941.33	194,717.37
Less: Bank overdraft facilities (as per note - 22 to the financial statements)	(10,855.78)	(103,501.35)
	<b>201,085.55</b>	<b>91,216.02</b>

\*Refer note 7(i) for restriction of cash and cash equivalents

- For disclosures relating to change in liabilities arising from financing activities refer note- 49.

The accompanying notes form an integral part of these consolidated financial statements.

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

**For Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

**Lalit Kumar**

Partner

Membership No.: 095256

Place: Noida

Date: 25 June 2020

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

**Divyesh B. Shah**

Whole Time Director &

Chief Executive Officer

DIN: 00010933

Place: Mumbai

Date: 25 June 2020

**Pinank Shah**

Whole Time Director

DIN: 07859798

**Rajeev Lochan Agrawal**

Chief Financial Officer

**Lalit Sharma**

Company Secretary



# Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

## A Equity share capital (refer note -29)

Particulars	Balance as at 1 April 2018	Changes during the year	Balance as at 31 March 2019	Changes during the year	Balance as at 31 March 2020
Equity share capital	9,262.56	2,086.20	11,348.76	(1,126.29)	10,222.47

## B. Other equity (refer note - 30)

Particulars	Treasury shares	Equity component of compulsory convertible debentures	Statutory reserves	Capital reserve	Securities premium	Capital redemption reserve	Reserves and surplus				Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Money received against share warrants	Total attributable to equity share-holders of the Holding Company	Total non-controlling interest	Total
							Debt redemption reserve	Foreign currency monetary item translation difference account	General reserve	Share options outstanding account						
Balance as at 1 April 2018	-	4,186.83	763.66	1,32,344.17	3,700.36	-	49.04	4,197.55	3,309.88	27,817.18	491.44	-	3,696.88	1,80,556.99	-	1,80,556.99
Profit for the year	-	-	-	-	-	-	-	-	-	45,909.69	-	-	-	45,909.69	118.93	46,028.62
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	(49.14)	(94.30)	-	-	(143.44)	-	(143.44)
Issue of equity shares	-	-	-	2,78,191.87	-	-	-	-	-	-	-	-	(3,696.88)	2,74,494.99	-	2,74,494.99
Expenses on issue of partly paid up shares	-	-	-	(86.86)	-	-	-	-	-	-	-	-	-	(86.86)	-	(86.86)
Issue of compulsorily convertible debentures	-	1,31,708.14	-	-	-	-	-	-	-	-	-	-	-	1,31,708.14	-	1,31,708.14
Transfer from retained earnings	-	-	7,998.08	-	-	-	416.54	-	-	(8,414.62)	-	-	-	-	-	-
Non-controlling interests on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,797.07	14,797.07
Adjustment on strike off of subsidiary	-	-	-	(16.35)	-	-	-	-	-	55.35	-	-	-	39.00	-	39.00
Effect of change in foreign exchange rate	-	-	-	-	-	-	44.32	-	-	-	-	-	-	44.32	-	44.32
Amortised/utilised during the year	-	-	-	-	-	-	(53.38)	-	-	-	-	-	-	(53.38)	-	(53.38)
Dividend paid <sup>(i)</sup>	-	-	-	-	-	-	-	-	-	(4,631.28)	-	-	-	(4,631.28)	-	(4,631.28)
Dividend distribution tax	-	-	-	-	-	-	-	-	-	(951.97)	-	-	-	(951.97)	-	(951.97)
Share based payment expense	-	-	-	-	-	-	-	-	4,361.83	-	-	-	-	4,361.83	-	4,361.83
Balance as at 31 March 2019	-	1,31,708.14	12,184.91	747.31	4,10,449.18	3,700.36	39.98	4,197.55	7,671.71	59,735.21	397.14	-	-	6,31,248.03	14,916.00	6,46,164.03





# Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Particulars	Treasury shares	Equity component of compulsory convertible debentures	Reserves and surplus						Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Money received against share warrants	Total attributable to equity share-holders of the Holding Company	Total non-controlling interest	Total		
			Statutory reserves	Capital reserve	Securities premium	Capital redemption reserve	Debt redemption reserve	Foreign currency monetary item translation difference account							General reserve	Share options outstanding account
Balance as at 1 April 2019	-	1,31,708.14	12,184.91	747.31	4,10,449.18	3,700.36	416.54	39.98	4,197.55	7,671.71	59,735.21	397.14	-	6,31,248.03	14,916.00	6,46,164.03
Profit for the year	-	-	-	-	-	-	-	-	-	-	419.63	-	-	419.63	3,761.23	4,180.86
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	(58.75)	(167.35)	-	(226.10)	-	(226.10)
Issue of equity shares	-	-	-	-	5,486.75	-	-	-	-	-	-	-	-	5,486.75	-	5,486.75
Expenses on issue of partly paid up shares	-	-	-	-	(286.11)	-	-	-	-	-	-	-	-	(286.11)	-	(286.11)
Acquisition of own shares	(18,305.73)	-	-	-	-	-	-	-	-	-	-	-	-	(18,305.73)	-	(18,305.73)
Impact of change in Income-tax rate	-	(988.88)	-	-	-	-	-	-	-	-	-	-	-	(988.88)	-	(988.88)
Effect of change in foreign exchange rate	-	-	-	-	-	-	-	66.75	-	-	-	-	-	66.75	-	66.75
Amortised during the year	-	-	-	-	-	-	-	(106.73)	-	-	-	-	-	(106.73)	-	(106.73)
Transfer from gain on business model on assignment transaction	-	-	-	-	-	-	-	-	-	-	-	-	792.47	792.47	-	792.47
Dividend paid (i)	-	-	-	-	-	-	-	-	-	-	(17,174.39)	-	-	(17,174.39)	-	(17,174.39)
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	(3,556.07)	-	-	(3,556.07)	-	(3,556.07)
Dividend on treasury shares	-	-	-	-	-	-	-	-	234.00	-	-	-	-	234.00	-	234.00
Transfer from retained earnings	-	-	-	-	-	-	(416.54)	-	-	-	(668.55)	-	-	-	-	-
Share based options for employees of subsidiaries	-	-	-	-	-	-	-	-	-	(1,289.07)	-	-	-	(1,289.07)	-	(1,289.07)
Non-controlling interests on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,360.90	37,360.90
Transfer to on account of sale of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	65.61	-	-	-	65.61



# Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Particulars	Treasury Shares	Equity component of compulsory convertible debentures	Reserves and surplus						Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Money received against share warrants	Total attributable to equity share-holders of the Holding Company	Total non-controlling interest	Total
			Statutory reserves	Capital reserve	Securities premium	Capital redemption reserve	Debt redemption reserve	Foreign currency monetary item translation difference account						
Amount transferred to capital redemption reserve upon buyback (refer note - 64)	-	-	-	1,333.33	-	-	-	-	(1,333.33)	-	-	-	-	-
Share based options lapsed	-	-	-	-	-	-	-	(227.07)	227.07	-	-	-	-	-
Buy-back of shares (including buy-back expenses and taxes) (refer note - 64)	-	-	-	-	(1,05,827.46)	-	-	-	-	-	(1,05,827.46)	-	-	(1,05,827.46)
Share based payment expense	-	-	-	-	-	-	-	2,025.83	-	-	2,025.83	-	-	2,025.83
Balance as at 31 March 2020	(18,305.73)	1,30,719.26	13,270.00	747.31	3,09,822.36	5,083.69	-	4,197.55	37,890.47	164.18	792.47	4,92,512.96	56,038.13	5,48,551.09

(1) Dividend paid during the year ended 31 March 2020 is ₹ 3.25 per share (face value ₹ 2 each, fully paid up), ₹ 1.7875 per share (face value ₹ 2 each, partly paid up ₹ 1.10 per share) and ₹ 1.30 per share (face value ₹ 2 each, partly paid up ₹ 0.80 per share) (31 March 2019: ₹ 1.00 per share (face value ₹ 2 each, fully paid up) and ₹ 0.25 per share (face value ₹ 2 each, partly paid up ₹ 0.50 per share)).

The accompanying notes form an integral part of these consolidated financial statements.

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

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

**Lalit Kumar**

Partner

Membership No.: 095256

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

**Divyesh B. Shah**

Whole Time Director & Chief Executive Officer

DIN: 00010933

**Pinank Shah**

Whole Time Director

DIN: 07859798

**Rajeev Lochan Agrawal**

Chief Financial Officer

**Lalit Sharma**

Company Secretary

Place: Noida

Date: 25 June 2020

Place: Mumbai

Date: 25 June 2020



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

### Note - 1

#### Group overview

Indiabulls Ventures Limited ('IBVL', 'the Holding Company', 'the Company') along with its subsidiaries and associate, collectively referred to as 'the Group' in following notes. The Group's primary businesses are "Broking and Related activities", "Financing and Related activities" and "Asset Reconstruction and Related activities". Broking and related activities include business as a stock broker on the National Stock Exchange of India Limited ('NSE') and the BSE Limited ('BSE'), business as a commodity broker on the Multi Commodity Exchange of India Limited and the National Commodity and Derivative Exchange Limited, business of cross selling of real estate and providing other ancillary services relating to broking activities. Financing and Related activities include personal loans, business installment loans etc. Asset Reconstruction and Related activities include asset reconstruction business of stressed assets.

On 2 April 2008, the equity shares of the Holding Company were listed on the NSE and the BSE after the demerger of the Holding Company from Indiabulls Financial Services Limited (erstwhile holding company) vide Scheme of Arrangement. The Holding Company is domiciled in India and its registered office is situated at M-62 & 63, First Floor, Connaught Place, New Delhi – 110001.

### Note - 2

#### General information and statement of compliance with Ind AS

These consolidated financial statements ('financial statements') have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies during the periods presented in this consolidated financial statements.

These consolidated financial statements for the year ended 31 March 2020 are the consolidated financial statements which has been prepared in accordance with Ind AS.

The consolidated financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 25 June 2020.

### Note - 3

#### 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 as explained in relevant accounting policies.

The Holding Company carried on the business of stock broking until 20 February 2020. The stock broking business was transferred to Indiabulls Securities Limited (formerly known as Indiabulls Commodities Limited, a wholly owned subsidiary of IBVL) through a slump sale transaction after receiving approvals from regulatory and other relevant Authorities. Since the Company was a Non-Banking Financial Company as defined under Rule 2(g) of the Companies (Indian Accounting Standards) Rules, 2015 issued under Section 133 of the Companies Act, 2013 till 20 February 2020 and having regard to the nature of the continuing operations of the Group, the Group has continued to present the financial statements using Division III of Schedule III to the Companies Act, 2013.

### Note - 4

#### Basis of consolidation

#### Subsidiaries



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

The consolidated financial statements comprise financial statements of the Holding Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls 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 the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss [including other comprehensive income ('OCI')] of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

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

### **Associate**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control those policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Interest in associates are accounted for using the equity method, after initially being recognized at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting principles and policies of the Group. The consolidated statement of profit and loss (including the other comprehensive income) includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interests in associates.

### **Business combination**

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group. Acquisition costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values. Goodwill is measured as excess of the aggregate of the fair value of the consideration transferred, the amount recognized for non-controlling interests and fair value of any previous interest



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

held, over the fair value of the net of identifiable assets acquired and liabilities assumed. If the fair value of the net of identifiable assets acquired and liabilities assumed is in excess of the aggregate mentioned above, the resulting gain on bargain purchase is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

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

### Note - 5

#### I Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

##### *Significant management judgements*

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

**Business model assessment** - The Group determines the business model at a level that reflects how groups 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 derecognised 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.

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

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

**Expected credit loss ('ECL')** – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Group makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

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

### *Significant estimates*

**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 utility of assets.

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

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

## II 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, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

### a. Property, plant and equipment

#### **Recognition and initial measurement**

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

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

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortised over the duration of the lease.

Asset class	Useful life
Furniture and fixtures	10 years
Vehicles	8-10 years
Office equipment	5 years
Computer equipment	3 years
Server and Networks	6 years
Leasehold improvements	Lower of useful life of the asset or lease term



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

Property, plant and equipment individually costing up to INR 5,000 are fully depreciated in the year of acquisition. Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

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

### De-recognition

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

### b. Intangible assets

#### Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

#### Subsequent measurement (amortisation)

Intangible assets consisting of membership rights of the BSE Limited and software are amortised on a straight line basis over a period of 5 and 4 years respectively from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

### c. Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Group can demonstrate following recognition requirements:

- The development costs can be measured reliably;
- The project is technically and commercially feasible;
- The Group intends to and has sufficient resources to complete the project;
- The Group has the ability to use or sell the such intangible asset; and
- The asset will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

### d. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

**Step 1: Identify contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2: Identify performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3: Determine the transaction price:** The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step 4: Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

**Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.**

### **The Group recognises revenue from the following sources:**

#### **Interest income**

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR on financial asset after netting off the fees received and cost incurred approximates the effective interest rate of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

#### **Income from assignment**

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss. EIS evaluated and adjusted for ECL and expected prepayment.

#### **Interest on investments and deposits**

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

#### **Brokerage income**

Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract.

#### **Management fee**

Management fee is recognised as revenue on accrual basis based on contractual arrangement, when there is no uncertainty in the ultimate realisation/collection.





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

### **Recovery/incentive fee**

Recovery/incentive fee is recognised as revenue on accrual basis based on contractual arrangement, when there is no uncertainty in the ultimate realisation/collection.

### **Commission income**

Commissions / brokerage from distribution of financial products are recognised on accrual basis upon allotment of the securities to the applicant.

### **Revenue from Digital Wallet Service & Merchant Fee**

Revenue from digital services is recognized for providing payment gateway aggregation services and as a platform for merchant transactions executed through the wallets provided to customers through payment gateways, on a periodic basis as and when transactions are settled. Wallet maintenance fees in relation to facilitating wallet transactions and maintenance of related technical platforms is recognized on an accrual basis. Merchant fees from wallet transaction are recognized on the basis of successful pay-out of wallet usage to the respective merchants. The settlements are done daily for such transactions with the merchants. Revenue from banking correspondence services are recognised on accrual basis in accordance with the terms and conditions of the underlying mandates entered into with bank. The Group provides card enabled prepaid payment program management and remittance services. In such contracts, revenue is recognised as and when transactions are done through cards.

### **Depository account maintenance income**

Depository account maintenance income is recognised on accrual basis and as at the time when the right to receive is established by the reporting date.

### **Dividend income**

Dividend income is recognised when the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

### **Net gain on fair value changes**

The Group designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Group recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

### **Miscellaneous income**

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

#### **e. Borrowing costs**

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



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

### f. Taxation

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

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside consolidated profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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 consolidated 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 is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

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. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside consolidated statement of profit and loss (either in other comprehensive income or in equity).

### g. Employee benefits

#### Short-term employee benefits

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

#### Other long-term employee benefits

The Group also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to consolidated statement of profit and loss in the year in which such gains or losses are determined.

**Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:**

### **Defined contribution plans**

The Group has a defined contribution plans namely provident fund, pension fund, labour welfare fund and employees state insurance scheme. The contribution made by the Group in respect of these plans are charged to the consolidated statement of profit and loss.

### **Defined benefit plans**

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 as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

### **h. Share based payments**

The Holding Company has formulated various Employees Stock Option Schemes. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in consolidated statement of profit and loss, with a corresponding adjustment to equity.

### **i. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

### **j. Provisions, contingent assets and contingent liabilities**

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

Contingent liability is disclosed for:

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



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

### k. 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.

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

#### Non-derivative financial assets

##### Subsequent measurement

i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in interest income in the Statement of Profit and Loss.

ii. **Financial assets carried at fair value through other comprehensive income (FVOCI):**

A financial asset is measured at FVOCI if both the following conditions are met:

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

FVOCI instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and impairment gains or losses are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit or loss.

iii. **Investments in equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.



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

### iv. Investments in mutual funds – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole. Based on the Group's business model for managing the investments, the Group has classified its investments and securities for trade at FVTPL. Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments."

#### De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Group's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Group has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

#### Non-derivative financial liabilities

##### Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

##### De-recognition of financial liabilities

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



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

### Convertible debentures

Convertible debentures are separated into liability and equity components basis the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as financial liability measured at amortised cost until it is extinguished on conversion. The remainder of the proceeds is recognised in equity since conversion option meets the fixed for fixed criteria.

### Offsetting of financial instruments

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

### Derivative contracts

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss using mark to market information.

The Group also enters into certain derivative contracts (futures) to hedge risks which are designated as hedges of the fair value of recognised assets i.e. investment in equity instrument (fair value hedge). For hedge assessment, the hedging relationship must meet conditions with respect to documentation, strategy and economic relationship of the hedged transaction. In case of fair value, the change in fair value of derivative is recognised in the consolidated statement of profit and loss along with change in fair value of underlying asset.

## I. Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Group factors historical trends and forward looking information to assess expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

### Loan assets

The Group follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-60 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

**Probability of Default (PD)** - The PD represents the likelihood of a borrower defaulting on its financial



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

obligation (as per “Definition of default and credit-impaired” above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

**Loss Given Default (LGD)** – LGD represents the Group’s expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

**Exposure at Default (EAD)** – EAD is based on the amounts the Group expects to be owed at the time of default. For a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

### Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

### Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

### Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument in consolidated statement of profit and loss.

### m. Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Recoverable amount is higher of an asset’s net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the consolidated statement of profit and loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

### n. Earnings per share

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

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

### o. Segment reporting

The Group identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance.

### p. Foreign currency

#### Functional and presentation currency

Items included in the financial statement of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements have been prepared and presented in Indian Rupees (INR), which is the Holding Company's functional and presentation currency.

#### Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

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

### q. Investment property

Investment properties are land and buildings that are held for long term lease rental yields and/or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising buildings are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on buildings is provided over the estimated useful lives of 60 years. The residual values, estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the Statement of Profit and Loss when the changes arise.

An investment property is de-recognised when either the investment property has been disposed of or do not meet the criteria of investment property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

### r. Classification of leases –

The Group enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

#### Leases

Till previous year, assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

For any new contracts entered into on or after 1 April 2019, the Group considers whether a contract is, or contains a lease (the transition approach has been explained and disclosed in Note 47). A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

#### Classification of leases

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

#### Recognition and initial measurement

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

#### Subsequent measurement

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist. At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Groups incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset."

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



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

### s. Treasury shares

The Group has created “Indiabulls Ventures Limited - Employee Welfare Trust” (‘Trust’) for the implementation of schemes namely employees stock options plans, employees stock purchase plan and stock appreciation rights plan. The Company treats IVL-EWT as its extension and the Company’s own shares held by IVL-EWT are treated as treasury shares. Treasury shares are presented as a deduction from equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

### t. Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but not distributed at the end of the reporting period, being appropriately authorised and no longer at the discretion of the Company. The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company’s Board of Directors.

### u. Indian Accounting Standards issued but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There are no new Indian accounting standards that have issued but have not been effective.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

<b>Note - 6</b> <b>Cash and cash equivalents</b>	<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
Cash on hand	9.98	5.07
Balance with banks:		
- in current accounts	196,888.21	96,230.16
- in bank deposits with original maturity of less than 3 months (refer 7(ii))	15,043.14	98,482.14
	<b>211,941.33</b>	<b>194,717.37</b>

<b>Note - 7</b> <b>Bank balance other than cash and cash equivalents</b>	<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
Bank deposits with original maturity of more than 3 months (refer 7(ii))	70,154.42	39,372.08
In earmarked balances :		
- Earmarked accounts	3,613.09	-
- Unpaid dividend accounts	283.09	301.99
	<b>74,050.60</b>	<b>39,674.07</b>

<b>(i) Bank deposits include:</b>		<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
<b>Particulars</b>			
a)	Deposits pledged with the National Stock Exchange of India, BSE Limited, NSE Clearing Limited, Multi Commodity Exchange of India Limited and National Commodity and Derivative Exchange Limited for the purpose of base capital and additional base capital.	16,995.24	1,296.25
b)	Deposits pledged with the banks against bank guarantees for base capital and additional base capital to the National Stock Exchange of India, BSE Limited, NSE Clearing Limited, Multi Commodity Exchange of India Limited and National Commodity and Derivative Exchange Limited.	5,755.00	15,536.85
c)	Deposits pledged with banks for overdraft facilities availed by the Group.	20,837.40	101,244.13
d)	Deposits pledged with bank against bank guarantees issued in favour of Unique Identification Authority of India.	50.26	50.00
e)	Deposits pledged with bank against bank guarantees issued in favour of National Stock Exchange of India Limited for right issue of the Holding Company.	1,700.00	850.00
f)	Deposits pledged for arbitration matters.	210.44	104.58
g)	Deposits pledged with State Commission, New Delhi for appeal filed by the Holding Company in a consumer dispute matter.	0.25	0.25
h)	Deposits pledged with Value added tax/ Sales tax authorities	2.90	2.90
i)	Deposits pledged for securitisations	23,360.17	6,138



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Note - 8 Trade receivables	As at 31 March 2020	As at 31 March 2019
Receivables considered good (unsecured)	15,214.76	27,336.19
Receivables which have significant increase in credit risk	8,293.58	3,071.71
<b>Total - gross</b>	<b>23,508.34</b>	<b>30,407.90</b>
Less: Impairment loss allowance	(8,293.58)	(3,071.71)
<b>Total - net</b>	<b>15,214.76</b>	<b>27,336.19</b>
<b>Trade receivable include :</b>		
Debts due by directors or other officers	-	-
Due from others	23,508.34	30,407.90

Note - 9 Other receivables	As at 31 March 2020	As at 31 March 2019
Receivables considered good (unsecured)	6,875.11	11,073.74
Receivables which have significant increase in credit risk	4,749.17	1,434.50
<b>Total - gross</b>	<b>11,624.28</b>	<b>12,508.24</b>
Less: Impairment loss allowance	(4,749.17)	(1,434.50)
<b>Total - net</b>	<b>6,875.11</b>	<b>11,073.74</b>

Note - 10 Loans	As at 31 March 2020		As at 31 March 2019	
	At amortised cost	At fair value through other comprehensive income*	At amortised cost	At fair value through other comprehensive income*
<b>(a) Loans</b>				
- Secured	227,372.66	3,133.48	562,155.20	-
- Unsecured	305,952.78	45,923.70	567,217.23	-
<b>(b) Margin funding loan receivables (secured, considered good)</b>	1,820.70	-	6,025.40	-
Less: Margin received	(478.84)	-	(1,017.13)	-
<b>Total gross</b>	<b>534,667.30</b>	<b>49,057.18</b>	<b>1,134,381</b>	-
Less: Impairment loss allowance	(60,344.86)	(283.55)	(14,716.48)	-
<b>Total net</b>	<b>474,322.44</b>	<b>48,773.63</b>	<b>1,119,664.22</b>	-
(i) Secured by tangible assets	226,486.61	3133.48	560,378.47	-
(ii) Secured by other assets	2,503.74	-	6,785.00	-
(iii) Unsecured	305,676.95	45,923.70	567,217.23	-
<b>Total gross</b>	<b>534,667.30</b>	<b>49,057.18</b>	<b>1,134,380.70</b>	-
Less: Impairment loss allowance	(60,344.86)	(283.55)	(14,716.48)	-
<b>Total net</b>	<b>474,322.44</b>	<b>48,773.63</b>	<b>1,119,664.22</b>	-
<b>Loans in India</b>				
(i) Public sector	-	-	-	-
(ii) Others	534,667.30	49,057.18	1,134,380.70	-



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Note - 10 Loans	As at 31 March 2020		As at 31 March 2019	
	At amortised cost	At fair value through other comprehensive income*	At amortised cost	At fair value through other comprehensive income*
<b>Total gross</b>	<b>534,667.30</b>	<b>49,057.18</b>	<b>1,134,380.70</b>	-
Less: Impairment loss allowance	(60,344.86)	(283.55)	(14,716.48)	-
<b>Total net</b>	<b>474,322.44</b>	<b>48,773.63</b>	<b>1,119,664.22</b>	-

\* During the year ended 31 March 2020, one of the wholly owned subsidiary of the Company has entered into series of bilateral assignment transactions against outstanding loan portfolio. In the light of this, the Group has concluded that the business model for loan against property, business installments loan and personal loan has changed from "hold to collect" to "hold to collect and sell". Accordingly, the Group had reclassified its eligible portfolio from amortised category to fair value through other comprehensive income (FVOCI) category and hence recorded a fair value gain in other comprehensive income.

Note - 11 Investments	As at 31 March 2020	As at 31 March 2019
<b>Measured at fair value through profit or loss:</b>		
<b>Investment in mutual funds -</b>		
Indiabulls Short Term Fund - Direct Plan - Growth [Number of units 58,519.58 (31 March 2019: nil) NAV: ₹ 1,738.98 (31 March 2019: ₹ nil) per unit]	1,017.64	-
Invesco India Liquid Fund - Direct Plan - Growth [Number of units: nil (31 March 2019: 194,585.50) NAV ₹ Nil (31 March 2019: ₹ 2,572.44) per unit]	-	5,005.59
Indiabulls Arbitrage Fund - Direct Plan - Growth [Number of units 1,391,865.94 (31 March 2019: nil) NAV: ₹ 14.39 (31 March 2019: ₹ nil) per unit]	200.32	-
Indiabulls Banking & PSU Debt Fund - Direct Plan - Growth [No of units 190,417.92 (31 March 2019: nil) NAV: ₹ 1,078.36 (31 March 2019: ₹ nil) per unit]	2,053.39	-
Indiabulls Dynamic Bond Fund - Direct Plan - Growth [Number of units 45,037.17 (31 March 2019: nil) NAV: ₹ 1,124.53 (31 March 2019: ₹ nil) per unit]	506.46	-
Indiabulls Savings Income Fund - Direct Plan - Growth (Erstwhile Monthly Income Plan until 06.03.18) [Number of units 6,689,052.70 (31 March 2019: nil) NAV: ₹ 14.33 (31 March 2019: ₹ nil) per unit]	958.58	-
Indiabulls Income fund- Direct Plan - Growth [Number of units: 8,557,972.37 (31 March 2019: 6,246,745.81) NAV: ₹ 17.72 (31 March 2019: ₹ 16.35) per unit]	1,516.33	1,021.49
Investment Savings Fund - Direct Plan-Growth [Number of units 144,865.09 (31 March 2019: 487,557.47) NAV: ₹ 1,116.05 (31 March 2019: ₹ 1,043.53) per unit]	1,616.76	5,087.83
Indiabulls Ultra Short term fund- Direct Plan- Growth [Number of units: nil (31 March 2019: 544,893.74) NAV ₹ Nil (31 March 2019: ₹ 1,866.21) per unit]	-	10,168.86



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Note - 11 Investments	As at 31 March 2020	As at 31 March 2019
UTI Liquid Cash Plan - Direct Growth Plan [Number of units: nil (31 March 2019: 81,778.44) NAV ₹ Nil (31 March 2019: ₹ 3,060.74) per unit]	-	2,503.03
JM Large Cap Fund - Dividend option [Number of units nil (31 March 2019: 116,117,193.26) NAV ₹ Nil (31 March 2019: ₹ 26.91) per unit]	-	31,247.94
Axis Liquid Fund - Direct Growth [Number of units: nil (31 March 2019: 76.54) NAV ₹ Nil (31 March 2019: ₹ 2,073.52) per unit]	-	1.59
Aditya Birla Sun life liquid fund- Growth- Direct Plan [Number of units: nil (31 March 2019: 528.17) NAV ₹ Nil (31 March 2019: ₹ 300.44) per unit]	-	1.59
HDFC Liquid Fund - Direct Plan- Growth [Number of units: nil (31 March 2019: 43.14) NAV ₹ Nil (31 March 2019: ₹ 3,678.29) per unit]	-	1.59
ICICI Prudential Liquid Fund - Direct Growth Plan [Number of units: nil (31 March 2019: 547.05) NAV ₹ Nil (31 March 2019: ₹ 276.42) per unit]	-	1.59
Kotak Liquid Fund - Direct Plan Growth [Number of units: nil (31 March 2019: 41.92) NAV ₹ Nil (31 March 2019: ₹ 3,784.33) per unit]	-	1.59
Reliance Liquid Fund - Direct Growth Plan [Number of units: nil (31 March 2019: 43.14) NAV ₹ Nil (31 March 2019: ₹ 3,678.29) per unit]	-	1.59
SBI Liquid Fund - Direct Growth [Number of units: nil (31 March 2019: 54.19) NAV ₹ nil (31 March 2019: ₹ 2,928.57) per unit]	-	1.59
<b>Investment in Alternative Investment Funds</b>		
Indiabulls India Opportunities Fund	285.59	277.55
<b>Investment in debt securities</b>		
2,000 (31 March 2019: 25) non convertible debentures of Housing Development Finance Corporation Limited	20,734.50	2,617.51
1,450 (31 March 2019: nil) non convertible debentures of LIC Housing Finance Limited	15,021.21	-
5,000 (31 March 2019: nil) certificate of deposit of IndusInd Bank Limited	4,658.16	-
1,000 (31 March 2019: nil) non convertible debentures of Power Finance Corporation Limited	10,185.01	-
<b>Investment in security receipts -</b>		
Indiabulls ARC - II Trust Number of security receipts: 240,000 (31 March 2019: 240,000), Face value: ₹ 746.67 (31 March 2019: ₹ 805.81) per security receipt	1,792.01	1,933.94
Indiabulls ARC - IX Trust Number of security receipts: 154,500 (31 March 2019: Nil), Face value of ₹ 710.04 (31 March 2019: Nil) per security receipt	1,097.01	-
Indiabulls ARC - XIV Trust Number of security receipts: 160,500 (31 March 2019: Nil), Face value of ₹ 1000 (31 March 2019: Nil) per security receipt	1,605.00	-



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Note - 11 Investments	As at 31 March 2020	As at 31 March 2019
<b>Sub total (A)</b>	<b>63,247.97</b>	<b>59,874.87</b>
<b>Measured At fair value through other comprehensive income</b>		
<b>Investment in equity instruments: -</b>		
BSE Limited	164.28	397.25
55,350 (31 March 2019: 65,000) equity shares of ₹2 each, fully paid-up		
<b>Sub total (B)</b>	<b>164.28</b>	<b>397.25</b>
Less: Impairment loss allowance	-	-
<b>Total (A+B)</b>	<b>63,412.25</b>	<b>60,272.12</b>
Investments outside India	-	-
Investments in India	63,412.25	60,272.12
<b>Total</b>	<b>63,412.25</b>	<b>60,272.12</b>

Note - 12 Other financial assets	As at 31 March 2020	As at 31 March 2019
(a) Loan notes and escrow receivable (refer footnote 1 below)	760.42	646.16
(b) Loan to employees	680.70	353.68
(c) Security deposits		
<b>Unsecured, considered good</b>		
(i) Deposits (including margin money) with stock exchanges	6,290.41	3,458.96
(ii) Deposits for underwriting/distribution of real estate projects	33,263.45	89,965.43
(iii) Deposits with others	907.43	591.64
<b>Unsecured, considered doubtful</b>		
(i) Deposits with others	20.10	23.00
	<b>40,481.39</b>	<b>94,039.03</b>
Less: Impairment loss allowance	(20.10)	(23.00)
	<b>40,461.29</b>	<b>94,016.03</b>
(d) Advances for purchase of share (refer footnote 2 below)	7,606.48	-
(e) Interest spread on assigned assets	44,517.66	2,980.68
Less: Impairment loss allowance	(1,915.71)	-
(f) Deposit for mark to market margin account	-	581.76
(g) Others	226.54	36.97
	<b>92,337.38</b>	<b>98,615.28</b>

### Footnotes:

- (i) During the year ended 31 March 2012, the Company had sold 586,193 shares held by it in Copal Partners Limited to Moody's Group UK LTD for the consideration of ₹ 2,319.93 lakh vide the share purchase deed. Out of the total consideration of ₹ 2,319.93 lakh receivable from Moody's Group UK LTD, ₹ 760.42 lakh (including foreign exchange gain) [31 March 2019: ₹ 646.16 lakh (including foreign exchange gain)] is outstanding as at 31 March 2020 in the form of Loan Notes of the Moody's Group UK LTD and Escrow account.
- (ii) During the year ended 31 March 2020, Indiabulls Consumer Finance Limited, a wholly owned subsidiary, has given advance to the shareholders of Transerv Limited, for acquisition of remaining share holding of Transerv Limited.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

<b>Note - 13</b> <b>Current tax assets (net)</b>	<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
Advance Income-tax (including tax deducted at source)	16,036.80	7,248.31
(Net of provision for taxation)		
	<b>16,036.80</b>	<b>7,248.31</b>

<b>Note - 14</b> <b>Deferred tax assets (net)</b>	<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
<b>Deferred tax assets:</b>		
Provision for doubtful debts, advances and security deposits	339.39	-
Provision for contingencies	535.18	196.56
Impairment loss allowance	15,397.76	4,564.85
Disallowances u/s. 40A(7) of the Income-tax Act, 1961	596.01	378.58
Disallowances u/s. 43B of the Income-tax Act, 1961	290.50	271.82
Financial liabilities measured at amortised cost	322.71	-
Difference between tax balance and book balance of fixed assets	130.46	217.54
Tax losses carried forward	4,803.62	480.80
Lease equalisation reserve	-	109.90
Financial assets measured at amortised cost	1,918.41	131.89
Share based payments	2,070.03	2,575.35
Compulsorily convertible debentures	1,012.89	7,286.46
Minimum alternate tax credit entitlement*	1,666.05	1,336.00
Leases liabilities	19.50	-
Others	409.75	0.70
<b>Deferred tax assets (A):</b>	<b>29,512.26</b>	<b>17,550.45</b>
<b>Deferred tax liability:</b>		
Financial assets measured at fair value through profit and loss	-	8.02
Financial assets measured at fair value through other comprehensive income	266.53	-
Difference between book balance and tax balance of fixed assets	752.19	550.82
Derecognition of financial instruments measured under amortised cost category	11,224.15	1,041.57
Financial assets measured at amortised cost	-	1,163.99
Financial liabilities measured at amortised cost	-	1,029.15
<b>Deferred tax liability (B):</b>	<b>12,242.87</b>	<b>3,793.55</b>
<b>Deferred tax assets (net) C = (A) - (B)</b>	<b>17,269.39</b>	<b>13,756.90</b>





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Movement in deferred tax assets (net)	Balance as at 1 April 2019	Recognised in profit and loss	Recognised in other comprehensive income	Recognised in other equity	Balance as at 31 March 2020
<b>Deferred tax assets:</b>					
Provision for doubtful debts, advances and security deposits	-	339.39	-	-	339.39
Provision for contingencies	196.56	338.62	-	-	535.18
Impairment loss allowance	4,564.85	10,832.91	-	-	15,397.76
Disallowances u/s. 40A(7) of the Income-tax Act, 1961	378.58	217.43	-	-	596.01
Disallowances u/s. 43B of the Income-tax Act, 1961	271.82	(2.17)	20.85	-	290.50
Difference between tax balance and book balance of fixed assets	217.54	(87.08)	-	-	130.46
Tax losses carried forward	480.80	4,322.82	-	-	4,803.62
Lease equalisation reserve	109.90	(109.90)	-	-	-
Financial assets measured at amortised cost	131.89	1,786.52	-	-	1,918.41
Financial liabilities measured at amortised cost		322.71			322.71
Share based payments	2,575.35	(505.32)	-	-	2,070.03
Compulsorily convertible debentures	7,286.46	(5,284.69)	-	(988.88)	1,012.89
Minimum alternate tax credit entitlement*	1,336.00	330.05	-	-	1,666.05
Leases liabilities	-	19.50	-	-	19.50
Others	0.70	675.58	(266.53)	-	409.75
<b>Deferred tax assets (A):</b>	<b>17,550.45</b>	<b>13,196.37</b>	<b>(245.68)</b>	<b>(988.88)</b>	<b>29,512.26</b>
<b>Deferred tax liabilities:</b>					
Financial assets measured at fair value through profit and loss	8.02	(8.02)	-	-	-
Difference between book balance and tax balance of fixed assets	550.82	201.37	-	-	752.19
Financial assets measured at fair value through other comprehensive income	-	266.53	-	-	266.53
On account of impairment allowances	-	-	-	-	-
Derecognition of financial instruments measured under amortised cost category	1,041.57	10,182.58	-	-	11,224.15
Financial assets measured at amortised cost	1,163.99	(1,163.99)	-	-	-
Financial liabilities measured at amortised cost	1,029.15	(1,029.15)	-	-	-
<b>Deferred tax liabilities (B):</b>	<b>3,793.55</b>	<b>8,449.32</b>	<b>-</b>	<b>-</b>	<b>12,242.87</b>
<b>Deferred tax assets (net) C = (A) - (B)</b>	<b>13,756.90</b>	<b>4,747.05</b>	<b>(245.68)</b>	<b>(988.88)</b>	<b>17,269.39</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Movement in deferred tax assets (net)	Balance as at 1 April 2018	Recognised in profit and loss	Recognised in other comprehensive income	Recognised in other equity	Balance as at 31 March 2019
<b>Deferred tax assets:</b>					
Provision for contingencies	26.21	170.35	-	-	196.56
Impairment loss allowance	1,912.59	2,652.26	-	-	4,564.85
Disallowance under section 40A(7) of the Income-tax Act, 1961	226.58	152.00	-	-	378.58
Disallowance under section 43(B) of the Income-tax Act, 1961	173.17	74.69	23.96	-	271.82
Depreciation and amortisation	343.21	(125.67)	-	-	217.54
Carried forward losses	576.96	(96.16)	-	-	480.80
Lease equalisation reserve	39.97	69.93	-	-	109.90
Financial assets measured at amortised cost	1,182.97	(1,051.08)	-	-	131.89
Share based payments	1,102.49	1,472.86	-	-	2,575.35
Compulsorily convertible debentures	-	(1,830.77)	-	9,117.23	7,286.46
Minimum alternate tax credit entitlement*	1,307.78	28.22	-	-	1,336.00
Others	3.34	(2.64)	-	-	0.70
<b>Deferred tax assets (A):</b>	<b>6,895.27</b>	<b>1,513.99</b>	<b>23.96</b>	<b>9,117.23</b>	<b>17,550.45</b>
<b>Deferred tax liabilities:</b>					
Financial assets measured at fair value through profit and loss	2.96	5.06	-	-	8.02
Depreciation and amortisation	316.77	234.05	-	-	550.82
Derecognition of financial instruments measured at amortised cost category	-	1,041.57	-	-	1,041.57
Financial assets measured at amortised cost	-	1,163.99	-	-	1,163.99
Financial liabilities measured at amortised cost	141.56	887.59	-	-	1,029.15
<b>Deferred tax liabilities (B):</b>	<b>461.29</b>	<b>3,332.26</b>	<b>-</b>	<b>-</b>	<b>3,793.55</b>
<b>Deferred tax assets (net) C = (A) - (B)</b>	<b>6,433.98</b>	<b>(1,818.27)</b>	<b>23.96</b>	<b>9,117.23</b>	<b>13,756.90</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

* Expiry date of minimum alternate tax credit Expiry financial year (as per Income-tax Act, 1961)	As at 31 March 2020	As at 31 March 2019
1 April 2024 - 31 March 2025	45.11	45.11
1 April 2025 - 31 March 2026	154.63	154.63
1 April 2026 - 31 March 2027	436.83	442.62
1 April 2031 - 31 March 2032	531.58	531.58
1 April 2032 - 31 March 2033	133.84	133.84
1 April 2033 - 31 March 2034	364.06	28.22
	<b>1,666.05</b>	<b>1,336.00</b>

Tax losses for which no deferred tax assets has been recognised #: Expiry financial year (as per Income-tax Act, 1961)	As at 31 March 2020	As at 31 March 2019
Unused tax losses		
1 April 2019 - 31 March 2020	-	0.60
1 April 2021 - 31 March 2022	61.18	61.18
1 April 2022 - 31 March 2023	4,674.86	4,641.14
1 April 2023 - 31 March 2024	3,859.39	101.37
1 April 2024 - 31 March 2025	1,514.89	26.92
1 April 2025 - 31 March 2026	15,378.27	15,208.18
1 April 2026 - 31 March 2027	6,902.61	1,399.44
1 April 2027 - 31 March 2028	10,525.77	-
Unabsorbed depreciation for indefinite period	3,749.66	814.34
	<b>46,666.63</b>	<b>22,254.74</b>

# Deferred tax assets on unabsorbed depreciation/ brought forward losses is recognised only to the extent of probability of availability and certainty of future taxable profits with convincing evidence. The Group has not created deferred tax assets on brought forward tax losses of certain subsidiary companies as defined above.

Note - 15 Investment accounted for using equity method	As at 31 March 2020	As at 31 March 2019
<b>Investment in associate (unquoted, at cost)</b>		
Nil (31 March 2019: 2,137,981) equity shares of ₹ 10 each, of Transerv Limited	-	3,570.42
Less : Share of loss in associate	-	(2.84)
	-	<b>3,567.58</b>

### Notes:

- Equity investments in associate are measured at cost as per provision of IndAS 27 on 'Separate Financial Statements'.
- The Group had acquired 33% equity stake of "Transerv Limited" (formerly known as "Transerv Private Limited") (hereinafter referred to as "Investee") on 29 March 2019. The Group exercises significant influence over the



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

investee and accordingly, the same has been accounted for as an “Associate” as per the provisions of Ind AS 28 “Investments in associates and joint venture”.

- c) During the year ended 31 March 2020, the Group has further acquired 9% equity stake of “Transerv Limited” (formerly known as “Transerv Private Limited”) and shareholding of the Group stands 42% in Transerv Limited. By virtue of control as per Ind AS 110- Consolidated Financial Statement, “Transerv Limited” has become subsidiary of the Company. Further, subsequent to 31 March 2020, the Group has further acquired the remaining 58% stake in Transerv Limited making it wholly owned subsidiary of the Company.

Note - 16 A Property, plant and equipment	Furniture and fixtures	Vehicles#	Office equipment	Computers	Server and networking cost	Leasehold improvements	Freehold land	Total
<b>Gross block (at cost)</b>								
As at 1 April 2018	448.00	487.54	339.35	1,829.40	-	200.44	-	3,304.73
Additions during the year	381.12	106.73	378.26	1,973.54	-	-	12.98	2,852.63
Sales/adjustment during the year	0.20	4.57	2.91	0.75	-	1.73	-	10.16
<b>As at 31 March 2019</b>	<b>828.92</b>	<b>589.70</b>	<b>714.70</b>	<b>3,802.19</b>	-	<b>198.71</b>	<b>12.98</b>	<b>6,147.20</b>
Addition on acquisition of subsidiary	0.35	-	1.21	19.06	-	-	-	20.62
Additions during the year	2,976.16	64.98	640.97	822.36	287.22	208.54	-	5,000.23
Sales/adjustment during the year	8.52	57.54	9.25	8.79	-	3.08	-	87.18
<b>As at 31 March 2020</b>	<b>3,796.91</b>	<b>597.14</b>	<b>1,347.63</b>	<b>4,634.82</b>	<b>287.22</b>	<b>404.17</b>	<b>12.98</b>	<b>11,080.87</b>
<b>Accumulated depreciation</b>								
As at 1 April 2018	31.72	74.31	44.54	303.00	-	47.52	-	501.09
Depreciation during the year	70.05	90.57	108.91	724.12	-	43.61	-	1,037.26
Sales/adjustment during the year	0.17	3.84	2.66	0.76	-	0.98	-	8.41
<b>As at 31 March 2019</b>	<b>101.60</b>	<b>161.04</b>	<b>150.79</b>	<b>1,026.36</b>	-	<b>90.15</b>	-	<b>1,529.94</b>
Addition on acquisition of subsidiary	0.16	-	0.83	12.16	-	-	-	13.15
Depreciation during the year	246.07	93.33	233.57	1,126.29	21.44	99.73	-	1,820.43
Sales/adjustment during the year	8.63	10.90	8.78	7.44	-	-	-	35.75
<b>As at 31 March 2020</b>	<b>339.20</b>	<b>243.47</b>	<b>376.41</b>	<b>2,157.37</b>	<b>21.44</b>	<b>189.88</b>	-	<b>3,327.77</b>
<b>Net Block as at 31 March 2019</b>	<b>727.32</b>	<b>428.66</b>	<b>563.91</b>	<b>2,775.83</b>	-	<b>108.56</b>	<b>12.98</b>	<b>4,617.26</b>
<b>Net Block as at 31 March 2020</b>	<b>3,457.71</b>	<b>353.67</b>	<b>971.22</b>	<b>2,477.45</b>	<b>265.78</b>	<b>214.29</b>	<b>12.98</b>	<b>7,753.10</b>

# Includes vehicles having carrying value of ₹ 99.17 lakh (31 March 2019 ₹ 192.80 lakh which are hypothecated to banks against the respective loans.

- (a) Refer note 48B, for disclosure of contractual commitments to be executed on capital account for property, plant and equipment.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

<b>Note - 16 B</b> <b>Right of use of assets</b>	<b>Building office premises</b>
<b>Gross block (at cost)</b>	
<b>As at 1 April 2019</b>	-
Reclassified on account of adoption of Ind AS 116	22,978.81
Additions during the year	8,995.05
Deletion	(2,858.67)
Amortisation during the year	(4,979.99)
<b>As at 31 March 2020</b>	<b>24,135.20</b>

<b>Note - 16 C</b> <b>Intangible assets under development</b>	
<b>As at 1 April 2018</b>	<b>544.30</b>
Additions during the year	2,830.46
Capitalised during the year	2,473.56
<b>As at 31 March 2019</b>	<b>901.20</b>
Additions on acquisition of subsidiary	10.21
Addition during the year	2,407.93
Capitalised during the year	2,711.22
<b>As at 31 March 2020</b>	<b>608.12</b>
<b>As at 31 March 2019</b>	<b>901.20</b>
<b>As at 31 March 2020</b>	<b>608.12</b>

<b>Note - 16D</b> <b>Goodwill on consolidation</b>	<b>Goodwill</b>
<b>As at 1 April 2018</b>	<b>319.77</b>
Add: Adjustment on acquisition	-
Less: Adjustment on disposal of subsidiary	-
<b>As at 31 March 2019</b>	<b>319.77</b>
Add: Adjustment on acquisition	3,586.66
Less: Adjustment on disposal of subsidiary	-
<b>As at 31 March 2020</b>	<b>3,906.43</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Note - 16 E	Software
<b>Other intangible assets</b>	
<b>Gross block (at cost)</b>	
<b>As at 1 April 2018</b>	<b>4,133.26</b>
Additions during the year	5,120.11
Sales/adjustment during the year	-
<b>As at 31 March 2019</b>	<b>9,253.37</b>
Addition on acquisition of subsidiary	7,079.50
Additions during the year	4,344.25
<b>As at 31 March 2020</b>	<b>20,677.12</b>
<b>Accumulated depreciation</b>	
<b>As at 1 April 2018</b>	<b>697.90</b>
Amortisation during the year	1,660.50
Sales/adjustment during the year	-
<b>As at 31 March 2019</b>	<b>2,358.40</b>
Addition on acquisition of subsidiary	906.00
Amortisation during the year	4,790.50
Impairment during the year	13.81
Sales/adjustment during the year	-
<b>As at 31 March 2020</b>	<b>8,068.71</b>
<b>Net Block as at 31 March 2019</b>	<b>6,894.97</b>
<b>Net Block as at 31 March 2020</b>	<b>12,608.41</b>

Note - 16 F	Land	Building	Total
<b>Investment Property</b>			
<b>Gross block (at cost)</b>			
<b>As at 31 March 2019</b>	-	-	-
Additions during the year	26,919.79	205.21	27,125.00
Sales/adjustment during the year	-	-	-
<b>As at 31 March 2020</b>	<b>26,919.79</b>	<b>205.21</b>	<b>27,125.00</b>
<b>Accumulated depreciation</b>			
<b>As at 1 April 2019</b>	-	-	-
Depreciation during the year	-	2.50	2.50
Sales/adjustment during the year	-	-	-
<b>As at 31 March 2020</b>	<b>-</b>	<b>2.50</b>	<b>2.50</b>
<b>Net Block as at 31 March 2020</b>	<b>26,919.79</b>	<b>202.71</b>	<b>27,122.50</b>

### Notes:

Disclosures relating to fair valuation of investment property

Fair value of the above investment property as at 31 March 2020 is ₹ 30,311.36 lakh (2019: NA) based on circle rate of the area in which property is situated.

The Group has not earned any rental income on the above properties.

Note - 17	As at 31 March 2020	As at 31 March 2019
<b>Other non-financial assets</b>		
(a) Capital advances	46,372.29	1,823.68
(b) Prepaid expenses	1,857.61	3,711.30
(c) Balance with government authorities	6,247.17	3,882.32
(d) Advance against assigned assets	2,303.08	-
(e) Advances to suppliers	3,441.04	2,430.97
(f) Others (net)	1,133.88	1,041.01
	<b>61,355.07</b>	<b>12,889.28</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Note - 18 Derivative financial instruments	As at 31 March 2020	As at 31 March 2019
<b>Part I</b>		
<b>Notional amounts</b>		
Index linked derivatives	-	12,282.23
<b>Total</b>	-	<b>12,282.23</b>
<b>Fair value</b>		
Index linked derivatives	-	209.42
<b>Total</b>	-	<b>209.42</b>
<b>Part II</b>		
Included in above (Part I) are derivatives held for hedging and risk management purpose as follows:		
<b>Notional amounts</b>		
(i) Undesignated derivatives	-	12,282.23
- Index linked derivatives	-	12,282.23
<b>Total</b>		
<b>Fair value</b>		
(i) Undesignated derivatives		
- Index linked derivatives		
<b>Total</b>	-	209.42
	-	<b>209.42</b>

Note - 19 Trade payables	As at 31 March 2020	As at 31 March 2019
(a) Total outstanding due to micro enterprises and small enterprises (i)	2.42	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	8,508.62	6,430.98
	<b>8,511.04</b>	<b>6,430.98</b>

(i) Based on and to the extent of the information received by the Group from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

	Particulars	As at 31 March 2020	As at 31 March 2019
(a)	Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	2.42	-
(b)	Interest due thereon	-	-
(c)	Interest paid by the Group in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
(d)	Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period / year) but without adding the interest specified under MSMED Act, 2006	-	-
(e)	Interest accrued and remaining unpaid as at end of the period / year	-	-



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

<b>Note - 20</b> <b>Other payables</b>	<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
(a) Total outstanding due to micro enterprises and small enterprises (i)	-	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	4,051.25	2,674.15
	<b>4,051.25</b>	<b>2,674.15</b>

(i) Based on and to the extent of the information received by the Group from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

	<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
(a) Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	-
(b) Interest due thereon	-	-
(c) Interest paid by the Group in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
(d) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period / year) but without adding the interest specified under MSMED Act, 2006	-	-
(e) Interest accrued and remaining unpaid as at end of the period / year	-	-

<b>Note - 21</b> <b>Debt securities (at amortised cost)</b>	<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
<b>Unsecured</b>		
Non-convertible debentures (refer 'a' below)	79,677.24	78,486.16
Liability component of compulsorily convertible debentures (refer 'b' below)	9,058.77	30,019.30
Commercial papers (unsecured) (refer 'c' below)	-	95,000.00
<b>Total</b>	<b>88,736.01</b>	<b>203,505.46</b>
Debt securities in India	88,736.01	203,505.46
Debt securities outside India	-	-
<b>Total</b>	<b>88,736.01</b>	<b>203,505.46</b>





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

- (a) Secured redeemable non convertible debentures (payable at par unless otherwise stated) issued by subsidiary company (Indiabulls Consumer Finance Limited):

Particulars	As at 31 March 2020	As at 31 March 2019
10.60% redeemable non convertible debentures of face value of ₹ 10 lakh each redeemable on 29 March 2021 & is repayable in four equated installment falling due in year 2020-21.	-	16,911.86
10.75% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 8 May 2021 in one instalment.	37,404.20	37,092.77
10.75% (Effective yield) cumulative redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 8 May 2021 in one instalment.	2,726.86	2,438.97
10.40% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 8 May 2022 in one instalment.	3,211.30	3,192.94
10.90% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 8 May 2022 in one instalment.	7,464.17	7,421.52
10.90% (Effective yield) cumulative redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 8 May 2022 in one instalment.	2,605.43	2,332.58
10.50% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 8 March 2024 in one instalment.	4,634.79	4,617.97
11.00% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 8 March 2024 in one instalment.	2,570.49	2,561.16
11.00% (Effective yield) cumulative redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 8 March 2024 in one instalment.	2,138.53	1,916.39
10.00% (Effective yield) cumulative redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 31 July 2020 in one instalment.	1,312.67	-
10.27% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 27 June 2021 in one instalment.	691.95	-
10.25% (Effective yield) cumulative redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 27 June 2021 in one instalment.	362.12	-
9.95% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 27 June 2022 in one instalment.	1,182.59	-
10.41% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 27 June 2022 in one instalment.	1,167.16	-
10.40% (Effective yield) cumulative redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 27 June 2022 in one instalment.	442.44	-
10.13% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 27 June 2024 in one instalment.	1,485.96	-
10.61% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 27 June 2024 in one instalment.	1,215.97	-
10.60% (Effective yield) cumulative redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 27 June 2024 in one instalment.	451.59	-



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Particulars	As at 31 March 2020	As at 31 March 2019
10.00% (Effective yield) cumulative redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 10 October 2020 in one instalment.	6,187.35	-
10.12% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 06 September 2021 in one instalment.	119.95	-
10.10% (Effective yield) cumulative redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 06 September 2021 in one instalment.	50.27	-
9.81% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 06 September 2022 in one instalment.	293.32	-
10.27% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 06 September 2022 in one instalment.	221.88	-
10.25% (Effective yield) cumulative redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 06 September 2022 in one instalment.	89.36	-
10.04% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 06 September 2024 in one instalment.	373.88	-
10.52% redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 06 September 2024 in one instalment.	1,164.81	-
10.50% (Effective yield) cumulative redeemable non-convertible debentures of face value ₹ 1,000 each redeemable on 06 September 2024 in one instalment.	108.24	-

These debentures are secured by way of first ranking pari-passu charge on the current assets (including investments), both present & future and on present & future loan assets including all monies receivable for the principle amount and interest thereon.

- b) During the year ended 31 March 2019, the Board of Directors had resolved to create, offer, issue and allot up to an aggregate of 27,985,455 compulsorily convertible debentures ("CCDs") of face value of ₹ 550 each, convertible into equivalent numbers of equity shares of ₹ 2 each at a conversion price of ₹ 550 per equity share (including premium of ₹ 548 per equity share) under the Non-Promoter Category by way of a preferential issue on a private placement basis to the certain foreign investors ("the CCD holders"). Subsequent to year ended 31 March 2020, these CCDs have been converted into 27,985,455 fully paid-up equity shares of face value of ₹ 2 each at a premium of ₹ 548 per share."

### Terms of the Issue:

- CCDs will be compulsorily converted into fully paid-up equity shares of face value of ₹ 2 each at a conversion price of ₹ 550 each on or before 18 months from the date of the allotment of the CCDs.
- CCDs carry interest rate of 14.90% per annum, payable quarterly and interest is payable and calculated on the face value of CCDs, commencing from the date of its allotment and until the date of its conversion into the equity shares.

### (c) Commercial papers includes:

Particulars	As at 31 March 2020	As at 31 March 2019
This amount is repayable in one instalment in May 2019.	-	70,000.00
This amount is repayable in one instalment in June 2019.	-	25,000.00

The effective interest rate on the commercial papers outstanding as at 31 March 2019 was in the range of 8.75% to 9.50% per annum.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

<b>Note - 22</b> <b>Borrowings (other than debt securities) (at amortised cost)</b>	<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
<b>(a) Secured</b>		
From Banks		
- Term loans (refer 'i' below)	301,396.73	515,313.51
- Vehicle loans (refer 'ii' below)	59.83	135.37
Loans repayable on demand from banks		
- Bank overdraft (refer 'iii' below)	10,855.78	103,501.35
- Working capital loan (refer 'iv' below)	-	1,500.00
Liability against securitised assets	92,156.05	40,828.54
<b>(b) Unsecured</b>		
From others (unsecured)		
- Term loan (refer 'v' below)	20,000.00	-
<b>Total</b>	<b>424,468.39</b>	<b>661,278.77</b>
Borrowings in India	424,468.39	661,278.77
Borrowings outside India	-	-
<b>Total</b>	<b>424,468.39</b>	<b>661,278.77</b>

### (i) Term loan from banks include

<b>Particulars</b>	<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
This loan is repayable in 13 quarterly equated instalments commencing from December 2017 with last instalment falling due in year 2019-20.	-	2,683.14
This loan is repayable in 16 quarterly equated instalments with moratorium period of 1 years from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	6,246.71	8,743.67
This loan is repayable in 13 quarterly equated instalments commencing from December 2017 with last instalment falling due in year 2019-20.	-	9,404.88
This loan is repayable in one instalment in April 2019.	-	14,999.58
This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	29,992.74	29,989.10
This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	29,987.90	29,981.83



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Particulars	As at 31 March 2020	As at 31 March 2019
This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	49,988.19	49,982.12
This loan is repayable in one instalment in September 2019.	-	99,918.47
This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	14,966.90	14,954.67
This loan is repayable in 13 equated quarterly instalments with first instalment due at the end of 3 months from the date of disbursement. Loan repayment commencing from September 2018 with last instalment falling due in year 2021-22.	4,607.36	7,671.26
This loan is repayable in 12 equated quarterly instalments which shall commence from the quarter end during which the limit is disbursed. Loan repayment commencing from December 2018 with last instalment falling due in year 2021-22.	9,905.82	16,419.73
This loan is repayable in one instalment in September 2019.	-	30,000.00
This loan is repayable in one instalment in September 2020.	29,450.10	-
This loan is repayable in 18 equated monthly instalments after moratorium of 7 months. Loan repayment commencing from May 2019 with last instalment falling due in year 2020-21.	38,784.92	99,184.41
This loan is repayable in five years with instalments of ₹ 7,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 1,000.00 lakh each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year 2023-24.	27,500.00	42,500.00
This loan is repayable in five years with instalments of ₹ 4,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 600.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	21,000.00	-
This loan is repayable in five years with instalments of ₹ 5,460.00 lakh each to be paid for the first six instalments and instalments of ₹ 728.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	25,480.00	36,400.00
This loan is repayable in 3 equated instalments of ₹ 2,500 lakh each at the end of 3rd, 4th and 5th year after a moratorium period of 2 years.	7,486.10	7,481.04
This loan is repayable in one instalment in April 2019. (refer "c" below)	-	14,999.61
This working capital demand loan is repayable in one instalment in June 2020.	6,000.00	-
<b>Total</b>	<b>301,396.74</b>	<b>515,313.51</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### Nature of security and interest rate applicable

- a. Secured by way of first pari-passu charge over loans and advances, receivables and current assets (including cash and cash equivalents, investments in debt mutual funds and liquid mutual funds) and future book debts of Indiabulls Consumer Finance Limited.
- b. The loan carries rate of interest of 8.70% to 10.75% per annum (as at 31 March 2019: 8.90% to 10.75% per annum) as on balance sheet date.
- c. Secured against receivables and current assets (including cash and cash equivalents and investments) on pari-passu basis of Indiabulls Ventures Limited. The loan carried Nil rate of interest (as at 31 March 2019: 10.50% per annum) as on balance sheet date and has been repaid in one bullet payment in April 2019.
- ii) Vehicle loans are secured against hypothecation of the vehicles purchased. The rate of interest of such term loans ranges between 8.50% to 10.30% per annum (as at 31 March 2019: 7.75% to 9.00% per annum). The term loans are repayable in equated monthly installments of 5 years.
- iii) Bank overdraft facilities are secured against bank deposits pledged with respective banks and are repayable on demand. Bank overdraft carries rate of interest ranging from 7.74% to 9.50% per annum (as at 31 March 2019: 5.50% to 11.25% per annum).
- iv) Working capital loans were secured against book debts and loans and advances on pari-passu basis and were repayable on demand. The loan carries rate of interest of Nil. (as at 31 March 2019: 9.00% to 9.50% per annum) as at balance sheet date.
- v) Unsecured term loan carries rate of interest of 10% per annum (31 March 2019 : Nil) and is repayable within 36 months from the date of disbursement of loan.

<b>Note - 23</b> <b>Lease liabilities</b>	<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
Lease Liabilities (refer note 47)	25,624.33	-
	<b>25,624.33</b>	<b>-</b>

<b>Note - 24</b> <b>Other financial liabilities</b>	<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
Interest accrued on debt securities	750.57	410.00
Interest accrued on borrowings (other than debt securities)	1,379.17	817.92
Unpaid dividends (i)	283.09	301.99
Margin from customers	11,674.85	14,245.14
Temporary overdrawn bank balances as per books	11,012.22	40,987.28
Payable towards assignment transactions	2,810.92	1,089.03
Expenses payable	1,441.54	1,376.18
Other payable	2,952.22	54.74
	<b>32,304.58</b>	<b>59,282.28</b>

- (i) In respect of amounts mentioned under Section 124 (5) of the Companies Act, 2013, the Company has credited ₹ 52.63 lakh (31 March 2019: ₹ Nil) to the Investor Education and Protection Fund.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Note - 25 Current tax liabilities (net)	As at 31 March 2020	As at 31 March 2019
Provision for taxation (Net of advance tax and tax deducted at source)	284.96	753.48
	<b>284.96</b>	<b>753.48</b>

Note - 26 Provisions	As at 31 March 2020	As at 31 March 2019
<b>Provision for employee benefits:</b>		
Provision for gratuity (refer note - 51)	2,341.56	1,538.01
Provision for compensated absences	1,098.65	482.28
<b>Provision for others</b>		
Provision for contingencies*	300.83	2,236.58
	<b>3,741.04</b>	<b>4,256.87</b>

\* Disclosure under Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets": Movements in each class of provision during the financial year, are set out below:

Particulars	Provision for contingencies
<b>Balance as at 1 April 2018</b>	1,377.91
Additional provision recognised	2,212.22
Amount used during the year	(1,353.55)
<b>Balance as at 31 March 2019</b>	<b>2,236.58</b>
Additional provision recognised	290.91
Amount used during the year	(2,226.66)
<b>Balance as at 31 March 2020</b>	<b>300.83</b>

Note - 27 Deferred tax liabilities	As at 31 March 2020	As at 31 March 2019
Deferred tax liabilities	1,098.28	-
	<b>1,098.28</b>	-

Movement in deferred tax assets (net)	Balance as at 1 April 2019	Recognised in profit and loss	Recognised in other comprehensive income	Recognised in goodwill	Balance as at 31 March 2020
Difference between tax balance and book balance of fixed assets	-	(323.11)	-	1,412.43	1,089.32
Fair valuation of investments	-	8.96	-	-	8.96
<b>Deferred tax liabilities</b>	-	<b>(314.15)</b>	-	<b>1,412.43</b>	<b>1,098.28</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

<b>Note - 28</b> <b>Other non-financial liabilities</b>	<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
Revenue received in advance (refer note 'a' below)	688.79	683.50
Lease equalisation reserve	-	314.52
Advance from customers (refer note 'b' below)	1,170.42	1,078.18
Statutory dues payables	8,269.87	3,567.86
	<b>10,129.08</b>	<b>5,644.06</b>

### (a) Reconciliation of revenue received in advance

<b>Balance as at 1 April 2019</b>	683.50
Add: Advances received during the year	3,285.39
Less: Revenue recognised during the year	3,280.10
<b>Balance as at 31 March 2020</b>	<b>688.79</b>

### (b) Reconciliation of advance from customers

<b>Balance as at 1 April 2019</b>	1,078.18
Add: Advances received during the year	92.24
Less: Revenue recognised during the year	-
<b>Balance as at 31 March 2020</b>	<b>1,170.42</b>

<b>Note - 29</b> <b>Equity share capital</b>	<b>As at 31 March 2020</b>		<b>As at 31 March 2019</b>	
	<b>No. of shares</b>	<b>Amount</b>	<b>No. of shares</b>	<b>Amount</b>
<b>i. Authorised</b>				
Equity shares of face value of ₹ 2 each	1,00,00,00,000	20,000.00	1,00,00,00,000	20,000.00
	<b>1,00,00,00,000</b>	<b>20,000.00</b>	<b>1,00,00,00,000</b>	<b>20,000.00</b>
<b>ii. Issued</b>				
Equity shares of face value of ₹ 2 each	46,55,29,440	9,310.59	52,20,30,890	10,440.62
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 1.10 paid up)	8,29,09,118	912.00	8,29,09,118	912.00
	<b>54,84,38,558</b>	<b>10,222.59</b>	<b>60,49,40,008</b>	<b>11,352.62</b>
<b>iii. Subscribed and paid up</b>				
Equity shares of face value of ₹ 2 each fully paid up	46,55,29,440	9,310.59	52,20,30,890	10,440.62
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 1.10 paid up)	8,28,03,864	910.85	8,15,66,088	897.21
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 0.80 paid up)	1,05,254	0.84	13,43,030	10.74
Amount paid up on shares forfeited	-	0.19	-	0.19
	<b>54,84,38,558</b>	<b>10,222.47</b>	<b>60,49,40,008</b>	<b>11,348.76</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### (iv) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year :

Equity shares, fully paid-up	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	522,030,890	10,440.62	442,391,002	8,847.82
Add: Shares issued by exercise of employee stock option plan	10,165,216	203.30	-	-
Add: Shares issued by exercise of warrants	-	-	33,800,000	676.00
Add: Shares issued through preferential allotment	-	-	45,839,888	916.80
Less: Shares bought back and extinguished during the year (refer note - 64)	(66,666,666)	(1,333.33)	-	-
<b>Balance at the end of the year</b>	<b>465,529,440</b>	<b>9,310.59</b>	<b>522,030,890</b>	<b>10,440.62</b>
Equity shares, partly paid-up	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	8,29,09,118	907.97	8,29,48,313	414.74
Add: Amount received on 1st call at ₹ 0.30 per share	-	-	-	248.72
Add: Amount received on 2nd call at ₹ 0.30 per share	-	3.71	-	244.68
Less: Shares forfeited on non payment of 1st call	-	-	(39,195)	(0.19)
<b>Balance at the end of the year</b>	<b>8,29,09,118</b>	<b>911.68</b>	<b>8,29,09,118</b>	<b>907.95</b>

### (v) Rights, preferences and restrictions attached to the equity shares :

The Company has only one class of equity shares having a face value of ₹ 2 per share. Each holder of fully paid up equity share is entitled to one vote per share. Voting rights of each holder of partly paid up equity share is proportionate to the paid up amount of such share. The final dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Holders of Global Depository Receipts ('GDRs') will be entitled to receive dividends, subject to the terms of the deposit agreement, to the same extent as the holders of equity shares, less the fees and expenses payable under such deposit agreement and any Indian tax applicable to such dividends. Holders of GDRs don't have voting rights with respect to the deposited shares. The GDRs can not be transferred to any person located in India including Indian residents or ineligible investors except as permitted by Indian laws and regulations.





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### (vi) Shares held by shareholders each holding more than 5% shares:

Name of the Shareholders	As at 31 March 2020		As at 31 March 2019	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Sameer Gehlaut	31,552,493	5.75	50,898,005	8.41
Orthia Properties Private Limited	41,623,777	7.59	49,348,765	8.16
Orthia Constructions Private Limited	37,074,335	6.76	49,003,614	8.10
Zelkova Builders Private Limited	30,933,258	5.64	40,617,638	6.71
Tamarind Capital Pte Ltd	73,316,288	13.37	73,316,288	12.12
Steadview Capital Mauritius Limited	- *	- *	36,003,575	5.95
Jasmine Capital Investments Pte Ltd	58,732,443	10.71	59,832,443	9.89

\* As on 31 March 2020, Steadview Capital Mauritius Limited held less than 5% shares in the Company.

### (vii) Shares reserved for issue under options:

17,313,900 equity shares (As at 31 March 2019: 28,501,616 equity shares) of face value of ₹ 2 each are reserved under various option schemes of the Company (Refer note - 52)

(viii) The Group has not issued any bonus shares during the current year and five years immediately preceding current year.

(ix) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue. During the year ended 31 March 2020, the Company has bought back 66,666,666 fully paid up equity shares of the Company at ₹ 150 per equity share through tender route.

(x) 54,433 shares (31 March 2019: 54,433 shares) of face value of ₹ 2 per share represent the shares underlying GDR. Each GDR represents one underlying equity share.

Note - 30 Other equity	As at 31 March 2020	As at 31 March 2019
Treasury shares	(18,305.73)	-
Equity component of compulsorily convertible debentures	130,719.26	131,708.14
Statutory reserves	13,270.00	12,184.91
Capital reserve	747.31	747.31
Securities premium	309,822.36	410,449.18
Capital redemption reserve (refer note-64)	5,033.69	3,700.36
Debenture redemption reserve	-	416.54
Foreign currency monetary item translation difference account	-	39.98
General reserve	4,197.55	4,197.55
Share options outstanding account	8,181.40	7,671.71
Retained earnings	37,890.47	59,735.22
Change in fair value of loan assets through other comprehensive income	792.47	-
Equity instruments through other comprehensive income	164.18	397.14
<b>Total attributable to equity shareholders of the Holding Company</b>	<b>492,512.96</b>	<b>631,248.04</b>
Total non- controlling interest	56,038.13	14,916.00
<b>Total other equity</b>	<b>548,551.09</b>	<b>646,164.04</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

*(All amount are in Indian Rupees in lakh unless stated otherwise)*

### **Nature and purpose of other reserves:**

#### **Equity component of compulsorily convertible debentures**

On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as financial liability measured at amortised cost until it is extinguished on conversion. The remainder of the proceeds is recognised in equity since conversion option meets the fixed for fixed criteria.

#### **Statutory reserves**

The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

#### **Capital reserve**

Capital reserve represents reserves created pursuant to the business combination upto year end.

#### **Securities premium**

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Act.

#### **Capital redemption reserve**

The same had been created in accordance with provision of the Act on account of redemption of preference shares and buy-back of equity shares.

#### **Debenture redemption reserve**

The Company was required to create of debenture redemption reserve by effecting a transfer of a specified percentage annual profits to Debenture Redemption Reserve Account. The percentage applicable was applied to the outstanding redeemable debentures to calculate the amount of transfer. However, pursuant to the Companies (Share Capital and Debentures) Amendment Rules, 2019, debenture redemption reserve is not required to be maintained in respect of outstanding debentures issued by the entities included in the Group.

#### **Foreign currency monetary item translation difference account (FCMITDA)**

Pursuant to the notification dated 29 December 2011 issued by the Ministry of Corporate Affairs amending Accounting Standard 11 - 'Accounting for the Effects of Changes in Foreign Exchange Rates' the Company has exercised the option as per Paragraph 46A inserted in the said Accounting Standard for amortisation of foreign exchange gain/loss on long-term monetary items over the remaining life of the concerned monetary items.

#### **General reserve**

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

#### **Share option outstanding account**

The reserve is used to recognise the fair value of the options issued to employees of the Group under Group's employee stock option plan.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income. The balance of the reserve represents such changes recognised net of amounts reclassified to retained earnings on disposal of such investments.

### Change in fair value of loan assets through other comprehensive income

This reserve has been created against change in business model for loan against property (“LAP”), business installments loan and personal loan from “hold to collect” to “hold to collect and sale”.

### Retained earnings

Retained earnings represents surplus / accumulated earning of the Group and are available for distribution to shareholders

### Treasury shares

This reserve represents Group’s own equity shares held by the Indiabulls Ventures Limited - Employees Welfare Trust which is created under Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2019 (ESBS 2019) and Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2020 (ESBS 2020). Treasury shares are acquired for the purpose of issuing equity shares to employees under Group’s ESBS 2019 and ESBS 2020.

Note - 31 Interest income	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>On financial assets measured at amortised cost -</b>		
<b>Interest on loans</b>		
- Interest from financing activities	174,921.04	148,165.82
- Interest on margin funding/delayed payments	1,906.10	2,412.70
- Interest on inter-corporate loans	7,339.83	982.64
<b>Interest on deposits with banks</b>		
- Interest on bank deposit	5,136.62	3,115.41
<b>Other interest income</b>		
- Unwinding of interest income	5,728.06	1,605.76
- Interest on Income-tax refund	13.39	351.72
- Interest on earnest money deposit	3.70	229.99
<b>On financial assets measured at fair value through profit or loss -</b>		
<b>Interest income from investments</b>		
- Interest on bonds	638.07	856.06
- Interest on commercial paper	1,200.60	174.24
- Interest on commercial deposits	345.70	100.80
<b>Total</b>	<b>197,233.11</b>	<b>157,995.14</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

<b>Note - 32</b> <b>Dividend income</b>	<b>For the year ended</b> <b>31 March 2020</b>	<b>For the year ended</b> <b>31 March 2019</b>
Dividend income on mutual funds	4,934.94	2,534.77
Dividend income on equity shares	16.25	23.40
<b>Total</b>	<b>4,951.19</b>	<b>2,558.17</b>

<b>Note - 33</b> <b>Fees and commission income</b>	<b>For the year ended</b> <b>31 March 2020</b>	<b>For the year ended</b> <b>31 March 2019</b>
Brokerage and other related income	19,643.94	31,761.59
Management fee	940.44	1,094.01
Income from depository services	679.11	653.94
Remittance and merchant program	128.98	-
Digital wallet program	6,125.83	-
Recovery incentive	-	209.47
<b>Total</b>	<b>27,518.30</b>	<b>33,719.01</b>

<b>Note - 34</b> <b>Net gain/(loss) on fair value changes</b>	<b>For the year ended</b> <b>31 March 2020</b>	<b>For the year ended</b> <b>31 March 2019</b>
On financial instruments at fair value through profit and loss:-		
- (Loss) /gain on sale of investment / mutual funds	(1,270.80)	1,733.20
- Derivatives	(241.39)	(628.47)
- Gain on redemption of security receipts	-	530.10
<b>Total net (loss) / gain on fair value changes</b>	<b>(1,512.19)</b>	<b>1,634.83</b>
<b>Fair value changes</b>		
- Realised	(1,219.39)	1,560.59
- Unrealised	(292.80)	74.24
<b>Total net (loss) / gain on fair value changes</b>	<b>(1,512.19)</b>	<b>1,634.83</b>

<b>Note - 35</b> <b>Net gain on derecognition of financial instruments under amortised cost category</b>	<b>For the year ended</b> <b>31 March 2020</b>	<b>For the year ended</b> <b>31 March 2019</b>
Gain on sale of loan portfolio through assignment	61,669.04	3,157.96
Gain on derecognition of financial assets	106.91	277.95
<b>Total</b>	<b>61,775.95</b>	<b>3,435.91</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

<b>Note - 36</b> <b>Other income</b>	<b>For the year ended</b> <b>31 March 2020</b>	<b>For the year ended</b> <b>31 March 2019</b>
Net gain on ineffective portion of hedges	-	196.13
Excess provisions written back	260.47	105.70
Profit on sale of property, plant and equipment (net)	4.29	2.79
Liabilities written back	1.57	7.63
Gain on foreign exchange fluctuations	106.73	53.38
Miscellaneous income	33.62	19.31
<b>Total</b>	<b>406.68</b>	<b>384.94</b>

<b>Note - 37</b> <b>Finance costs</b>	<b>For the year ended</b> <b>31 March 2020</b>	<b>For the year ended</b> <b>31 March 2019</b>
<b>On financial liabilities measured at amortised cost</b>		
<b>Interest on borrowings</b>		
- Term loans	41,949.77	37,270.53
- Inter-corporate loans	5,735.15	2,508.14
- Bank overdraft	1,318.74	992.94
- Working capital loan	133.02	80.53
- Vehicle loan	7.75	13.34
<b>Interest on debt securities</b>		
- Commercial papers	1,582.13	12,659.26
- Liability component of compulsorily convertible debenture	1,936.38	1,105.57
- Non-convertible debentures	12,667.39	1,335.56
<b>Other interest expense</b>		
- Liability against securitised assets	11,451.52	990.87
- Liability against leases	2,774.91	-
- Taxes	42.48	39.73
<b>Other borrowing costs</b>	370.74	1,744.91
<b>Total</b>	<b>79,969.98</b>	<b>58,741.38</b>

<b>Note - 38</b> <b>Fees and commission expense</b>	<b>For the year ended</b> <b>31 March 2020</b>	<b>For the year ended</b> <b>31 March 2019</b>
Transaction charges	443.89	425.71
Management and collection fee	18.35	356.36
Commission expense	107.97	249.13
Membership, depository and stock exchange fee	2,847.53	105.83
<b>Total</b>	<b>3,417.74</b>	<b>1,137.03</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

<b>Note - 39</b> <b>Impairment on financial instruments</b>	<b>For the year ended</b> <b>31 March 2020</b>	<b>For the year ended</b> <b>31 March 2019</b>
<b>Measured at amortised cost</b>		
Impairment allowances on loans	49,239.56	12,530.49
Impairment allowances on trade receivables and others	8,658.46	109.76
Impairment allowances on interest spread on assigned assets	1,915.71	-
Loan, trade receivable and other assets write off	36,209.42	1.80
<b>Measured at cost</b>		
Investments written off	-	39.00
<b>Total</b>	<b>96,023.15</b>	<b>12,681.05</b>

<b>Note - 41</b> <b>Employee benefits expense</b>	<b>For the year ended</b> <b>31 March 2020</b>	<b>For the year ended</b> <b>31 March 2019</b>
Salaries and wages	47,252.27	31,506.55
Contribution to provident fund and other funds	630.62	428.66
Share-based payments to employees	2,025.83	4,361.83
Staff welfare expenses	934.10	584.84
<b>Total</b>	<b>50,842.82</b>	<b>36,881.88</b>

<b>Note - 42</b> <b>Depreciation and amortisation expense</b>	<b>For the year ended</b> <b>31 March 2020</b>	<b>For the year ended</b> <b>31 March 2019</b>
Depreciation on property, plant and equipment (refer note 16A)	1,820.43	1,037.25
Depreciation on investment property(refer note 16F)	2.50	-
Amortisation of other intangible assets (refer note 16E)	4,790.50	1,660.50
Impairment of intangible assets (refer note 16E)	13.81	-
Depreciation on right of use assets (refer note 16B)	4,979.99	-
<b>Total</b>	<b>11,607.23</b>	<b>2,697.75</b>

<b>Note - 43</b> <b>Other expenses</b>	<b>For the year ended</b> <b>31 March 2020</b>	<b>For the year ended</b> <b>31 March 2019</b>
Lease rent (refer note 47)	453.53	3,769.76
Rates and taxes	333.40	125.10
Office maintenance	1,381.58	1,119.99
Repairs and maintenance - others	381.46	280.43
Travelling and conveyance	1,445.76	635.43
Communication costs	2,105.74	1,701.33
Printing and stationery	384.82	376.58
Software expenses	1,984.47	1,417.21



## Summary of significant accounting policies and other explanatory information

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(All amount are in Indian Rupees in lakh unless stated otherwise)

Note - 43 Other expenses	For the year ended 31 March 2020	For the year ended 31 March 2019
Electricity expenses	553.63	374.62
Director's sitting fee	32.00	48.50
Payment to statutory auditors*	101.22	120.36
Legal and professional charges	25,285.13	12,141.71
Bank charges	2,422.11	363.20
Insurance	10.04	10.78
Stamp duty	106.69	76.00
Web hosting expenses	116.58	94.03
Leased line expenses	206.74	158.39
Content expenses	5.00	5.00
Recruitment expenses	37.24	70.70
Manpower hiring charges	70.76	33.17
Business promotion	5,574.78	1,310.01
Corporate social responsibility expenses (refer note 50)	750.67	375.95
Loss on modification/derecognition of financial assets	1,401.88	-
Provision for possible contracted liabilities	290.91	-
Consumables	305.24	-
Miscellaneous expenses	66.80	50.04
<b>Total</b>	<b>45,808.18</b>	<b>24,658.29</b>
<b>* Payment to statutory auditors comprises of:</b>		
For audit and limited review	100.97	117.42
For in connection of issue of securities #	35.43	13.44
For certification	0.25	-
For taxation matters	-	0.60
For other services	-	0.45
For reimbursement of expenses	-	1.89
	<b>136.65</b>	<b>133.80</b>

# recognised as transaction cost



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Note - 44 Tax expense	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Current tax</b>		
Income-tax for current year	1,881.82	15,080.89
<b>Deferred tax</b>		
Deferred tax (credit)/charge	(3,358.78)	1,818.27
<b>Income-tax expense reported in the statement of profit and loss</b>	<b>(1,476.96)</b>	<b>16,899.16</b>

The major components of Income-tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Group at 25.17% (31 March 2019: 29.12%) and the reported tax expense in profit or loss are as follows:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Reconciliation of effective tax rate		
Accounting profit before tax expense	2,703.94	62,930.62
Income-tax rate	25.17%	29.12%
Expected tax expense	680.53	18,325.40
Tax effect of adjustments to reconcile expected Income-tax expense to reported Income-tax expense:		
Tax impact on items exempt under Income-tax	(5,408.31)	(1,366.94)
Tax impact on deductions allowed under Income-tax	(4,036.19)	124.55
Tax impact of expenses which will never be allowed	(490.31)	71.07
Income chargeable under capital gain (difference of tax rates)	385.37	(1,459.94)
Earlier years tax adjustments (net)	(30.19)	(69.19)
Tax impact of minimum alternate tax credit entitlement	-	0.78
Tax losses for which no deferred tax was recognised	6,368.94	482.28
Tax impact of difference in tax rate on certain items	617.22	633.64
Others	435.98	158.33
<b>Income-tax expense</b>	<b>(1,476.96)</b>	<b>16,899.98</b>

### Change in tax rate

The reduction of the Indian corporate tax rate under Section 115BAA of the Income tax Act, 1961 from 25% to 22% is effective from 1 April 2019. As a result, the relevant deferred tax balances have been remeasured. Deferred tax expected to reverse in the year to 31 March 2020 has been measured using the effective rate that will apply in India for the period (22%).

The impact of the change in tax rate has been recognised in tax expense of statement of profit and loss, except to the extent that it relates to items previously recognised outside the statement of profit and loss.





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### Note - 45

#### Earnings per equity share (EPS)

#### Disclosure in respect of Indian Accounting Standard – 33 'Earnings Per Share' :

The basic earnings per equity share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Partly paid-up equity shares are treated as a fraction of an equity share to the extent they are entitled to participate in dividend relative to a fully paid-up equity share during the reporting period. Compulsory convertible debentures are treated as equivalent of equity share for the purpose of basic earnings per equity share. Treasury shares are adjusted for computation of weighted average equity shares. Diluted earnings per equity share is computed by considering the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential dilutive equity shares are adjusted for the potential dilutive effect of employee stock option plan and warrants as appropriate.

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit available for equity shareholders	432.67	45,909.69
<b>Basic/diluted earnings per equity share:</b>		
Weighted average number of equity shares used for computing basic earnings per equity share	588,484,888	545,045,534
<b>Effect of dilution:</b>		
Add: Potential number of equity shares that could arise on exercise of employee stock options	10,594,404	22,467,617
Add: Potential number of equity shares that could arise on exercise of warrants	-	5,934,875
Weighted average number of equity shares used in computing diluted earnings per equity share	<b>599,079,292</b>	<b>573,448,026</b>
Face value of equity share (₹)	2.00	2.00
Earnings per equity share -		
- Basic (₹)	0.07	8.42
- Diluted (₹)	0.07	8.01

### Note 46

#### Acquisition of subsidiaries

On 1 April 2019, Indiabulls Consumer Finance Limited ('ICFL'), a wholly owned subsidiary of the Company, has further acquired 9% shareholding in "Transerv Limited" (formerly known as Transerv Private Limited) and ICFL's total shareholding in Transerv Limited stood at 42%. By virtue of control as per Ind AS 110 - Consolidated Financial Statement, "Transerv Limited" has become subsidiary of the Group and same is consolidated in the consolidated financial statements for the financial year 2019-20.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:

Particulars	Amount
<b>Financial assets</b>	
Other bank balance	811.39
Trade receivable	45.44
Loans	21.33
Other financial assets	896.65
	<b>1,774.81</b>
<b>Non-financial assets</b>	
Current tax assets	130.56
Property, plant and equipments	7.47
Intangible assets under development	10.21
Other intangibles	6,173.50
Other non-financial assets	37.72
	<b>6,359.46</b>
<b>Total assets (A)</b>	<b>8,134.27</b>
<b>Financial liabilities</b>	
Trade payables	130.32
Other payables	5.22
Other financial liabilities	1,491.61
	<b>1,627.15</b>
<b>Non-financial liabilities</b>	
Provisions	41.96
Other non-financial liabilities	38.57
	<b>80.53</b>
<b>Total liabilities (B)</b>	<b>1,707.68</b>
<b>Fair value of identifiable net assets (C=A-B)</b>	<b>6,426.59</b>
Less : cash paid to obtain control	D (1,402.49)
Less : investment in subsidiary	E (3,567.58)
Less : non-controlling interest	F (3,630.75)
Less: deferred tax on intangible assets	G (1,412.13)
Goodwill ( C+D+E+F+G )	<b>(3,586.36)</b>

The resultant provisional goodwill amounts to ₹ 3,586.36 lakh. Goodwill paid reflects the premium for gaining immediate entry to wallet business with all the regulatory permits and clearances which will enable the Group to participate in the wallet business market.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### Note - 47

#### Leases

The Group has leases for office buildings. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset "ROU" and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the 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.

#### A Lease payments not included in measurement of lease liability

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

Particulars	Year ended 31 March 2020
Short-term leases	453.53
Leases of low value assets	-
Variable lease payments	-

B Total cash outflow for leases for the year ended 31 March 2020 was ₹ 6,463.01 lakh.

C The Group has total commitment for short-term leases of ₹ Nil as at 31 March 2020.

#### D Maturity of lease liabilities

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

31 March 2020	Minimum lease payment due						
	Within 1 year	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	More than 5 years	Total
Lease Payment	6,180.45	6,299.68	5,078.38	4,284.35	4,016.21	9,503.17	35,362.24
Interest Expense	2,493.50	2,079.42	1,652.05	1,345.55	1,031.84	1,135.55	9,737.91
<b>Net Present Value</b>	<b>3,686.95</b>	<b>4,220.26</b>	<b>3,426.33</b>	<b>2,938.80</b>	<b>2,984.37</b>	<b>8,367.62</b>	<b>25,624.33</b>

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2020 is of ₹ Nil.

F The table below describe the nature of the company's lease activities by type of right of use asset recognised on balance sheet :



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Office Building	240	2.03 Month to 107.60 Month	81.02 Month	-	-	240

**G** The total future cash outflows as at 31 March 2020 for leases that had not yet commenced is of ₹ 543.62 lakh.

### **H** Impact on transition

- 1 Effective 1 April 2019, the Group has adopted Ind AS 116 “Leases” and applied modified retrospective approach to all lease contracts existing as at 1 April 2019. On transition, the adoption of new standard resulted in recognition of lease liability of ₹ 24,626.06 lakh and corresponding right of use asset of ₹ 22,978.81 lakh.
- 2 For contracts in place as at 1 April 2019, Group has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.
- 3 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 1 April 2019.
- 4 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.
- 5 On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.
- 6 For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.
- 7 On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 10.50%.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

- 8 The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:

Particulars	Amount
Total operating lease commitments disclosed as at 31 March 2019	35,778.60
Recognition exemptions:	
Leases of low value assets	-
Leases with remaining lease term of less than 12 months	-
Variable lease payments not recognised	-
Operating lease liabilities before discounting	<b>35,778.60</b>
Discounting impact (using incremental borrowing rate)	10,703.11
Operating lease liabilities	<b>25,075.49</b>
Finance lease obligations under Ind AS 17	-
<b>Total lease liabilities recognised under Ind AS 116 at 1 April 2019</b>	<b>25,075.49</b>

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2020:

Particulars	Year ended 31 March 2020
Balance as at 1 April 2019	-
Reclassified on account of adoption of Ind AS 116	22,978.81
Additions	8,995.05
Deletion	(2,858.67)
Amortisation*	(4,979.99)
<b>Balance as at 31 March 2020</b>	<b>24,135.20</b>

\*The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the movement in lease liabilities during the year ended 31 March 2020:

Particulars	Year ended 31 March 2020
Balance as at 1 April, 2019	-
Adjustment on account of Ind AS 116	24,626.06
Additions	7,037.34
Finance cost accrued during the period	2,774.91
Deletion	(2,804.50)
Payment of lease liabilities	(6,009.48)
<b>Balance as at 31 March 2020</b>	<b>25,624.33</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### Note - 48

#### A. Contingent liabilities not provided for in respect of:

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Claims against the group not acknowledged as debts in respect of -</b>		
- Cases under Arbitration and Conciliation Act, 1996 (refer note (i) below)	40.97	33.30
- Cases under Income-tax Act, 1961 (refer note (ii) to (iv) below)	410.99	315.05
<b>Total</b>	<b>451.96</b>	<b>348.35</b>

(i) The Group is involved in various legal proceedings as respondents/ defendants for various claims including those related to conduct of its business. In respect of these claims, the Group believes, these claims do not constitute material litigation matters and with its meritorious defenses the ultimate disposition of these matters will not have material adverse effect on its financial statements/ position.

(ii) Demand pending u/s 143(3) read with section 153A of the Income-tax Act, 1961:-

- For ₹ 90.97 lakh with respect to FY 2010-11 (Previous year ₹ 90.97 lakh) against disallowances under Income-tax Act, 1961, against which the appeal is pending before CIT (Appeals).
- For ₹ 33.02 lakh with respect to FY 2011-12 (Previous year ₹ 33.02 lakh) against disallowances under Income-tax Act, 1961, against which the appeal is pending before CIT (Appeals).
- For ₹ 4.21 lakh with respect to FY 2012-13 (Previous year ₹ 4.21 lakh) against disallowances under Income-tax Act, 1961, against which the appeal is pending before CIT (Appeals).
- For ₹ 43.33 lakh with respect to FY 2013-14 (Previous year ₹ 43.33 lakh) against disallowances under Income-tax Act, 1961, against which the appeal is pending before CIT (Appeals).
- For ₹ 42.36 lakh with respect to FY 2014-15 (Previous year ₹ 42.36 lakh) against disallowances under Income-tax Act, 1961, against which the appeal is pending before CIT (Appeals).
- For ₹ 20.20 lakh with respect to FY 2015-16 (Previous year ₹ 20.20 lakh) against disallowances under Income-tax Act, 1961, against which the appeal is pending before CIT (Appeals).
- For ₹ 67.17 lakh with respect to FY 2016-17 (Previous year ₹ 67.17 lakh) against disallowances under Income-tax Act, 1961, against which the appeal is pending before CIT (Appeals).

(iii) Demand pending u/s 143(3) :-

- For ₹ 95.94 lakh with respect to FY 2018-19 (Previous year ₹ Nil) against Income tax matter in dispute, Company is hopeful of succeeding in appeals and does not expect any significant liabilities to materialise.
- For ₹ 17.36 lakh with respect to FY 2012-13 (Previous Year ₹ 17.36 lakh, against which appeal was pending with CIT (Appeals)) against disallowance under Income-tax Act 1961, against which departmental appeal is pending before ITAT.
- For ₹ 93.04 lakh with respect to FY 2012-13 (Previous year ₹ 93.04 lakh) against disallowances under Income-tax Act, 1961, against which the appeal is pending before CIT (Appeals).

(iv) Demand pending u/s 271(1)(c):-

- For ₹ 0.90 lakh with respect to FY 2010-11 (Previous year ₹ Nil) against disallowances under Income-tax Act, 1961, against which the appeal is pending before CIT (Appeals).



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### B. Commitments:

Particulars	As at 31 March 2020	As at 31 March 2019
Capital commitments for purchase of property, plant and equipment (net of capital advances paid)	9,163.19	1,165.51

### Note - 49

#### Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt securities)	Lease liabilities	Total
<b>Balance as at 1 April 2018</b>	<b>110,000.00</b>	<b>382,935.42</b>	-	<b>492,935.42</b>
<b>Cash flows:</b>				
- Repayment	(940,709.05)	(896,737.57)	-	(1,837,446.62)
- Proceeds	1,158,459.70 *	1,175,919.23 #	-	2,334,378.93
<b>Non cash:</b>				
- Amortisation of upfront fees	(1,634.38)	(838.31)	-	(2,472.69)
- Others (Equity component of compulsory convertible debentures ("CCDs"))	(122,610.81)	-	-	(122,610.81)
<b>Balance as at 31 March 2019</b>	<b>203,505.46</b>	<b>661,278.77</b>	-	<b>864,784.23</b>
Adjustment on account of Ind AS 116	-	-	24626.06	24626.06
<b>Cash flows:</b>				
- Repayment	(159,960.54)	(1,873,454.27)	(6,009.48)	(2,039,424.29)
- Proceeds	43,320.28	1,635,997.12#	-	1,679,317.40
<b>Non cash:</b>				
- Amortisation of upfront fees	1,870.81	646.77	-	2,517.58
- Addition during the year (net)	-	-	4232.84	4232.84
- Others	-	-	2,774.91	2,774.91
<b>Balance as at 31 March 2020</b>	<b>88,736.01</b>	<b>424,468.39</b>	<b>25,624.33</b>	<b>538,828.73</b>

\* This represents gross amount received on issue of CCDs.

# This includes proceeds of ₹ 92,645.57 lakh (31 March 2019: ₹ 20,868.94 lakh) from bank overdraft which is considered under cash and cash equivalents in the cash flow statement.

### Note - 50

#### Corporate social responsibility expenses

In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company (where CSR provisions are applicable) had constituted a Corporate Social Responsibility (CSR) Committee. In terms with the provisions of the said Act, the Group was to spend a sum of ₹ 750.67 lakh (31 March 2019: ₹ 375.95 lakh) towards CSR activities during the year ended March 31, 2020. The details of amount actually spent by the Group are as follow:



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Gross amount required to be spent by the Group	750.67	375.95
(b) Amount spent on -		
- Construction/acquisition of any asset	-	-
- Any other purpose other than above*	750.67	375.95
- Yet to be paid	-	-
<b>Total</b>	<b>750.67</b>	<b>375.95</b>

\*Contribution towards donation/corpus fund paid to Indiabulls Foundation

### Note - 51

#### Employee benefits

##### (i) Defined contribution plans:

During the year, the Group has recognized the following amounts in the statement of profit and loss in respect of defined contribution plans:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contribution made to employees' provident fund organisation	142.94	108.63
Contribution made to employees' state insurance corporation	386.83	274.33
Contribution to labour welfare fund	15.08	3.74
Contribution to employees' national pension scheme	85.77	41.96
<b>Total</b>	<b>630.62</b>	<b>428.66</b>

##### (ii) Defined benefit plans:

The Group operates unfunded gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Group at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the organisation, whichever is earlier. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of "The Payment of Gratuity Act, 1972".

#### Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Based on the actuarial valuation report, the following table sets out the status of the gratuity plan and the amounts recognized in the Group's financial statements as at balance sheet date:

**a.) Amount recognised in the balance sheet is as under:**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Present value of obligation	2,341.56	1,538.01
Fair value of plan assets	-	-
<b>Net obligation recognised in balance sheet as provision</b>	<b>2,341.56</b>	<b>1,538.01</b>

**b.) Reconciliation of present value of defined benefit obligation:**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at the beginning of the year	1,538.01	975.59
Current service cost	705.99	374.24
Interest cost	135.16	67.10
Past service cost	-	-
Actuarial loss recognised in other comprehensive income :		
- Demographic assumptions	(1.18)	-
- Financial assumptions	264.87	49.66
- Experience adjustment	(184.08)	23.44
Benefits paid	(159.14)	(77.36)
Acquisition adjustments on acquisition of subsidiary/ transfer of employees	41.93	125.33
<b>Balance at the end of the year</b>	<b>2,341.56</b>	<b>1,538.01</b>

**c.) Expense recognised in profit or loss:**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	705.99	374.24
Interest cost	135.16	67.10
Past service cost	-	-
<b>Total</b>	<b>841.15</b>	<b>441.34</b>

**d.) Remeasurement recognised in other comprehensive income:**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial loss on defined benefit obligations	79.61	73.10
<b>Total</b>	<b>79.61</b>	<b>73.10</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### e.) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting dates:

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	6.80%	7.65%
Salary escalation rate	5.00%	5.00%
Retirement age (years)	60	60
Withdrawal rate		
Up to 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%
Weighted average duration	15.72	20.16

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Mortality rates inclusive of provision for disability -100% of IALM (2012-14) (previous year: 100% of IALM (2006-08))

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table (previous year Indian Assured Lives Mortality (2006-08) Ultimate table).

### f.) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(177.71)	197.56	(110.52)	122.13
Salary escalation rate (0.5% movement)	198.60	(180.94)	124.75	(113.68)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### g.) Expected maturity analysis of the defined benefit plans in future years

Particulars	As at 31 March 2020	As at 31 March 2019
Less than 1 year	42.72	35.60
Between 1-2 years	27.82	21.27
Between 2-5 years	115.41	68.24
Over 5 years	2,155.61	1,412.90
<b>Total</b>	<b>2,341.56</b>	<b>1,538.01</b>
Expected contribution for the next annual reporting period	1,158.12	975.51

### (iii) Other long term employee benefit plans

The company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. A provision of ₹ 604.06 lakh (31 March 2019: ₹ 181.55 lakh) for the year have been made on the basis of actuarial valuation at the year end and debited to the statement of profit and loss.

#### Note - 52

##### Employee stock option schemes:

##### a) Employees Stock Option Scheme - 2008

During the financial year ended 31 March 2009, the Indiabulls Ventures Limited ('The Company') had issued an Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines").

Under the Scheme, the Company was authorised to grant 20,000,000 Equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for Equity Shares of the Company. Employees covered by the plan were granted an option to purchase shares of the Company subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of the Company administered the plan. The Compensation Committee had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IBVL ESOP - 2008"), 20,000,000 stock options representing an equal number of equity shares of face value ₹ 2 each in the Company, to the eligible employees, at an exercise price of ₹ 17.40 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 23 January 2009. The stock options so granted, shall vest in the eligible employees over a period of 10 years beginning from 25 January 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2017, the Compensation Committee had regranted 9,700,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value ₹ 2 each in the Company, to the eligible employees, at an exercise price of ₹ 24.15 per equity share,



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 June 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 02 July 2017, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2018, the Compensation Committee has regranted 500,000 and 880,600 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value ₹ 2 each in the Company, to the eligible employees, at an exercise price of ₹ 219.65 per equity share and ₹ 254.85 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018, respectively. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Particulars	IBVL ESOP - 2008			
	20,000,000 Options	9,700,000 Options Regranted	500,000 Options Regranted	880,600 Options Regranted
1. Exercise price (₹)	17.40	24.15	219.65	254.85
2. Expected volatility *	79.00%	42.97%	46.70%	47.15%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
4. Option Life (Weighted Average) (in years)	11.00	6.00	6.00	6.00
5. Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
6. Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
7. Fair value of the options **	0.84	4.31	106.31	130.05

\* The expected volatility was determined based on historical volatility data.

\*\* Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

### b) Employees Stock Option Scheme - 2009

During the financial year ended 31 March 2010, the Company had issued Employee Stock Option Scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IBVL ESOP - 2009"). Under the Scheme, the Company was authorised to grant 20,000,000 options, representing equivalent number of equity shares of face value ₹ 2 each in one or more tranches at a price and on such terms and conditions as may be decided by the Compensation Committee, to the eligible employees of the Company and its subsidiaries.

During the year ended 31 March 2010, the Compensation Committee constituted granted 10,000,000 stock options representing an equal number of Equity Shares of face value ₹ 2 each in the Company, at an exercise price of ₹ 35.25 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 November 2009. The stock options so granted, shall vest uniformly over 10 years beginning from 2 December 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended 31 March 2011, the Compensation Committee had further granted 2,050,000 Stock Options representing an equal number of equity shares of face value ₹ 2 each in the Company, at an exercise price of ₹ 31.35 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 09 April 2010. The Stock options so granted, shall vest uniformly over 10 years beginning from 13 April 2011 being the first vesting date. The options granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

During the year ended 31 March 2016, the Compensation Committee had regranted under the IBVL ESOP - 2009 10,000,000 stock options (surrendered and lapsed options eligible for grant) representing an equal number of equity shares of face value of ₹ 2 each in the Company, at an exercise price of ₹ 27.45 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 24 August 2015. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 26 August 2016, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, the Company had received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Company.

During the year ended 31 March 2017, the Compensation Committee had further regranted 9,500,000 and 10,000,000 Stock Options (surrendered and lapsed options eligible for grant) representing an equal number of equity shares of face value ₹ 2 each in the Company, to the Eligible Employees, at an exercise price of ₹ 16 per equity share and ₹ 24.15 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 11 May 2016 and 30 June 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 13 May 2017 and 02 July 2017 respectively, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, the Company has received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Company.

During the year ended 31 March 2018, the Compensation Committee has regranted 10,000,000 and 669,400 Stock Options (surrendered and lapsed options eligible for grant) representing an equal number of Equity Shares of face value ₹ 2 each in the Company, to the Eligible Employees, at an exercise price of ₹ 219.65 per equity share and ₹ 254.85 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018 respectively. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Particulars		IBVL ESOP – 2009						
		10,000,000 Options	2,050,000 Options	10,000,000 Options Regranted & Surrendered	9,500,000 Options Regranted	10,000,000 Options Regranted & Surrendered	10,000,000 Options Regranted	669,400 Options Regranted
1.	Exercise price (₹)	35.25	31.35	27.45	16.00	24.15	219.65	254.85
2.	Expected volatility *	77.00%	48.96%	38.59%	40.74%	42.97%	46.70%	47.15%
3.	Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4.	Option life (weighted average)	10 Years	10 Years	7 Years	6 Years	6 Years	6 Years	6 Years
5.	Expected dividends yield	13.48%	6.86%	9.16%	16.33%	10.82%	1.27%	1.10%
6.	Risk free interest rate	7.50%	8.05%	6.50%	7.45%	7.45%	6.54%	7.56%
7.	Fair value of the options (₹)**	6.48	9.39	4.77	1.38	4.31	106.31	130.05

\* The expected volatility was determined based on historical volatility data.

\*\* Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### c) **Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2019 (“Scheme”).**

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of Indiabulls Ventures Limited at its meeting held on 22 October 2019; and (b) a special resolution of the shareholders’ of the Company passed through postal ballot on 4 December 2019, result of which were declared on 5 December 2019.

This Scheme comprises:

- a. Indiabulls Ventures Limited Employees Stock Option Plan 2019 (“ESOP Plan 2019”)
- b. Indiabulls Ventures Limited Employees Stock Purchase Plan 2019 (“ESP Plan 2019”)
- c. Indiabulls Ventures Limited Stock Appreciation Rights Plan 2019 (“SARs Plan 2019”)

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “SBEB Regulations”), the Company has set up Indiabulls Ventures Limited - Employees Welfare Trust (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the “SBEB Regulations”, is authorised to purchase upto an aggregate of 10,500,000 (One Crore Five Lakhs) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Company as on the date of approval of shareholders, from the secondary market.

### d) **Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2020 (“Scheme”).**

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of Indiabulls Ventures Limited at its meeting held on 23 January 2020; and (b) a special resolution of the shareholders’ of the Company passed through postal ballot on 20 March 2020, result of which were declared on 21 March 2020.

This Scheme comprises:

- a. Indiabulls Ventures Limited Employees Stock Option Plan 2020 (“ESOP Plan 2020”)
- b. Indiabulls Ventures Limited Employees Stock Purchase Plan 2020 (“ESP Plan 2020”)
- c. Indiabulls Ventures Limited Stock Appreciation Rights Plan 2020 (“SARs Plan 2020”)

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “SBEB Regulations”), the Company has set up Indiabulls Ventures Limited - Employees Welfare Trust (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the “SBEB Regulations”, is authorised to purchase upto an aggregate of 93,00,000 (Ninety Three Lakhs) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Company as on the date of approval of shareholders, from the secondary market.

The Company has recognised employee stock compensation expense of ₹ 2,025.83 lakh (31 March 2019: ₹ 4,361.83 lakh) in the statement of profit and loss for the year ended 31 March 2020.



## Summary of significant accounting policies and other explanatory information

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(All amount are in Indian Rupees in lakh unless stated otherwise)

The other disclosures in respect of the above stock option schemes are as under:

	IBVL ESOP - 2008			
Total options under the scheme (Nos.)	20,000,000			
Options granted (Nos.)	20,000,000	9,700,000 (Regrant)	500,000 (Regrant)	880,600 (Regrant)
Vesting period and percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years
Vesting date	25th January each year, commencing 25 January 2010"	2nd July each year, commencing 2 July 2017	2nd September each year, commencing 2 September 2018	25th March each year, commencing 25 March 2019
Exercise price (₹)	17.40	24.15	219.65	254.85
<b>Outstanding as at 1 April 2018 (Nos.)</b>	<b>1,277,866</b>	<b>9,700,000</b>	<b>500,000</b>	<b>880,600</b>
Granted/ regranted during the year (Nos.)	-	-	-	-
Options vested during the year (Nos.)*	-	-	-	-
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	406,950	-	-	187,000
<b>Outstanding as at 31 March 2019 of the year (Nos.)</b>	<b>870,916</b>	<b>9,700,000</b>	<b>500,000</b>	<b>693,600</b>
Vested and exercisable as at 31 March 2019 (Nos.)	870,916	3,880,000	100,000	138,720
Granted/ regranted during the year (Nos.)	-	-	-	-
Exercised during the year (Nos.)	870,916	5,050,800	-	25,800
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	10,000	500,000	152,000
<b>Outstanding as at 31 March 2020 of the year (Nos.)</b>	<b>-</b>	<b>4,639,200</b>	<b>-</b>	<b>515,800</b>
Vested and exercisable as at 31 March 2020 (Nos.)	-	769,200	-	192,640
Remaining contractual life (weighted months)	-	66	-	73

Weighted average exercise price of share during the year ended 31 March 2020: ₹ 198.22 (31 March 2019: not applicable).



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

	IBVL ESOP - 2009						
Total options under the Scheme (Nos.)	20,000,000						
Options granted (Nos.)	10,000,000	2,050,000	10,000,000 (Regrant & Surrendered)	9,500,000 (Regrant)	10,000,000 (Regrant & Surrendered)	10,000,000 (Regrant)	669,400 (Regrant)
Vesting period and percentage	Uniformly over a period of Ten years	Uniformly over a period of Ten years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years
Vesting date	2nd December each year, commencing 2 December 2010	13th April each year, commencing 13 April 2011	26th August each year, commencing 26 August 2016	13th May each year, commencing 13 May 2017	2nd July each year, commencing 2 July 2017	2nd September each year, commencing 2 September 2018	25th March each year, commencing 25 March 2019
Exercise price (₹)	35.25	31.35	27.45	16.00	24.15	219.65	254.85
<b>Outstanding as at 1 April 2018 (Nos.)</b>	-	<b>150,000</b>	-	<b>7,152,500</b>	-	<b>9,970,000</b>	<b>669,400</b>
Granted/ regranted during the year (Nos.)	-	-	-	-	-	-	-
Exercised during the year (Nos.)	-	-	-	-	-	-	-
Expired during the year (Nos.)	-	-	-	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	664,800	-	90,000	450,000
<b>Outstanding as at 31 March 2019 (Nos.)</b>	-	<b>150,000</b>	-	<b>6,487,700</b>	-	<b>9,880,000</b>	<b>219,400</b>
Vested and exercisable as at 31 March 2019 (Nos.)	-	50,000	-	1,676,300	-	1,976,000	43,880
Granted/ regranted during the year (Nos.)	-	-	-	-	-	-	-
Exercised during the year (Nos.)	-	100,000	-	3,225,100	-	852,600	40,000
Expired during the year (Nos.)	-	-	-	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	165,000	-	195,500	-
<b>Outstanding as at 31 March 2020 (Nos.)</b>	-	<b>50,000</b>	-	<b>3,097,600</b>	-	<b>8,831,900</b>	<b>179,400</b>
Vested and exercisable as at 31 March 2020 (Nos.)	-	-	-	-	-	3,034,400	47,760
Remaining contractual life (weighted months)	-	60	-	67	-	67	77

Weighted average exercise price of share during the year ended 31 March 2020: ₹ 187.29 (31 March 2019: not applicable).





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020  
(All amount are in Indian Rupees in lakh unless stated otherwise)

### Note - 53

#### Segment reporting:

Segment information for the year ended 31 March 2020 as per Indian Accounting Standard 108 - 'Segment Reporting':

#### (A) Primary segment information (by business segments):

Particulars	For the year ended 31 March 2020						For the year ended 31 March 2019					
	Broking and related activities	Financing and related activities	Asset recon-struction and related activities	Other operations	Inter-segment revenue	Total	Broking and related activities	Financing and related activities	Asset recon-struction and related activities	Other operations	Inter-segment revenue	Total
(i) Segment revenue	35,219.02	257,961.01	14,630.70	555.33	(16,887.51)	291,478.55	38,704.18	165,009.82	5,585.59	794.18	(10,750.71)	199,343.06
(ii) Segment results	971.53	3,091.84	8,109.85	-	-	12,173.22	9,440.09	58,127.95	2,285.00	-	-	69,853.04
Unallocated income net of other unallocated expenditure						(2,123.11)						174.58
Interest expenditure						(7,346.17)						(7,097.00)
Profit before share of loss of an associate and tax						2,703.94						62,930.62
Share of loss in an associate						-						(2.84)
Profit before tax						2,703.94						62,927.78
Tax expense						1,476.96						(16,899.16)
Profit after tax						4,180.90						46,028.62
Total other comprehensive income						566.37						(143.44)
Total comprehensive income for the year						4,747.27						45,885.18
(iii) Segment assets	122,441.38	816,917.74	109,992.42	-	-	1,049,351.54	264,003.58	1,241,664.26	36,704.05	-	-	1,542,371.89
Unallocated corporate assets						108,370.98						59,176.37
Total assets						1,157,722.52						1,601,548.26
(iv) Segment liabilities	18,698.51	535,667.89	2,628.60	-	-	556,995.00	159,362.60	782,055.07	1,510.68	-	-	942,928.35
Unallocated corporate liabilities						41,953.96						1,107.12
Total liabilities						598,948.96						944,035.47
(v) Capital expenditure including capital advances given (net)												
Unallocated capital expenditure including capital advances						(80,991.10)						(8,770.52)
Total capital expenditure including capital advances						(80,991.10)						(8,770.52)
(vi) Depreciation and amortisation	2,127.92	9,399.37	57.89	-	-	11,585.18	801.88	1,890.83	1.72	-	-	2,694.43
Unallocated depreciation and amortisation						22.05						3.32
Total depreciation and amortisation						11,607.23						2,697.75
(vii) Non cash expenditure other than depreciation												
Unallocated non cash expenditure other than depreciation						97,363.47						13,383.50
Non cash expenditure other than depreciation						97,363.47						13,383.50



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

- (B) The Group operates solely in one Geographic segment namely “Within India” and hence no separate information for Geographic segment wise disclosure is required.
- (C) The Group’s primary business segments are reflected based on principal business activities carried on by the Holding Company and its subsidiary companies. The Group’s primary businesses are ‘Broking and Related activities’ and ‘Financing and Related activities’. Broking and related activities include business as a stock broker on the National Stock Exchange of India Limited and the BSE Limited, business as a commodity broker on the Multi Commodity Exchange of India Limited and the National Commodity and Derivative Exchange Limited, brokerage on cross-selling of real estate, and other ancillary services relating to broking activities. Financing and related activities include business of financing loans and other ancillary services. Asset reconstructions and related activities include business of asset reconstruction and securitisation and other ancillary services.
- (D) Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.
- (E) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as disclosed in Note 3.

### Note - 54

#### Related party disclosures

(a) Detail of related parties	: Name of the party
Key management personnel	: - Mr. Divyesh B. Shah, Whole time director and Chief executive officer
	: - Mr. Pinank Shah, Whole time director
	: - Mr. Gagan Banga, Non-executive director
	: - Mrs. Vijayalakshmi Rajaram Iyer, Independent director (resigned w.e.f. 27 August 2019)
	: - Mr. Abhaya Prasad Hota, Independent director (w.e.f. 25 August 2018 and till 16 September 2019)
	: - Mr. Alok Kumar Misra, Independent director
	: - Mrs. Rekha Gopal Warriar, Independent director (w.e.f. 27 August 2019)
	: - Mr. Praveen Kumar Tripathi, Independent director (w.e.f. 16 September 2019)
	: - Mr. Shyam Lal Bansal, Independent director
	: - Brig. (Retd.) Labh Singh Sitara, Independent Director (till 31 March 2019)
Person exercising significant influence	: - Mr. Sameer Gehlaut (Non executive chairman and Promoter)



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### (b) Transactions with related parties :

Nature of transactions	Key management personnel		Person exercising significant influence		Total	
	For the year ended		For the year ended		For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Income</b>						
(i) Brokerage income	0.72	0.47	0.40	0.06	1.12	0.53
<b>Expenses</b>						
(i) Compensation to key management personnels:						
- Short term employee benefits	667.70	407.65			400.59	407.65
- Post employment benefits - gratuity	3.52	0.55			1.56	0.55
- Other long-term employee benefits compensated absences	10.11	0.75	-	-	2.15	0.75
- Share based expenses	937.40	876.78			512.30	876.78
- Others (Director sitting fees)	32.50	41.00	-	-	12.50	17.00
<b>Finance</b>						
(i) Issue of Equity Shares under ESOP Schemes (based on the Exercise price)	1,622.56	-	-	-	237.88	-
(ii) Buy back of fully paid up equity shares	5,546.91	-	29,018.27	-	5,546.91	-
(iii) Call money received against right issue	51.98	1,478.96	-	6,774.43	51.98	8,253.39
(iv) Dividend Paid *	366.04	118.71	1,081.31	425.11	1,447.35	543.82
*Paid to related parties in their capacity of shareholders.						
<b>Balance outstanding at the end of the period :</b>						
Nature of transactions	Key management personnel		Person exercising significant influence		Total	
	For the year ended		For the year ended		For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
(i) Margin funding loan receivable	68.83	-	-	-	68.83	-
(ii) Margin from customers	-	(131.72)	-	-	-	(131.72)
(iii) Calls in arrear	-	51.98	-	-	-	51.98

Amount presented in brackets represents liabilities

**Note:** Related party relationships as given above are as identified by the Group.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### Note - 55

#### Financial instruments

##### A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at 31 March 2020	As at 31 March 2019
<b>Financial assets measured at fair value</b>			
Investments measured at -			
- Fair value through profit and loss	Note - 11	63,247.97	59,874.87
- Fair value through other comprehensive income	Note - 11	164.28	397.25
Loans measured at -			
- Fair value through other comprehensive income	Note - 10	48,773.63	-
Financial assets measured at amortised cost			
Cash and cash equivalents	Note - 6	211,941.33	194,717.37
Bank balance other than cash and cash equivalents	Note - 7	74,050.60	39,674.07
Receivables -			
(i) Trade receivables	Note - 8	15,214.76	27,336.19
(ii) Other receivables	Note - 9	6,875.11	11,073.74
Loans	Note - 10	474,322.44	1,119,664.22
Security deposits	Note - 12	40,461.29	94,016.03
Other financial assets	Note - 12	51,876.09	4,599.25
<b>Total</b>		<b>986,927.50</b>	<b>1,551,352.99</b>
<b>Financial liabilities measured at fair value</b>			
Derivative financial instruments	Note - 18	-	209.42
<b>Financial liabilities measured at amortised cost</b>			
Trade payables	Note - 19	8,511.04	6,430.98
Other payables	Note - 20	4,051.25	2,674.15
Debt securities (including interest accrued)	Note - 21	89,486.58	203,915.46
Borrowings (other than debt securities) (including interest accrued)	Note - 22	425,847.56	662,096.69
Lease liabilities	Note - 23	25,624.33	-
Other financial liabilities	Note - 24	30,174.84	58,054.36
<b>Total</b>		<b>583,695.60</b>	<b>933,381.06</b>

##### B Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

**Level 1:** Quoted prices (unadjusted) for identical instruments in an active market;

**Level 2:** Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data (unobservable inputs).



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2020	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Investments at fair value through profit and loss</b>				
Debt securities	50,598.88	-	-	<b>50,598.88</b>
Mutual funds and other funds	8,155.07	-	-	<b>8,155.07</b>
Unquoted security receipts	-	-	4,494.02	<b>4,494.02</b>
<b>Investments at fair value through other comprehensive income</b>				
Quoted equity instruments	164.28	-	-	<b>164.28</b>
Loans	-	-	48,773.63	<b>48773.63</b>

As at 31 March 2019	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Investments at fair value through profit and loss</b>				
Debt securities	2,617.51	-	-	<b>2,617.51</b>
Mutual funds and other funds	55,323.42	-	-	<b>55,323.42</b>
Unquoted security receipts	-	-	1,933.94	<b>1,933.94</b>
<b>Investments at fair value through other comprehensive income</b>				
Quoted equity instruments	397.25	-	-	<b>397.25</b>
<b>Financial liabilities at fair value through profit and loss</b>				
Derivative liability	209.42	-	-	<b>209.42</b>

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for quoted equity instruments and debt securities.
- the use of quoted market prices for derivative contracts at balance sheet date. For hedge related disclosures, refer note 58.
- for unquoted security receipts, adjusted discounted cash flow method (income approach) has been used.
- the use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value		Significant unobservable inputs
	As at 31 March 2020	As at 31 March 2019	
Unquoted security receipts	4,494.02	1,933.94	Estimated cash flows and discount rate
Loans	49,057.18	-	Estimated cash flows and discount rate

### Sensitivity analysis

Description	For the period ended 31 March 2020	For the period ended 31 March 2019
<b>Impact on fair value if change in internal rate of return - 'Unquoted security receipts</b>		
- Impact due to increase of 0.5%	(14.61)	(6.95)
- Impact due to decrease of 0.5%	14.61	7.04
<b>Impact of change in rates on total comprehensive income statement - Loans</b>		
- Impact due to increase of 1.0%	404.75	-
- Impact due to decrease of 1.0%	(390.95)	-

The following table presents the changes in level 3 items for the periods ended 31 March 2020 and 31 March 2019:

Particulars	Loans	Unquoted security receipts
<b>As at 1 April 2018</b>	-	<b>4,259.52</b>
Add: Addition during the year	-	-
Less: Redeemed during the year	-	(2,325.58)
<b>As at 31 March 2019</b>	-	<b>1,933.94</b>
Add: Addition during the year	569,686.09	3,150.00
Less: Disposal/ Redeemed during the year	(521,687.91)	(589.92)
Add: Gain recognised in statement of profit and loss	1,059.00	-
<b>As at 31 March 2020</b>	<b>49,057.18</b>	<b>4,494.02</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	211,941.33	211,941.33	194,717.37	194,717.37
Bank balance other than cash and cash equivalents	74,050.60	74,050.60	39,674.07	39,674.07
Receivables -				
(i) Trade receivables	15,214.76	15,214.76	27,336.19	27,211.46
(ii) Other receivables	6,875.11	6,875.11	11,073.74	11,073.74
Loans	474,322.44	474,381.00	1,119,664.22	1,145,696.56
Investments	-	-	-	-
Security deposits	40,461.29	40,464.63	94,016.03	93,880.59
Other financial assets	51,876.09	55,224.32	4,599.25	4,611.14
<b>Total</b>	<b>874,741.62</b>	<b>878,151.75</b>	<b>1,491,080.87</b>	<b>1,516,864.93</b>
<b>Financial liabilities</b>				
Trade payables	8,511.04	8,511.04	6,430.98	6,430.98
Other payables	4,051.25	4,051.25	2,674.15	2,674.16
Debt securities	89,486.58	94,521.24	203,915.46	203,915.45
Borrowings other than debt securities	425,847.56	425,969.48	662,096.69	662,096.70
Lease Liabilities	25,624.33	26,353.33		
Other financial liabilities	30,174.84	30,174.84	58,054.36	59,206.62
<b>Total</b>	<b>583,695.60</b>	<b>589,581.18</b>	<b>933,171.64</b>	<b>934,323.91</b>

The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

- (i) The fair values of the Group's fixed interest bearing loans are determined by applying discounted cash flows ('DCF') method. For variable rate interest-bearing loans, carrying value represent best estimate of their fair value.
- (ii) The fair values of the Group's non-interest bearing security deposits, trade receivables, other financial assets, debt securities, borrowings (other than debt securities) and lease liabilities are determined by applying discounted cash flows ('DCF') method.
- (iii) The fair values of the Group fixed rate interest-bearing debt securities and borrowings are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities and borrowings, carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### Note-56

#### Financial risk management

##### i) Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's board of directors has overall responsibility for the establishment and oversight of the Group risk management framework. The Group's risk are managed by a treasury department under policies approved by the board of directors. The board of directors provides written principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, bank balance other than cash and cash equivalents, investments, loans, trade receivables and other financial assets	Ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, debt securities, trade payables, other payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required)
Market risk - foreign exchange	Financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Forward contract/hedging, if required
Market risk - interest rate	Variable rates borrowings and debt securities	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity and debt securities, mutual funds	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

##### A) Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the company. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, bank balance other than cash and cash equivalents, investments, loan assets, trade receivables and other financial assets. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

##### a) Credit risk management

'Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

The Group provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, bank balance other than cash and cash equivalents, investments, loans, trade receivables, security deposits and other financial assets	Life time expected credit loss or 12 month expected credit loss
Moderate credit risk	Trade receivables, other receivables and loans	Life time expected credit loss
High credit risk	Loans, other receivables and security deposits	Life time expected credit loss or fully provided for

Assets are written off when there is no reasonable expectation of recovery. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

### Financial assets that expose the entity to credit risk\*

Particulars		As at 31 March 2020	As at 31 March 2019
<b>(i)</b>	<b>Low credit risk</b>		
	Cash and cash equivalents	211,941.33	194,717.37
	Bank balance other than cash and cash equivalents	74,050.60	39,674.07
	Trade receivables	15,214.76	27,336.19
	Other receivables	6,875.11	11,073.74
	Loans	552,428.09	1,118,629.26
	Investments	164.28	397.25
	Security deposits	40,461.29	94,016.03
	Other financial assets	49,960.38	4,599.25
<b>(ii)</b>	<b>Moderate credit risk</b>		
	Trade receivables	1,198.90	783.11
	Other financial assets	1,915.71	-
	Loans	22,201.47	7,338.51
<b>(iii)</b>	<b>High credit risk</b>		
	Loans	9,094.92	8,412.93
	Other receivables	4,749.17	1,434.49
	Trade receivables	7,094.68	2,288.60
	Security deposits	20.10	23.00

\* These represent gross carrying values of financial assets, without deduction for expected credit losses



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

### Trade and other receivables

Credit risk related to trade and other receivables are managed by monitoring the recoverability of such amounts continuously.

### Loans

The Group closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process (wherever applicable) to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Group assesses increase in credit risk on an ongoing basis for amounts loan assets that become past due and default is considered to have occurred when amounts receivable become one year past due.

The major guidelines for selection of the client includes:

- The client's income and indebtedness levels
- The client must possess the required KYC documents
- Client must agree to follow the rules and regulations of the Group
- Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the Group undertakes credit bureau checks for every client. The credit bureau check helps the Group in identifying clients with poor repayment histories and multiple loans.

Category*	Inputs	Assumptions
Corporate borrowers	1. Historical data as per Industry trends	1. Recoverability assumptions for stage 3 loan assets and related assessment with value of collateral.
Retail borrowers	2. Supplemental external information that could affect the borrowers behaviour	2. Management judgement is applied to determine the economic scenarios and the application of probability weights
	3. Discount rate is based on internal rate of return on the loan	

\* The Group has used forward looking information in form of GDP growth rate and unemployment rate specific to the sector.

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

### Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits, interest spread on assigned assets and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### b) Credit risk exposure

#### i) Expected credit losses for financial assets

As at 31 March 2020	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	211,941.33	-	211,941.33
Bank balance other than cash and cash equivalents	74,050.60	-	74,050.60
Investments	164.28	-	164.28
Trade receivables	23,508.34	(8,293.58)	15,214.76
Other receivables	11,624.28	(4,749.17)	6,875.11
Margin funding loans	1,341.86	-	1,341.86
Security deposits	40,481.39	(20.10)	40,461.29
Other financial assets	53,791.80	(1,915.71)	51,876.09

As at 31 March 2019	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	194,717.37	-	194,717.37
Bank balance other than cash and cash equivalents	39,674.07	-	39,674.07
Investments	397.25	-	397.25
Trade receivables	30,407.90	(3,071.71)	27,336.19
Other receivables	12,508.24	(1,434.50)	11,073.74
Margin funding loans	5,008.27	-	5,008.27
Security deposits	94,039.03	(23.00)	94,016.03
Other financial assets	4,599.25	-	4,599.25

#### Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables	Other receivables	Other financial assets	Security deposits
<b>Loss allowance on 1 April 2018</b>	<b>2,850.13</b>	<b>1,543.33</b>	-	<b>22.25</b>
Impairment loss recognised during the year	1,202.74	168.05	-	5.00
Loss allowance written back	(981.16)	(276.88)	-	-
Write - offs	-	-	-	(4.25)
<b>Loss allowance on 31 March 2019</b>	<b>3,071.71</b>	<b>1,434.50</b>	-	<b>23.00</b>
Impairment loss recognised during the year	6,686.98	3,314.67	1,915.71	-
Loss allowance written back	(536.40)	-	-	(2.90)
Write - offs	(928.71)	-	-	-
<b>Loss allowance on 31 March 2020</b>	<b>8,293.58</b>	<b>4,749.18</b>	<b>1,915.71</b>	<b>20.10</b>
Discounting during the year	-	-	-	-
<b>Total Loss allowance on 31 March 2020</b>	<b>8,293.58</b>	<b>4,749.18</b>	<b>1,915.71</b>	<b>20.10</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### Concentration of financial assets excluding loans

The Group carries on the business as stock broker on the National Stock Exchange of India Limited (“NSE”) and the BSE Limited (“BSE”), commodities broker on Multi Commodity Exchange of India Limited (“MCX”) and National Commodity & Derivatives Exchange Limited (“NCDEX”), depository participants, broking of underwriting/distribution of real estate projects on behalf of developers and renders other related ancillary services. The Group’s outstanding receivables are for stock broking on stock exchange’s, broking of underwriting/distribution of real estate projects and depository participants. Other financial assets majorly represents margin funding loans and deposits given for business purposes.

### ii) Expected credit losses for loans

Definition of default:

The Group considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of default, Exposure at default and Loss given default.

### Changes in the gross carrying amount in relation to loans given from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
<b>Gross carrying amount as at 1 April 2018</b>	<b>400,297.22</b>	<b>1,247.56</b>	<b>207.97</b>
Assets originated	1,018,635.29	-	31,998.59
Net transfer between stages	(18,592.38)	8,883.39	9,708.98
Assets derecognised (excluding write offs)	(318,717.71)	(2,792.46)	(1,504.02)
Write - offs	-	-	-
<b>Gross carrying amount as at 31 March 2019</b>	<b>1,081,622.42</b>	<b>7,338.49</b>	<b>40,411.52</b>
Assets originated and acquired	1,170,887.04	-	79,183.57
Net transfer between stages	(121,025.35)	48,003.89	73,021.46
Assets derecognised (excluding write offs)	(1,691,580.03)	(33,140.91)	(72,339.47)
<b>Gross carrying amount as at 31 March 2020</b>	<b>439,904.08</b>	<b>22,201.47</b>	<b>120,277.08</b>

### Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Stage 1	Stage 2	Stage 3
<b>Loss allowance on 1 April 2018</b>	<b>1,209.17</b>	<b>125.30</b>	<b>167.08</b>
Increase of provision due to assets originated during the year	4,135.16	-	-
Impairment loss recognised during the year	(8,133.84)	2,187.09	8,175.89
Loss allowance written back	7,197.24	(14.33)	(332.29)
<b>Loss allowance on 31 March 2019</b>	<b>4,407.73</b>	<b>2,298.06</b>	<b>8,010.68</b>
Increase of provision due to assets originated and purchased during the year	4,699.20	-	-
Impairment loss recognised during the year	(29,270.79)	4,797.15	29,902.80
Loss allowance written back	22,154.96	(751.35)	(24,620.03)
<b>Loss allowance on 31 March 2020</b>	<b>1,991.10</b>	<b>6,343.86</b>	<b>13,293.45</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### c) Concentration of loans

Prudent risk management involves the minimisation of concentration risk by diversifying the loan portfolio. Setting up exposure limit for particular industry, sector, geographical area, product, etc. is essential to reduce the concentration of the loan portfolio.

Particulars	As at 31 March 2020	As at 31 March 2019
Retail borrowers	401,333.53	741,124.51
Borrowers other than retail borrowers	181,049.09	388,247.92
<b>Total</b>	<b>582,382.62</b>	<b>1,129,372.43</b>

#### Loans secured against collateral

Group's secured portfolio has security base as follows:

Particulars	Value of loans	
	As at 31 March 2020	As at 31 March 2019
Secured by tangible assets	229,620.09	560,378.47
Secured by other assets	2,503.74	6,785.00

Wherever required, the Group holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, pledge of securities, guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts, etc.

The Group does not physically possess properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are more than 90 days past due, possession of property may be initiated. Possessed property is disposed of in the manner prescribed under the regulatory guidance to recover outstanding debt.

### B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Group maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Group's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Group also takes into account liquidity of the market in which the entity operates.

#### (i) Financing arrangements

The Group had access to the following funding facilities:

As at 31 March 2020	Total facility	Drawn	Undrawn
- Expiring within one year	126,930.00	10,855.78	116,074.22
- Expiring beyond one year	60,000.00	20,000.00	40,000.00
<b>Total</b>	<b>186,930.00</b>	<b>30,855.78</b>	<b>156,074.22</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

As at 31 March 2019	Total facility	Drawn	Undrawn
- Expiring within one year	215,009.00	120,067.02	94,941.98
- Expiring beyond one year	-	-	-
<b>Total</b>	<b>215,009.00</b>	<b>120,067.02</b>	<b>94,941.98</b>

### (ii) Maturities of financial assets and liabilities

The tables below analyse the Group financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2020	Less than 1 year	1-3 years	More than 3 years	Total
<b>Non-derivatives</b>				
Cash and cash equivalent	211,970.77	-	-	211,970.77
Bank balances other than cash and cash equivalent	73,567.67	1,536.47	1.00	75,105.14
Trade receivables	12,575.58	8,254.21	2,872.62	23,702.41
Other receivable	819.97	4,071.37	6,740.28	11,631.62
Loans	390,881.55	187,581.13	319,425.59	897,888.27
Investments	64,476.32	-	5,422.77	69,899.09
Other financial assets	77,297.03	21,235.93	2,433.01	100,965.97
<b>Total undiscounted financial assets</b>	<b>831,588.88</b>	<b>222,679.11</b>	<b>336,895.27</b>	<b>1,391,163.27</b>
<b>Non-derivatives</b>				
Debt securities	25,334.70	65,020.59	17,397.66	107,752.95
Borrowings (other than debt securities)	222,630.98	242,986.96	18,259.07	483,877.01
Trade payables	8,511.18	-	-	8,511.18
Other payables	4,051.11	-	-	4,051.11
Lease Liabilities	6,180.45	11,378.06	17,803.73	35,362.24
Other financial liabilities	30,174.84	-	-	30,174.84
<b>Total undiscounted financial liabilities</b>	<b>296,883.25</b>	<b>319,385.61</b>	<b>53,460.46</b>	<b>669,729.32</b>
<b>Net undiscounted financial assets/(liabilities)</b>	<b>534,705.63</b>	<b>(96,706.50)</b>	<b>283,434.81</b>	<b>721,433.95</b>

As at 31 March 2019	Less than 1 year	1-3 years	More than 3 years	Total
<b>Non-derivatives</b>				
Cash and cash equivalent	194,763.21	-	-	194,763.21
Bank balances other than above	34,119.62	7,340.85	1.00	41,461.47
Trade receivables	11,372.28	19,035.62	-	30,407.90
Other receivable	179.95	10,792.71	1,535.57	12,508.23
Loans	481,432.74	706,731.44	279,351.16	1,467,515.35
Investments	59,335.38	588.00	674.80	60,598.18
Other financial assets	91,432.85	5,379.17	3,046.34	99,858.36
<b>Total undiscounted financial assets</b>	<b>872,636.03</b>	<b>749,867.79</b>	<b>284,608.87</b>	<b>1,907,112.69</b>
<b>Non-derivatives</b>				
Debt securities	125,574.77	79,170.25	24,160.97	228,905.99
Borrowings other than debt securities	410,580.63	197,945.49	88,902.95	697,429.08



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

As at 31 March 2019	Less than 1 year	1-3 years	More than 3 years	Total
Trade payables	6,430.98	-	-	6,430.98
Other payables	2,674.15	-	-	2,674.15
Other financial liabilities	39,210.97	19,011.22	68.87	58,291.06
<b>Derivatives (net settled)</b>				
Index linked derivatives	209.42	-	-	209.42
<b>Total undiscounted financial liabilities</b>	<b>584,680.93</b>	<b>296,126.96</b>	<b>113,132.79</b>	<b>993,940.68</b>
<b>Net undiscounted financial assets/(liabilities)</b>	<b>287,955.11</b>	<b>453,740.83</b>	<b>171,476.08</b>	<b>913,172.01</b>

### C) Market risk

#### a) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. To mitigate the Group's exposure to foreign currency risk, non-rupee cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies. The Group has not hedged its foreign currency receivables and payables.

#### (i) Foreign currency risk exposure in USD:

Particulars	As at	Foreign currency	Exchange rate	Amount in Foreign Currency	Amount
<b>Financial assets</b>					
Loan notes and escrow receivable	31 March 2020	USD	75.38	10.74	809.49
Loan notes and escrow receivable	31 March 2019	USD	69.17	10.74	742.76

#### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>USD sensitivity</b>		
INR/USD- increase by 6.70% (31 March 2019: 8.38%)*	54.24	62.24
INR/USD- decrease by 6.70% (31 March 2019: 8.38%)*	(54.24)	(62.24)

\* Holding all other variables constant



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### b) Interest rate risk

#### i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2020, the Group is exposed to changes in market interest rates through debt securities and other borrowings at variable interest rates.

#### Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Variable rate liabilities</b>		
Borrowings (other than debt securities)	238,190.08	564,694.53
<b>Fixed rate liabilities</b>		
Debt securities	88,736.01	203,505.46
Borrowings (other than debt securities)	186,278.31	96,584.25

#### Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest sensitivity on borrowings (other than debt securities)*		
Interest rates – increase by 1.00% (31 March 2019: 1.0%)	2,309.81	2,867.66
Interest rates – decrease by 1.00% (31 March 2019: 1.0%)	(2,309.81)	(2,867.66)

\* Holding all other variables constant

#### ii) Assets

The Group's term deposit, commercial paper/deposits and bank deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### c) Price risk

#### i) Exposure

The Group's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity:

#### Impact on profit after tax

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Mutual funds</b>		
Net assets value – increase by 5%	407.75	2,766.17
Net assets value – decrease by 5%	(407.75)	(2,766.17)
<b>Quoted debt securities</b>		
Market price – increase by 5%	2,529.94	130.88
Market price – decrease by 5%	(2,529.94)	(130.88)

#### Impact on other comprehensive income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Quoted equity instruments		
Value per share – increase by 26% (31 March 2019: 19%)	42.71	75.48
Value per share – decrease by 26% (31 March 2019: 19%)	(42.71)	(75.48)

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#### Capital management

The Company's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at 31 March 2020	As at 31 March 2019
Debt securities (including interest accrued)	89,486.58	203,915.46
Borrowings (other than debt securities) (including interest accrued)	425,847.56	662,096.69
<b>Total debt</b>	<b>515,334.14</b>	<b>866,012.15</b>
Less : Cash and cash equivalents	(211,941.33)	(194,717.37)
<b>Net debt</b>	<b>303,392.81</b>	<b>671,294.78</b>
<b>Equity attributable to the owners of the parent</b>	<b>502,735.43</b>	<b>642,596.79</b>
<b>Net debt to equity ratio</b>	<b>0.60</b>	<b>1.04</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### Note - 58

#### Fair value hedges

##### A. Risk management strategy

The use of derivatives can give rise to price risk. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The price risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes. The Group uses derivative instruments as part of its management of exposure to fluctuations in market price of equity investments. The derivative transactions are normally in the form of futures and these are subject to the Group guidelines and policies.

##### B. Hedge relationship

The Group had done investment in shares of Reliance Industries Limited. The Group enters into selling of future of Reliance Industries Limited to hedge its price risk. Gains and losses on these hedge transactions are substantially offset by the amount of gains or losses on the underlying assets. Net gains and losses are recognized in the statement of profit and loss.

Hedge ratio is the relationship between the quantity of the hedging instrument and the quantity of the hedged item. In the case, total principal payments under the transaction is hedged with futures of the equivalent amount and at the same dates. Hence the entity hedge 100% of its exposure on the transaction and is considered highly effective. The Group has entered into nifty future contracts which provide an economic hedge to a risk component of a transaction.

##### C Other hedge related disclosures

The fair value of the Group's derivative positions recorded under derivative financial liabilities are as follows:

#### 31 March 2020

Type of hedge and risk	Change in fair value of hedging instrument	Maturity date	Change in value of hedged item used as a basis of recognising hedge effectiveness	Hedge ratio
Equity futures (loss)/gain	-	-	-	-

Particulars	Carrying amount of derivative liabilities	Carrying amount of investments	Amount charged to statement of profit and loss
Investments	-	-	-

#### 31 March 2019

Type of hedge and risk	Change in fair value of hedging instrument	Maturity date	Change in value of hedged item used as a basis of recognising hedge effectiveness	Hedge ratio
Equity futures (loss)/gain	(2,633.93)	27-09-2018	2,830.05	1:1



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Particulars	Carrying amount of derivative liabilities	Carrying amount of investments	Amount charged to statement of profit and loss
Investments	-	-	196.13

### Note - 59

#### Transferred financial assets

##### A) Securitisation

In the course of its finance activity, the Group makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Group retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The Group has securitized its loan assets to an unrelated and unconsolidated entities. As per the terms of the agreements, the Group is exposed to first loss default guarantee and cash collateral amounting in range of 14% to 16% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying receivables. Hence, these loan assets are not derecognised and proceeds received are presented as other financial liability.

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitisations	For the year ended 31 March 2020	For the year ended 31 March 2019
Gross carrying amount of securitised assets	89,112.47	42,197.00
Gross carrying amount of associated liabilities	92,156.05	40,828.55
Carrying value and fair value of securitised assets	92,567.91	43,111.96
Carrying value and fair value of associated liabilities	92,156.05	40,828.55
<b>Net position</b>	<b>411.86</b>	<b>2,283.41</b>

##### B) Assignment

During the year ended March 31, 2020, the Group has sold certain loans by way of direct bilateral assignment, as a source of finance. As per the terms of such deals, since the derecognition criteria as per Ind AS 109 are met, (including transfer of substantial risks and rewards) relating to assets being transferred to the buyer, the assets have been derecognised from the books of the Group.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition.

Particulars	As at 31 March 2020	As at 31 March 2019
Carrying amount of de-recognised financial asset	588,837.88	60,648.15
Gain on sale of the de-recognised financial asset	61,669.04	3,157.96

Since the Group has derecognized the above loan assets in entirety, the whole of the interest spread at the present value (discounted over the expected life of the assets) is recognised on the date of derecognition itself as interest-only strip receivable and corresponding profit on derecognition of financial assets is recognized in the Statement of Profit and Loss.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### Note - 60

#### Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products.

	As at 31 March 2020		As at 31 March 2019	
	Within 12 months	After 12 months	Within 12 months	After 12 months
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	211,941.33	-	194,717.37	-
Bank balance other than cash and cash equivalents	72,208.51	1,842.09	32,349.65	7,324.42
Receivables				
Trade receivables	8,162.42	7,052.34	10,280.70	17,055.49
Other receivables	619.61	6,255.50	179.95	10,893.79
Loans	280,621.03	242,475.04	471,937.83	647,726.39
Investments	59,591.87	3,820.39	59,443.96	828.16
Other financial assets	72,206.85	20,130.53	82,414.49	16,200.79
	<b>705,351.62</b>	<b>281,575.89</b>	<b>851,323.95</b>	<b>700,029.04</b>
<b>Non-financial assets</b>				
Current tax assets (net)	13,641.39	2,395.41	7,248.31	-
Deferred tax assets	-	17,269.39	-	13,756.90
Investment accounted for using equity method	-	-	-	3,567.58
Property, plant and equipment	-	7,753.10	-	4,617.26
Right-of-use assets	4,158.11	19,977.09	-	-
Intangible assets under development	-	608.12	-	901.20
Goodwill	-	3,906.43	-	319.77
Other intangible assets	-	12,608.41	-	6,894.97
Investment Property	-	27,122.50	-	-
Other non-financial assets	14,939.79	46,415.28	11,735.06	1,154.22
	<b>32,739.29</b>	<b>138,055.73</b>	<b>18,983.37</b>	<b>31,211.90</b>
<b>TOTAL ASSETS (A)</b>	<b>738,090.91</b>	<b>419,631.62</b>	<b>870,307.32</b>	<b>731,240.94</b>
<b>LIABILITIES</b>				
<b>Financial liabilities</b>				
Derivative financial instruments	-	-	209.42	-
Payables				



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

	As at 31 March 2020		As at 31 March 2019	
	Within 12 months	After 12 months	Within 12 months	After 12 months
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	2.42	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8,508.62	-	6,430.98	-
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4,051.25	-	2,674.15	-
Debt securities	16,558.78	72,177.23	93,475.93	110,029.53
Borrowings (other than debt securities)	188,435.24	236,033.15	374,879.42	286,399.35
Lease liabilities	3,686.95	21,937.38	-	-
Other financial liabilities	32,304.58	-	40,438.90	18,843.38
	<b>253,547.84</b>	<b>330,147.76</b>	<b>518,108.80</b>	<b>415,272.26</b>
<b>Non-financial Liabilities</b>				
Current tax liabilities (net)	284.96	-	753.48	-
Provisions	82.03	3,659.01	2,286.54	1,970.33
Deferred tax liabilities	-	1,098.28	-	-
Other non-financial liabilities	9,946.55	182.53	5,388.79	255.27
	<b>10,313.54</b>	<b>4,939.82</b>	<b>8,428.81</b>	<b>2,225.60</b>
<b>TOTAL LIABILITIES (B)</b>	<b>263,861.38</b>	<b>335,087.58</b>	<b>526,537.61</b>	<b>417,497.86</b>
<b>Net (A-B)</b>	<b>474,229.53</b>	<b>84,544.04</b>	<b>343,769.71</b>	<b>313,743.08</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020  
(All amount are in Indian Rupees in lakh unless stated otherwise)

### Note - 61

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	As at 31March 2020							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent Company</b>								
Indiabulls Ventures Limited	(4.05%)	(22,629.08)	(86.37%)	(3,610.98)	(26.82%)	(151.92)	(79.26%)	(3,762.91)
<b>Subsidiaries (Indian)</b>								
Indiabulls Consumer Finance Limited (Formerly IVL Finance Limited)	52.19%	291,610.68	41.09%	1,717.69	128.58%	728.26	51.52%	2,445.95
Indiabulls Investment Advisors Limited	4.82%	26,957.17	(90.19%)	(3,770.73)	(1.24%)	(7.04)	(79.58%)	(3,777.77)
Indiabulls Distribution Services Limited	8.14%	45,486.58	37.65%	1,574.14	0.00%	-	33.16%	1,574.14
Indiabulls Securities Limited (Formerly Indiabulls Commodities Limited)	7.43%	41,533.56	(26.49%)	(1,107.52)	(5.52%)	(31.25)	(23.99%)	(1,138.77)
Devata Tradelink Limited	0.01%	28.51	(0.01%)	(0.50)	0.00%	-	(0.01%)	(0.50)
Indiabulls Alternate Investments Limited	0.15%	814.19	3.35%	139.85	0.00%	-	2.95%	139.85
Indiabulls Consumer Products Limited	0.00%	12.11	(0.06%)	(2.38)	0.00%	-	(0.05%)	(2.38)
Indiabulls Asset Reconstruction Company Limited	0.58%	3,251.88	12.34%	515.93	1.04%	5.92	10.99%	521.85
Indiabulls Infra Resources Limited	0.02%	119.18	(0.23%)	(9.53)	0.00%	-	(0.20%)	(9.53)
Auxesia Soft Solutions Limited	0.00%	(1.20)	0.01%	(0.22)	0.00%	-	(0.00%)	(0.22)
Pushpanjali Finsolutions Limited	4.84%	27,019.59	(18.04%)	(754.09)	0.00%	-	(15.88%)	(754.09)
Arbutus Constructions Limited	0.02%	95.03	(0.00%)	(0.10)	0.00%	-	(0.00%)	(0.10)
Gyansagar Buildtech Limited	0.06%	345.68	(0.01%)	(0.33)	0.00%	-	(0.01%)	(0.33)
Pushpanjali Fincon Limited	0.00%	3.72	(0.21%)	(8.87)	0.00%	-	(0.19%)	(8.87)
Evinos Buildwell Limited	5.83%	32,572.05	(0.14%)	(6.05)	0.00%	-	(0.13%)	(6.05)
Evinos Developers Limited	0.00%	4.65	(0.01%)	(0.35)	0.00%	-	(0.01%)	(0.35)
Krathis Buildcon Limited	0.00%	4.75	(0.01%)	(0.25)	0.00%	-	(0.01%)	(0.25)
Savren Buildwell Limited	0.00%	4.75	(0.01%)	(0.25)	0.00%	-	(0.01%)	(0.25)
Krathis Developers Limited	0.00%	4.75	(0.01%)	(0.25)	0.00%	-	(0.01%)	(0.25)
TranServ Limited (formerly TranServ Private Limited)	0.62%	3,474.37	17.31%	723.68	1.66%	9.40	15.45%	733.09
Indiabulls ARC - III Trust	0.49%	2,744.27	(10.95%)	(458.04)	0.00%	-	(9.65%)	(458.04)
Indiabulls ARC - IV Trust	0.66%	3,691.86	21.78%	910.57	0.00%	-	19.18%	910.57
Indiabulls ARC - V Trust	0.04%	240.21	6.23%	260.49	0.00%	-	5.49%	260.49
Indiabulls ARC - VI Trust	0.47%	2,643.76	14.42%	602.92	0.00%	-	12.70%	602.92
Indiabulls ARC - VII Trust	0.33%	1,847.41	18.01%	753.06	0.00%	-	15.86%	753.06



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Name of the entity	As at 31 March 2020							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Indiabulls ARC - VIII Trust	0.47%	2,603.84	6.14%	256.47	0.00%	-	5.40%	256.47
Indiabulls ARC - X Trust	3.24%	18,106.76	30.60%	1,279.36	0.00%	-	26.95%	1,279.36
Indiabulls ARC - XI Trust	1.99%	11,128.84	24.38%	1,019.51	0.00%	-	21.48%	1,019.51
Indiabulls ARC - XII Trust	1.69%	9,447.24	8.15%	340.76	0.00%	-	7.18%	340.76
Indiabulls ARC - XIII Trust	0.20%	1,093.22	1.64%	68.68	0.00%	-	1.45%	68.68
<b>Non controlling interest in all subsidiaries</b>	<b>9.76%</b>	<b>54,513.23</b>	<b>89.65%</b>	<b>3,748.23</b>	<b>2.30%</b>	<b>13.00</b>	<b>79.23%</b>	<b>3,761.23</b>
<b>Total</b>	<b>100.00%</b>	<b>558,773.56</b>	<b>100.00%</b>	<b>4,180.90</b>	<b>100.00%</b>	<b>566.37</b>	<b>100.00%</b>	<b>4,747.27</b>

### Note - 62

#### Group information

- A. The consolidated financial statements include the financial statements of Group and its subsidiaries. Indiabulls Ventures Limited is the ultimate holding of the Group.

Name of subsidiaries	Country of incorporation	% of holding and voting power either directly or indirectly through subsidiary	
		As at 31 March 2020	As at 31 March 2019
Indiabulls Consumer Finance Limited (Formerly known as IVL Finance Limited)	India	100.00%	100.00%
Indiabulls Investment Advisors Limited (Subsidiary of Indiabulls Consumer Finance Limited )	India	100.00%	100.00%
Indiabulls Distribution Services Limited	India	100.00%	100.00%
Indiabulls Securities Limited (Formerly known as Indiabulls Commodities Limited)	India	100.00%	100.00%
Devata Tradelink Limited	India	100.00%	100.00%
Indiabulls Alternate Investments Limited	India	100.00%	100.00%
Indiabulls Consumer Products Limited	India	100.00%	100.00%
Indiabulls Asset Reconstruction Company Limited	India	100.00%	100.00%
Indiabulls Infra Resources Limited	India	100.00%	100.00%
Auxesia Soft Solutions Limited	India	100.00%	100.00%
Pushpanjli Finsolutions Limited	India	100.00%	100.00%
Arbutus Constructions Limited	India	100.00%	100.00%
Gyansagar Buildtech Limited	India	100.00%	100.00%
Pushpanjli Fincon Limited	India	100.00%	100.00%



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Name of subsidiaries	Country of incorporation	% of holding and voting power either directly or indirectly through subsidiary	
		As at 31 March 2020	As at 31 March 2019
Transerv Limited (formerly known as Transerv Private Limited) (Entity was associate as on 31 March 2019) (Refer "C"- Information on Associates)	India	42.00%	33.00%
Indiabulls ARC - III Trust	India	51.00%	51.00%
Indiabulls ARC - IV Trust	India	51.00%	51.00%
Indiabulls ARC - V Trust	India	51.00%	51.00%
Indiabulls ARC - VI Trust	India	51.00%	51.00%
Indiabulls ARC - VII Trust	India	51.00%	51.00%
Indiabulls ARC - VIII Trust	India	51.00%	N.A
Indiabulls ARC - X Trust	India	51.00%	N.A
Indiabulls ARC - XI Trust	India	51.00%	N.A
Indiabulls ARC - XII Trust	India	51.00%	N.A
Indiabulls ARC - XIII Trust	India	51.00%	N.A
Evinos Developers Limited	India	100.00%	N.A
Evinos Buildwell Limited	India	100.00%	N.A
Krathis Buildcon Limited	India	100.00%	N.A
Krathis Developers Limited	India	100.00%	N.A
Savren Buildwell Limited	India	100.00%	N.A

### B. Subsidiary with material non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Name of entity	Principal activities	Proportion of ownership interests and voting rights held by NCI	
		As at 31 March 2020	As at 31 March 2019
Indiabulls ARC - III Trust	Securitisation and Asset Reconstruction	49.00%	49.00%
Indiabulls ARC - IV Trust		49.00%	49.00%
Indiabulls ARC - V Trust		49.00%	49.00%
Indiabulls ARC - VI Trust		49.00%	49.00%
Indiabulls ARC - VII Trust		49.00%	49.00%
Indiabulls ARC - VIII Trust		49.00%	Not applicable
Indiabulls ARC - X Trust		49.00%	Not applicable
Indiabulls ARC - XI Trust		49.00%	Not applicable
Indiabulls ARC - XII Trust		49.00%	Not applicable
Indiabulls ARC - XIII Trust		49.00%	Not applicable
Transerv Limited	Wallet Business	58.00%	Not applicable





## Summary of significant accounting policies and other explanatory information

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(All amount are in Indian Rupees in lakh unless stated otherwise)

Summarised financial information for Indiabulls ARC - III Trust is set out below:

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assets	5,551.31	6,574.48
Non-financial assets	9.84	34.73
<b>Total assets</b>	<b>5,561.15</b>	<b>6,609.21</b>
Financial liabilities	359.26	202.70
Non-financial Liabilities	-	33.66
<b>Total liabilities</b>	<b>359.26</b>	<b>236.36</b>
Equity attributable to the owners of the holding company	2,652.97	3,250.15
Non-controlling interests	2,548.92	3,122.70

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Total revenue	791.48	562.91
Total comprehensive income attributable to the owners of the holding company	(597.19)	244.36
Total comprehensive income attributable to non-controlling interest	(573.77)	234.76
<b>Total comprehensive income</b>	<b>(1,170.96)</b>	<b>479.12</b>

Summarised cash flow	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flows from operating activities	147.79	4.06
Cash flows from investing activities	-	-
Cash flows from financing activities	(151.77)	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3.98)</b>	<b>4.06</b>

Summarised financial information for Indiabulls ARC - IV Trust is set out below::

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assets	6,857.55	12,409.51
Non-financial assets	415.50	829.41
<b>Total assets</b>	<b>7,273.05</b>	<b>13,238.92</b>
Financial liabilities	34.51	114.71
Non-financial Liabilities	0.61	132.19
<b>Total liabilities</b>	<b>35.12</b>	<b>246.90</b>
Equity attributable to the owners of the holding company	3,691.35	6,625.93
Non-controlling interests	3,546.58	6,366.09



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Total revenue	3,668.32	2,781.83
Total comprehensive income attributable to the owners of the holding company	112.61	(146.57)
Total comprehensive income attributable to non-controlling interest	108.19	(140.81)
<b>Total comprehensive income</b>	<b>220.80</b>	<b>(287.38)</b>

Summarised cash flow	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash used in operating activities	6,643.91	(13,005.52)
Cash flows from investing activities	-	-
Cash flows from financing activities	(6,898.07)	13,280.41
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(254.16)</b>	<b>274.89</b>

Summarised financial information for Indiabulls ARC - V Trust is set out below:

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assets	591.45	1,045.39
Non-financial assets	11.83	26.51
<b>Total assets</b>	<b>603.28</b>	<b>1,071.90</b>
Financial liabilities	133.28	0.53
Non-financial Liabilities	-	3.19
<b>Total liabilities</b>	<b>133.28</b>	<b>3.72</b>
Equity attributable to the owners of the holding company	239.71	544.77
Non-controlling interests	230.29	523.41

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Total revenue	143.02	31.37
Total comprehensive income attributable to the owners of the holding company	213.12	22.03
Total comprehensive income attributable to non-controlling interest	204.76	21.17
<b>Total comprehensive income</b>	<b>417.88</b>	<b>43.20</b>



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(All amount are in Indian Rupees in lakh unless stated otherwise)

Summarised cash flow	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash used in operating activities	1,122.24	(1,013.43)
Cash flows from investing activities	-	-
Cash flows from financing activities	(984.33)	1,026.00
<b>Net increase in cash and cash equivalents</b>	<b>137.91</b>	<b>12.57</b>

Summarised financial information for Indiabulls ARC - VI Trust is set out below:

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assets	5,286.97	4,203.52
Non-financial assets	0.24	-
<b>Total assets</b>	<b>5,287.21</b>	<b>4,203.52</b>
Financial liabilities	109.87	0.25
Non-financial Liabilities	-	-
<b>Total liabilities</b>	<b>109.87</b>	<b>0.25</b>
Equity attributable to the owners of the holding company	2,640.45	2,143.67
Non-controlling interests	2,536.89	2,059.60

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Total revenue	467.28	3.52
Total comprehensive income attributable to the owners of the holding company	496.77	1.67
Total comprehensive income attributable to non-controlling interest	477.29	1.60
<b>Total comprehensive income</b>	<b>974.06</b>	<b>3.27</b>

Summarised cash flow	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash used in operating activities	109.38	(4,200.00)
Cash flows from investing activities	-	-
Cash flows from financing activities	(108.69)	4,200.00
<b>Net increase in cash and cash equivalents</b>	<b>0.69</b>	<b>-</b>



## Summary of significant accounting policies and other explanatory information

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(All amount are in Indian Rupees in lakh unless stated otherwise)

Summarised financial information for Indiabulls ARC - VII Trust is set out below:

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assets	3,623.88	5,805.26
Non-financial assets	16.73	-
<b>Total assets</b>	<b>3,640.61</b>	<b>5,805.26</b>
Financial liabilities	18.24	0.76
Non-financial Liabilities	-	-
<b>Total liabilities</b>	<b>18.24</b>	<b>0.76</b>
Equity attributable to the owners of the holding company	1,847.41	2,960.29
Non-controlling interests	1,774.96	2,844.21

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Total revenue	600.88	5.26
Total comprehensive income attributable to the owners of the holding company	613.88	2.29
Total comprehensive income attributable to non-controlling interest	589.81	2.21
<b>Total comprehensive income</b>	<b>1,203.69</b>	<b>4.50</b>

Summarised cash flow	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash used in operating activities	3,622.13	(5,800.00)
Cash flows from investing activities	-	-
Cash flows from financing activities	(3,610.03)	5,800.00
<b>Net increase in cash and cash equivalents</b>	<b>12.10</b>	<b>-</b>

Summarised financial information for Indiabulls ARC - VIII Trust is set out below:

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assets	5,187.01	NA
Non-financial assets	0.80	NA
<b>Total assets</b>	<b>5,187.81</b>	<b>NA</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Particulars	As at 31 March 2020	As at 31 March 2019
Financial liabilities	98.79	NA
Non-financial Liabilities	-	NA
<b>Total liabilities</b>	<b>98.79</b>	<b>NA</b>
Equity attributable to the owners of the holding company	2,595.40	NA
Non-controlling interests	2,493.62	NA

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Total revenue	657.63	NA
Total comprehensive income attributable to the owners of the holding company	166.53	NA
Total comprehensive income attributable to non-controlling interest	159.99	NA
<b>Total comprehensive income</b>	<b>326.52</b>	<b>NA</b>

Summarised cash flow	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flows from operating activities	(4,664.51)	NA
Cash flows from investing activities	-	NA
Cash flows from financing activities	4,664.94	NA
<b>Net increase in cash and cash equivalents</b>	<b>0.43</b>	<b>NA</b>

Summarised financial information for Indiabulls ARC - X Trust is set out below:

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assets	35,556.26	NA
Non-financial assets	3.42	NA
<b>Total assets</b>	<b>35,559.68</b>	<b>NA</b>
Financial liabilities	54.87	NA
Non-financial Liabilities	1.49	NA
<b>Total liabilities</b>	<b>56.36</b>	<b>NA</b>
Equity attributable to the owners of the holding company	18,106.69	NA
Non-controlling interests	17,396.63	NA



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Total revenue	3,095.41	NA
Total comprehensive income attributable to the owners of the holding company	760.16	NA
Total comprehensive income attributable to non-controlling interest	730.34	NA
<b>Total comprehensive income</b>	<b>1,490.50</b>	<b>NA</b>

Summarised cash flow	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flows from operating activities	(33,458.15)	NA
Cash flows from investing activities	-	NA
Cash flows from financing activities	33,550.01	NA
<b>Net increase in cash and cash equivalents</b>	<b>91.86</b>	<b>NA</b>

Summarised financial information for Indiabulls ARC - XI Trust is set out below:

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assets	22,079.70	NA
Non-financial assets	0.03	NA
<b>Total assets</b>	<b>22,079.73</b>	<b>NA</b>
Financial liabilities	258.47	NA
Non-financial Liabilities	-	NA
<b>Total liabilities</b>	<b>258.47</b>	<b>NA</b>
Equity attributable to the owners of the holding company	11,128.84	NA
Non-controlling interests	10,692.42	NA

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Total revenue	1,701.49	NA
Total comprehensive income attributable to the owners of the holding company	762.62	NA
Total comprehensive income attributable to non-controlling interest	732.72	NA
<b>Total comprehensive income</b>	<b>1,495.34</b>	<b>NA</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Summarised cash flow	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flows from operating activities	(20,010.65)	NA
Cash flows from investing activities	-	NA
Cash flows from financing activities	20,062.77	NA
<b>Net increase in cash and cash equivalents</b>	<b>52.12</b>	<b>NA</b>

Summarised financial information for Indiabulls ARC - XII Trust is set out below:

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assets	18,517.38	NA
Non-financial assets	140.85	NA
<b>Total assets</b>	<b>18,658.23</b>	<b>NA</b>
Financial liabilities	120.59	NA
Non-financial Liabilities	13.76	NA
<b>Total liabilities</b>	<b>134.35</b>	<b>NA</b>
Equity attributable to the owners of the holding company	9,447.18	NA
Non-controlling interests	9,076.70	NA

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Total revenue	643.15	NA
Total comprehensive income attributable to the owners of the holding company	209.75	NA
Total comprehensive income attributable to non-controlling interest	201.52	NA
<b>Total comprehensive income</b>	<b>411.27</b>	<b>NA</b>

Summarised cash flow	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flows from operating activities	(17,941.78)	NA
Cash flows from investing activities	-	NA
Cash flows from financing activities	17,975.17	NA
<b>Net increase in cash and cash equivalents</b>	<b>33.39</b>	<b>NA</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Summarised financial information for Indiabulls ARC - XIII Trust is set out below:

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assets	2,126.62	NA
Non-financial assets	14.91	NA
<b>Total assets</b>	<b>2,141.53</b>	<b>NA</b>
Financial liabilities	30.41	NA
Non-financial Liabilities	1.34	NA
<b>Total liabilities</b>	<b>31.75</b>	<b>NA</b>
Equity attributable to the owners of the holding company	1,075.99	NA
Non-controlling interests	1,033.79	NA

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Total revenue	61.59	NA
Total comprehensive income attributable to the owners of the Holding Company	55.99	NA
Total comprehensive income attributable to non-controlling interest	53.79	NA
<b>Total comprehensive income</b>	<b>109.78</b>	<b>NA</b>

Summarised cash flow	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flows from operating activities	(1,983.16)	NA
Cash flows from investing activities	-	NA
Cash flows from financing activities	1,984.70	NA
<b>Net increase in cash and cash equivalents</b>	<b>1.54</b>	<b>NA</b>

Summarised financial information for Transerv Limited is set out below:

Particulars	As at 31 March 2020	AS at 31 March 2019
Financial assets	1,878.67	NA
Non-financial assets	10,238.83	NA
<b>Total assets</b>	<b>12,117.50</b>	<b>NA</b>
Financial liabilities	4,055.19	NA
Non-financial Liabilities	2,575.39	NA
<b>Total liabilities</b>	<b>6,630.58</b>	<b>NA</b>
Equity attributable to the owners of the Holding Company	779.59	NA
Non-controlling interests	4,707.33	NA





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Total revenue	6,333.01	NA
Total comprehensive income attributable to the owners of the Holding Company	779.59	NA
Total comprehensive income attributable to non-controlling interest	1,076.58	NA
<b>Total comprehensive income</b>	<b>1,856.17</b>	<b>NA</b>

Summarised cash flow	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flows from operating activities	1,397.37	NA
Cash flows from investing activities	14.00	NA
Cash flows from financing activities	(53.41)	NA
<b>Net increase in cash and cash equivalents</b>	<b>1,357.96</b>	<b>NA</b>

### C. Information about associates

Name of associates	Country of incorporation	% of holding and voting power either directly or indirectly through subsidiary	
		As at 31 March 2020	As at 31 March 2019
Transerv Limited (formerly known as Transerv Private Limited)	India	42.00%	33.00%

@ During the year ended 31 March 2019, the Group had 33% shareholding in Transerv Limited (formerly known as Transerv Private Limited). The Group exercises significant influence over Transerv Limited and accordingly, the same has been accounted for as an "Associate" as per the provisions of Ind AS 28 "Investments in associates and joint venture". The Group's interest in Transerv Limited was accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Transerv Private Limited:

Particulars	As at 31 March 2019
Total assets	2,605.51
Total liabilities	1,801.46
Equity	804.05
Total revenue for the period*	9.77
Total expenses for the period*	18.39
Loss for the period*	(8.62)
Group's share of loss for the period*	(2.84)

\* From 29 March 2019 to 31 March 2019

- (i) The associate has commitments outstanding as at 31 March 2019.
- (ii) The associate has no contingent liabilities as at 31 March 2019.
- (iii) During the year ended 31 March 2020, the Group has further acquired 9% shareholding and total shareholding stood at 42%. By virtue of control as per Ind AS 110- Consolidated Financial Statement, "Transerv Limited" has become subsidiary of the Group and same is consolidated in the consolidated financial statements for the financial year 2019-20.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### Note - 63

Moratorium in accordance with the Reserve Bank of India (RBI) guideline and estimation uncertainty relating to COVID-19 global health pandemic

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 global and Indian markets, and a significant decrease in economic activity. On 24 March 2020, the Government of India announced a nation-wide lockdown till 14 April 2020, which was extended till 31 May 2020 through subsequent announcements, to contain the spread of the virus. This has led to significant disruptions and dislocations for individuals and businesses, impacting Group's regular operations and financial metrics including lending and collection activities due to inability of employees to physically reach borrowers.

Further, pursuant to the Reserve Bank of India's circulars dated 27 March 2020 and 23 May 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between 1 March 2020 and 31 August 2020, the Group has extended/will be extending moratorium to its borrowers in accordance with its Board approved policy. In management's view, providing moratorium to borrowers based on RBI directives, by itself is not considered to result in a significant increase in credit risk ("SICR") for such borrowers. Accordingly, considering the unique and widespread impact of COVID-19 pandemic, the Group has estimated expected credit losses based on the information available at this point in time to reflect, among other things, the deterioration in the macro-economic factors. Given the dynamic nature of the pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of the pandemic, including governmental and regulatory measures and its effect on economy, the business and the financial metrics of the Group. The actual outcome could be different from that estimated by the Group.

In addition, the Group has also evaluated impact of this pandemic on impairment of financial assets based on internal and external information available upto the date of approval of financial statements. However, the impact assessment of COVID-19 is an ongoing process and the Group will continue to monitor any material changes in the future conditions.

### COVID 19 Regulatory Package -

**Asset classification and provisioning for the year ended 31 March 2020 pursuant to the notification vide: DOR. No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020:**

Particulars	Amount
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of abovementioned the RBI circular.	8,942.54
(ii) Respective amount where asset classification benefits is extended	8,942.54
(iii) Provisions made during the quarter ended 31 March 2020 in terms of paragraph 5 of the above circular	894.25
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6	-



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount are in Indian Rupees in lakh unless stated otherwise)

### Note - 64

#### Buy-Back of shares

During the year ended 31 March 2020, the Company pursuant to and in terms of its shareholders' and applicable regulatory approvals had bought back 66,666,666 fully paid-up equity shares having face value of ₹ 2 each at a price of ₹ 150 per share, through the 'Tender Offer' route for an aggregate amount of ₹ 100,000 lakh (excluding expenses towards buy back). The said Buy Back was completed on 4 February 2020. Consequently, the paid-up capital of the Company was reduced by ₹ 1,333.33 lakh. Of the total buyback cash outflow excluding related expenses, an amount of ₹ 98,666.67 lakh was utilized from Securities Premium Account and Capital Redemption Reserve of ₹ 1,333.33 lakh (representing the nominal value of the shares bought back and extinguished) has been created from the balance in retained earnings as per the requirements of the Companies Act, 2013. Buy back expenses of ₹ 7,160.79 lakh have been adjusted to Securities Premium Account.

### Note - 65

Previous year's figures have been regrouped / reclassified and rearranged wherever necessary to correspond with the current year's classification/ disclosure.

#### For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

#### Lalit Kumar

Partner

Membership No.: 095256

Place: Noida

Date: 25 June 2020

#### For and on behalf of Board of Directors

#### Divyesh B. Shah

Whole Time Director &  
Chief Executive Officer

DIN: 00010933

Place: Mumbai

Date: 25 June 2020

#### Pinank Shah

Whole Time Director

DIN: 07859798

#### Rajeev Lochan Agrawal

Chief Financial Officer

#### Lalit Sharma

Company Secretary



# Independent Auditor's Report

## To the Members of Indiabulls Ventures Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of Indiabulls Ventures Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the 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

4. We draw attention to Note 49 of the accompanying financials statements, which describes the uncertainties relating to COVID-19 pandemic outbreak and the impact on the financial position of the Company as at 31 March 2020, the extent of which is dependent on future developments. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<b>1. Use of information processing system for accounting and financial reporting</b>	
The Company relies upon information processing systems for recording, processing, classifying and presenting the large volume of transactions entered into by the Company. The Company has put in place IT General Controls and automated IT Controls to ensure that the information produced by the Company is reliable. Among other things, the management also uses the information produced by the entity's information processing systems for accounting and the preparation and presentation of the financial statements.	Our key audit procedures on this matter included, but were not limited, to the following: <ol style="list-style-type: none"> <li>a) obtaining an understanding of the Company's information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit;</li> <li>b) involving IT specialists (auditor's expert) for performance of the following procedures:</li> </ol>



## Independent Auditor’s Report (contd.)

Key audit matter	How our audit addressed the key audit matter
<b>1. Use of information processing system for accounting and financial reporting</b>	
<p>Since our audit strategy included focus on Company’s information processing systems relevant to our audit due to their pervasive impact on the financial statements, we have determined the use of information processing system for accounting and financial reporting as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> <li>i) testing the IT General Controls around user access management, changes to IT environment and segregation of duties over key financial accounting and reporting processes; and</li> <li>ii) testing the automated controls like interfaces, configurations and information generated by the entity’s information processing systems for brokerage fees, interest income on margin trading and other significant financial statement items.</li> <li>c) obtaining written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.</li> </ul>

### Information other than the Financial Statements and Auditor’s Report thereon

7. The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The accompanying standalone financial statements have been approved by the Company’s Board of Directors. 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 including other 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 financial



## Independent Auditor's Report (contd.)

statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the 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.
10. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

11. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the 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 with reference to 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
13. 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.
  14. 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.
  15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and



## Independent Auditor's Report (contd.)

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

16. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
18. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, 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 purpose of our audit of the accompanying standalone financial statements;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the 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 and 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) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 25 June 2020 as per Annexure II expressed an unmodified opinion; and
  - 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company, as detailed in note 37 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
    - 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
    - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

**For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Lalit Kumar**  
Partner  
Membership No.: 095256  
UDIN: 20095256AAAABX5053

**Place:** Noida  
**Date:** 25 June 2020





## Independent Auditor's Report (contd.)

### Annexure I to Independent Auditor's Report of even date to the members of Indiabulls Ventures Limited, on the standalone financial statements for the year ended 31 March 2020

#### Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain Property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable property. Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (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 and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are 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 186 of the Act in respect of loans, investments and guarantees. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of 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) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (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, 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) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:





## Independent Auditor's Report (contd.)

### Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in lakh)	Amount paid under Protest (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Disallowance under the Income-tax Act,1961	90.97	16.44	AY 2011-12	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Disallowance under the Income-tax Act,1961	33.02	6.56	AY 2012-13	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Disallowance under the Income-tax Act,1961	4.21	4.26	AY 2013-14	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Disallowance under the Income-tax Act,1961	43.33	7.58	AY 2014-15	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Disallowance under the Income-tax Act,1961	40.66	8.13	AY 2015-16	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Disallowance under the Income-tax Act,1961	18.32	3.66	AY 2016-17	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Disallowance under the Income-tax Act,1961	67.17	13.43	AY 2017-18	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Disallowance under the Income-tax Act,1961	17.36	Nil	AY 2013-14	Income Tax Appellate Tribunal

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company did not have any dues payable to government during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has applied amount raised by way of right issue and term-loans for the purposes for which these were raised other than temporary deployment pending application of proceeds.
- (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) Managerial remuneration has been paid and provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (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
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) In our opinion and as per the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Lalit Kumar**  
Partner  
Membership No.: 095256  
UDIN: 20095256AAAAABX5053

**Place:** Noida  
**Date:** 25 June 2020



## Independent Auditor's Report (contd.)

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

#### Annexure II

1. In conjunction with our audit of the standalone financial statements of Indiabulls Ventures Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal financial controls stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by 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**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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.

4. 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.
5. 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 financial statements.

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. 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



## Independent Auditor's Report (contd.)

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**

7. 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**

8. In our opinion, the Company has, 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 internal financial control over financial reporting criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note issued by ICAI.

**For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Lalit Kumar**  
Partner  
Membership No.: 095256  
UDIN: 20095256AAAABX5053

**Place:** Noida  
**Date:** 25 June 2020



# Standalone Balance Sheet

as at 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

	Notes	As at 31 March 2020	As at 31 March 2019
<b>I. ASSETS</b>			
<b>(1) Financial assets</b>			
(a) Cash and cash equivalents	5	1,806.14	94,409.42
(b) Bank balance other than cash and cash equivalents	6	5,900.08	24,156.11
(c) Trade receivables	7	-	7,302.23
(d) Loans	8	13,440.00	69,478.26
(e) Investments	9	477,982.28	440,260.64
(f) Other financial assets	10	1,073.75	3,535.93
		<b>500,202.25</b>	<b>639,142.59</b>
<b>(2) Non-financial assets</b>			
(a) Current tax assets (net)	11	2,303.16	1,209.29
(b) Deferred tax assets (net)	12	6,102.34	8,269.55
(c) Property, plant and equipment	11 A	95.23	892.31
(d) Right-of-use assets	11 B	-	-
(e) Intangible assets under development	11 C	-	655.13
(f) Other intangible assets	11 D	-	1,530.60
(g) Other non-financial assets	12	349.92	660.39
		<b>8,850.65</b>	<b>13,217.27</b>
<b>TOTAL ASSETS</b>		<b>509,052.90</b>	<b>652,359.86</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial liabilities</b>			
(a) Payables			
(i) Trade payables	13		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		301.88	297.26
(ii) Other payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		79.58	349.59
(b) Debt securities	15	9,058.77	30,019.30
(c) Borrowings (other than debt securities)	16	28,290.39	23,617.25
(d) Lease liabilities	11B	-	-
(e) Other financial liabilities	17	309.00	14,829.48
		<b>38,039.62</b>	<b>69,112.88</b>
<b>(2) Non-financial Liabilities</b>			
(a) Current tax liabilities (net)	18	-	626.43
(b) Provisions	19	84.13	635.46
(c) Other non-financial liabilities	20	2,941.14	1,477.22
		<b>3,025.27</b>	<b>2,739.11</b>
<b>(3) Equity</b>			
(a) Equity share capital	21	10,222.47	11,348.76
(b) Other equity	22	457,765.54	569,159.11
		<b>467,988.01</b>	<b>580,507.87</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>509,052.90</b>	<b>652,359.86</b>

The accompanying notes are an integral part of these standalone financial statements.

This is the Balance Sheet referred to in our report of even date

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

Lalit Kumar

Partner

Membership No.: 095256

Place: Noida

Date: 25 June 2020

For and on behalf of Board of Directors

Divyesh B. Shah

Whole Time Director &

Chief Executive Officer

DIN: 00010933

Place: Mumbai

Date: 25 June 2020

Pinank Shah

Whole Time Director

DIN: 07859798

Rajeev Lochan Agrawal

Chief Financial Officer

Lalit Sharma

Company Secretary



# Standalone Statement of Profit and Loss

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>I. Revenue from operations</b>			
Interest income	23	10,029.52	10,114.12
Dividend income	24	20,510.63	4,651.37
Net gain on fair value changes	25	36.37	-
<b>Total revenue from operations</b>		<b>30,576.52</b>	<b>14,765.49</b>
II. Other income	26	425.67	490.89
<b>III. Total income (I + II)</b>		<b>31,002.19</b>	<b>15,256.38</b>
<b>IV. Expenses</b>			
Finance costs	27	3,810.44	4,169.57
Fees and commission expense	28	17.44	15.85
Impairment on financial assets	29	-	5.00
Employee benefits expenses	30	999.08	1,360.09
Depreciation and amortisation	31	16.50	14.93
Other expenses	32	456.64	294.53
<b>Total expenses</b>		<b>5,300.10</b>	<b>5,859.97</b>
V. Profit before tax (III-IV)		25,702.09	9,396.41
<b>VI. Tax expense:</b>	33		
Current tax		-	424.46
Deferred tax	12	1,014.46	1,231.76
		<b>1,014.46</b>	<b>1,656.22</b>
<b>VII. Profit for the year from continuing operations (V-VI)</b>		<b>24,687.63</b>	<b>7,740.19</b>
VIII. Profit from discontinued operations	34	16.62	3,405.01
IX. Tax expense of discontinued operations		99.45	600.16
<b>X. Profit from discontinued operations (after tax) (VIII-IX)</b>		<b>(82.83)</b>	<b>2,804.85</b>
<b>XI. Profit for the year (VII+X)</b>		<b>24,604.80</b>	<b>10,545.04</b>
<b>XII. Other comprehensive income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
(a) Remeasurement gain on defined benefit plans		20.61	17.89
(b) Equity instruments through other comprehensive income		(167.35)	(94.30)
<b>(ii) Income-tax relating to items that will not be reclassified to profit or loss</b>		<b>(5.19)</b>	<b>(5.21)</b>
<b>Total other comprehensive income (net of taxes)</b>		<b>(151.93)</b>	<b>(81.62)</b>
<b>XIII. Total comprehensive income for the year (XI+XII)</b>		<b>24,452.87</b>	<b>10,463.42</b>
<b>XIV. Earnings per equity share (for continuing operation) (in ₹):</b>	35		
Basic		4.19	1.42
Diluted		4.12	1.35
<b>XV. Earnings per equity share (for discontinued operation) (in ₹):</b>	35		
Basic		(0.01)	0.51
Diluted		(0.01)	0.49
<b>XVI. Earnings per equity share (for discontinued &amp; continuing operations) (in ₹):</b>	35		
Basic		4.18	1.93
Diluted		4.11	1.84
Face value per equity share (₹)		2.00	2.00

The accompanying notes are an integral part of these standalone financial statements.

This is the Statement of Profit and Loss referred to in our report of even date

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

**Lalit Kumar**

Partner

Membership No.: 095256

Place: Noida

Date: 25 June 2020

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

**Divyesh B. Shah**

Whole Time Director &

Chief Executive Officer

DIN: 00010933

Place: Mumbai

Date: 25 June 2020

**Pinank Shah**

Whole Time Director

DIN: 07859798

**Rajeev Lochan Agrawal**

Chief Financial Officer

**Lalit Sharma**

Company Secretary



## Standalone Statement of Cash Flows

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A Cash flows from operating activities :</b>		
Profit before tax from continuing operations	25,702.09	9,396.41
Profit before tax from discontinued operations	16.62	3,405.01
Adjustments for :		
Depreciation and amortisation	1,147.77	406.33
Profit on sale of property, plant and equipment (net)	(3.28)	(2.79)
Provision for employee benefits (net)	(7.06)	151.11
Impairment on financial assets	306.34	359.61
Sundry credit balances written back	(57.61)	(56.37)
Unrealised gain on foreign exchange fluctuations	(106.73)	(53.38)
Gain on fair valuation of financial assets	(205.27)	(249.11)
Share based payment expense	519.82	890.24
Income from financial guarantees	(318.94)	(437.53)
Effective interest rate adjustment for financial assets	-	(15.16)
Loss on sale of discontinued operations	820.69	-
Interest expense for leasing arrangement	102.28	-
	<b>2,198.01</b>	<b>992.95</b>
Operating Profit before working capital changes	27,916.72	13,794.37
Adjustments for:		
Decrease/(increase) in trade receivables	4,213.23	(1,718.01)
(Increase)/decrease in loans	(671.68)	3,792.16
(Increase)/decrease in other financial assets	(11,432.34)	459.33
Decrease in other non-financial assets	80.43	585.16
Increase/(decrease) in trade payables	71.24	(361.10)
(Decrease)/increase in other payables	(80.86)	73.84
(Decrease)/increase other financial liabilities	(5,297.16)	3,065.88
Increase in other non financial liabilities	1,750.61	500.87
	<b>(11,366.53)</b>	<b>6,398.13</b>
Cash generated from operations	16,550.19	20,192.50
Income-tax (paid) (net)	(1,661.06)	(1,257.88)
<b>Net cash generated from operating activities</b>	<b>14,889.13</b>	<b>18,934.62</b>
<b>B Cash flows from investing activities :</b>		
Purchase of property, plant and equipments and other intangible assets (including intangible assets under developments and capital advances)	(1,332.64)	(2,275.79)
Proceeds from sale of property, plant and equipments	4.92	4.28
Proceeds from redemptions of investment (net)	205.27	249.11
Proceeds from sale of discontinued operations (net of cash given)	33,594.07	-
Proceeds from sale of investments	615.62	-
Purchase of treasury shares	(18,305.73)	-
Investment in equity shares of subsidiaries	(36,816.62)	(299,724.82)
Inter-corporate deposits received back from / (given) to subsidiaries (net)	51,030.00	(63,809.00)
<b>Net cash generated from/(used in) investing activities.</b>	<b>28,994.89</b>	<b>(365,556.22)</b>



# Standalone Statement of Cash Flows

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>C Cash flows from financing activities</b>		
Dividends paid (including dividend distribution tax)	(16,909.58)	(4,562.50)
Amount transferred to investor education and protection fund	(52.63)	-
Proceeds from debt securities	1,500.00	370,630.11
Repayment of debt securities	(22,460.54)	(293,000.00)
Proceeds from borrowings (other than debt securities)	250,005.00	7,500.00
Repayment of borrowings (other than debt securities)	(246,513.85)	(12,508.12)
Lease payments	(476.38)	-
Buy-back of shares (including buy-back expenses and taxes)	(107,160.77)	-
Proceeds from issue of equity shares (including securities premium)	4,399.84	276,494.33
<b>Net cash (used in)/ generated from financing activities</b>	<b>(137,668.91)</b>	<b>344,553.82</b>
<b>D</b> Net decrease in cash and cash equivalents (A+B+C)	<b>(93,784.89)</b>	<b>(2,067.78)</b>
<b>E</b> Cash and cash equivalents at the beginning of the year	<b>87,325.39</b>	<b>89,393.16</b>
<b>F</b> Cash and cash equivalents at the end of the year (D+E) (Refer Note - 2 below)	<b>(6,459.50)</b>	<b>87,325.38</b>

## Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) -7 'Statement of Cash Flows' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
- Cash and cash equivalents at the end of the year include:

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents (as per note - 5 to the financial statements) * (refer accounting policies for cash and cash equivalents)	1,806.14	94,409.42
Less: Bank overdraft (as per note - 16 to the financial statements)	(8,265.64)	(7,084.04)
<b>Total cash and cash equivalents for statement of cash flows (refer accounting policies for cash and cash equivalents)</b>	<b>(6,459.50)</b>	<b>87,325.38</b>

\* ₹ Nil (31 March 2019: ₹ 87,000.00 lakh) pledged for overdraft facilities availed by the wholly owned subsidiary company.

- For disclosures relating to changes in liabilities arising from financing activities, refer note 38.

The accompanying notes are an integral part of these standalone financial statements.

This is the Statement of Cash Flows referred to in our report of even date

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

**Lalit Kumar**

Partner

Membership No.: 095256

Place: Noida

Date: 25 June 2020

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

**Divyesh B. Shah**

Whole Time Director &

Chief Executive Officer

DIN: 00010933

Place: Mumbai

Date: 25 June 2020

**Pinank Shah**

Whole Time Director

DIN: 07859798

**Rajeev Lochan Agrawal**

Chief Financial Officer

**Lalit Sharma**

Company Secretary



# Standalone Statement of Changes in Equity

as at 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

## A Equity share capital (refer note -21)

Particulars	Opening balance as at 1 April 2018	Changes during the year	Balance as at 31 March 2019	Changes during the year	Balance as at 31 March 2020
Equity share capital	9,262.56	2,086.20	11,348.76	(1,126.29)	10,222.47

## B Other equity (refer note -22)

Particulars	Treasury shares	Equity component of compulsory convertible debentures	Reserves and surplus				Equity instruments through other comprehensive income	Money received against share warrants	Total		
			Capital redemption reserve	Securities premium	Foreign currency monetary item translation difference account	General reserve				Share options outstanding account	Retained earnings
<b>Balance as at 1 April 2018</b>	-	-	3,600.36	132,344.15	49.04	3,381.78	3,309.88	5,991.20	491.44	3,696.88	152,864.73
Profit for the year	-	-	-	-	-	-	10,545.03	-	-	-	10,545.03
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	12.68	(94.30)	-	(81.62)
Issue of equity shares	-	-	-	278,191.88	-	-	-	-	-	(3,696.88)	274,495.00
Issue of compulsory convertible debentures	-	131,708.14	-	-	-	-	-	-	-	-	131,708.14
Expenses on issue of partly paid-up shares	-	-	-	(86.87)	-	-	-	-	-	-	(86.87)
Effect of change in foreign exchange rate	-	-	-	-	44.32	-	-	-	-	-	44.32
Amortised/utilised during the year	-	-	-	(53.38)	-	-	-	-	-	-	(53.38)
Dividend paid <sup>(i)</sup>	-	-	-	-	-	(4,631.28)	-	-	-	-	(4,631.28)
Dividend distribution tax	-	-	-	-	-	(0.68)	-	-	-	-	(0.68)
Share based options for employees of subsidiaries	-	-	-	-	-	-	3,465.48	-	-	-	3,465.48
Share based payment expense	-	-	-	-	-	-	890.24	-	-	-	890.24
<b>Balance as at 31 March 2019</b>	-	131,708.14	3,600.36	410,449.16	39.98	3,381.78	7,665.60	11,916.95	397.14	-	569,159.11
<b>Balance as at 1 April 2019</b>	-	131,708.14	3,600.36	410,449.16	39.98	3,381.78	7,665.60	11,916.95	397.14	-	569,159.11
Profit for the year	-	-	-	-	-	-	-	24,604.80	(167.35)	-	24,604.80
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	15.42	-	-	(15.193)
Issue of equity shares	-	-	-	5,486.75	-	-	(1,289.07)	-	-	-	4,197.68
Expenses on issue of partly paid-up shares	-	-	-	(4.87)	-	-	-	-	-	-	(4.87)
Acquisition of own shares	(18,305.73)	-	-	-	-	-	-	-	-	-	(18,305.73)
Impact of change in income-tax rate	-	(988.88)	-	-	-	-	-	-	-	-	(988.88)





# Standalone Statement of Changes in Equity

as at 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

Particulars	Treasury shares	Equity component of compulsory convertible debentures	Reserves and surplus					Equity instruments through other comprehensive income	Money received against share warrants	Total
			Capital redemption reserve	Securities premium	Foreign currency monetary item translation difference account	General reserve	Share options outstanding account			
Effect of change in foreign exchange rate	-	-	-	-	66.75	-	-	-	-	66.75
Amortised during the year	-	-	-	-	(106.73)	-	-	-	-	(106.73)
Dividend paid <sup>(i)</sup>	-	-	-	-	-	-	(17,174.35)	-	-	(17,174.35)
Dividend distribution tax	-	-	-	-	-	-	(2.96)	-	-	(2.96)
Dividend on treasury shares	-	-	-	-	-	-	234.00	-	-	234.00
Share based options for employees of subsidiaries	-	-	-	-	-	-	1,546.29	-	-	1,546.29
Buy-back of shares (including buy-back expenses and taxes) (refer note 46)	-	-	-	-	(105,827.46)	-	-	-	-	(105,827.46)
Amount transferred to capital redemption reserve upon Buyback (refer note 46)	-	-	1,333.33	-	-	-	(1,333.33)	-	-	-
Transfer to on account of sale of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	65.60	(65.60)	-	-
Share based options lapsed	-	-	-	-	-	-	(227.07)	227.07	-	-
Share based payment expense	-	-	-	-	-	-	519.82	-	-	519.82
<b>Balance as at 31 March 2020</b>	<b>(18,305.73)</b>	<b>130,719.26</b>	<b>4,933.69</b>	<b>310,103.58</b>	<b>3,381.78</b>	<b>8,215.57</b>	<b>18,553.20</b>	<b>164.19</b>	<b>-</b>	<b>457,765.54</b>

(i) Dividend paid during the year ended 31 March 2020 is ₹ 3.25 per share (face value ₹ 2 each, fully paid up), ₹ 1.7875 per share (face value ₹ 2 each, partly paid up ₹ 1.10 per share) and ₹ 1.30 per share (face value ₹ 2 each, partly paid up ₹ 0.80 per share) (31 March 2019: ₹ 1.00 per share (face value ₹ 2 each, fully paid up) and ₹ 0.25 per share (face value ₹ 2 each, partly paid up ₹ 0.50 per share)).

The accompanying notes are an integral part of these standalone financial statements. This is the Statement of Changes in Equity referred to in our report of even date.

**For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/NS000013

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

**Lalit Kumar**  
Partner  
Membership No.: 095256

**Divyesh B. Shah**  
Whole Time Director &  
Chief Executive Officer  
Din - 00010933

**Pinank Shah**  
Whole Time Director  
DIN: 07859798

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Lalit Sharma**  
Company Secretary

Place: Noida  
Date: 25 June 2020

Place: Mumbai  
Date: 25 June 2020



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

### Note - 1

#### Nature of principal activities

Indiabulls Ventures Limited ('IBVL' or 'the Company', CIN: L74999DL1995PLC069631) had carried business as stock broker on the National Stock Exchange of India Limited ('NSE') and the BSE Limited ('BSE'); depository participants and renders other related ancillary services. On 1 February 1996 IBVL received a certificate of registration from the Securities and Exchange Board of India ('SEBI') under sub-section 1 of Section 12 of the Securities and Exchange Board of India Act, 1992 to carry on the business as a stock broker. Accordingly, all provisions of the Securities and Exchange Board of India Act, 1992, and Rules and Regulations relating thereto were applicable to the Company. The Company has transferred its stock broking business, including depository and other related ancillary services, through slump sale on going concern basis to its wholly owned subsidiary company Indiabulls Securities Limited w.e.f. 21st February 2020. Post slump sale, the Company has assets in the form of loans given to subsidiary companies and investments made in subsidiary companies.

On 2 April 2008 the Equity shares of the Company got listed on the NSE and the BSE after the demerger of the Company from Indiabulls Financial Services Limited (erstwhile holding Company) vide Scheme of Arrangement. The Company is domiciled in India and its registered office is situated at M-62 & 63, First Floor, Connaught Place, New Delhi – 110001.

### Note - 2

#### General information and statement of compliance with Ind AS

These standalone financial statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented in these financial statements.

The financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 25 June 2020.

### Note - 3

#### Basis of preparation

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the 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 as explained in relevant accounting policies.

The Company carried on the business of stock Broking until 20 February 2020. The Stock Broking business was transferred to Indiabulls Securities Limited (formerly known as Indiabulls Commodities Limited, a wholly owned subsidiary of IBVL) through a slump sale transaction after receiving approvals from regulatory and other relevant Authorities. Accordingly, the Company has presented profit/(loss) from discontinued operations and the related tax expense separately. Further, since the Company was a Non-Banking Financial Company as defined under Rule 2(g) of the Companies (Indian Accounting Standards) Rules, 2015 issued under Section 133 of the Companies Act, 2013 till 20 February 2020 and having regard to the nature of the continuing operations of the Group, the Management has continued to present the financial statements using Division III of Schedule III to the Companies Act, 2013.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

### Note - 4

#### I Significant management judgement in applying accounting policies and estimation uncertainty

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

##### *Significant management judgements*

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

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

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

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

##### *Significant estimates*

**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 utility of assets.

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

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

#### II 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, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

##### a) Property, plant and equipment

###### *Recognition and initial measurement*

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



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

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

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013. Leasehold Improvements are amortised over the duration of the lease.

Asset class	Useful life
Furniture and fixtures	10 years
Vehicles	8-10 years
Office equipment	5 years
Computer equipment	3 years
Leasehold improvements	Over the period of lease

Property, plant and equipment individually costing up to ₹ 5,000 are fully depreciated in the year of acquisition.

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

### *De-recognition*

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

## **b) Intangible assets**

### *Recognition and initial measurement*

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

### *Subsequent measurement (amortisation)*

Intangible assets consisting of membership rights of the BSE Limited and software are amortised on a straight line basis over a period of 5 and 4 years respectively from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

## **c) Intangible assets under development**

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Company can demonstrate following recognition requirements:

- The development costs can be measured reliably;



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

- The project is technically and commercially feasible;
- The Company intends to and has sufficient resources to complete the project;
- The Company has the ability to use or sell the such intangible asset; and
- The software will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

### d) Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company recognises revenue from the following sources:

#### *Interest income*

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

#### *Brokerage income*

Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract

#### *Commission income*

Commissions / brokerage from distribution of financial products are recognised upon allotment of the securities to the applicant.

#### *Depository account maintenance income*

Depository account maintenance income is recognised on accrual basis and as at the time when the right to receive is established by the reporting date.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

### *Dividend income*

Dividend income is recognised when the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

### **e) Borrowing costs**

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

### **f) Taxation**

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

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current Income-tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. 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).

### **g) Employee benefits**

#### **Short-term employee benefits**

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

#### **Defined contribution plans**

The Company has a defined contribution plans namely provident fund, pension fund, labour welfare fund



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the statement of profit and loss.

### Defined benefit plans

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 as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

### Other long-term employee benefits

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

### h) Share based payments

The Company has formulated various Employees Stock Option Schemes. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

### i) Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but not distributed at the end of the reporting period, being appropriately authorised and no longer at the discretion of the Company. The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

### k) Equity investment in subsidiaries

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment and a proportionate recognition of the fair value of shares granted to employees of subsidiary under a group share based payment arrangement.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

### *Impairment of Investments*

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

### **l) Provisions, contingent assets and contingent liabilities**

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

Contingent liability is disclosed for:

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

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

### **m) Operating leases**

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

### **n) Financial instruments**

#### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

#### **Financial assets**

##### *Subsequent measurement*

- i. Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:
  - (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

- ii. **Investments in equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.
- iii. **Investments in mutual funds** – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

*Level 1 financial instruments:* Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

*Level 2 financial instruments:* Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

*Level 3 financial instruments:* Those that include one or more unobservable input that is significant to the measurement as whole. Based on the Company's business model for managing the investments, the Company has classified its investments and securities for trade at FVTPL.

Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments.

### *De-recognition of financial assets*

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

### **Financial liabilities**

#### *Subsequent measurement*

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



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

### *De-recognition of financial liabilities*

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

### **Convertible debentures**

Convertible debentures are separated into liability and equity components basis the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as financial liability measured at amortised cost until it is extinguished on conversion. The remainder of the proceeds is recognised in equity since conversion option meets the fixed for fixed criteria.

### **Offsetting of financial instruments**

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

### **o) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company factors historical trends and forward looking information to assess expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### *Trade receivables*

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

#### *Other financial assets*

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition, if the financial asset is determined to have low credit risk at the balance sheet date.

#### *Write-offs*

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument in the statement of profit and loss.

### **p) Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

### q) Earnings per share

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

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

### r) Segment reporting

The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance.

### s) Foreign currency

#### *Functional and presentation currency*

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

#### *Transactions and balances*

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

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

### t) Treasury shares

The Company has created "Indiabulls Ventures Limited - Employee Welfare Trust" ('Trust') for the implementation of schemes namely employees stock options plans, employees stock purchase plan and stock appreciation rights plan. The Company treats IVL-EWT as its extension and the Company's own shares held by IVL-EWT are treated as treasury shares. Treasury shares are presented as a deduction from equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

### u) Classification of leases –

The Company enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

#### *Leases*

Till previous year, assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease (the transition approach has been explained and disclosed in note 36). A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

#### *Classification of leases*

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

#### *Recognition and initial measurement*

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

#### *Subsequent measurement*

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

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

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



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

### v) Non-current assets held for sale and discontinued operations

The Company classifies assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of assets for other assets when the exchange has commercial substance.

The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

The results of discontinued operations are presented separately in the Statement of Profit and Loss.

### w) Indian Accounting Standards issued but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There are no new Indian accounting standards that have issued but have not been effective.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

<b>Note - 5</b> <b>Cash and cash equivalents</b>	<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
Cash on hand	0.24	0.43
Balance with banks		
- in current accounts	1,805.90	7,707.36
- in bank deposits with original maturity of less than 3 months (refer note - 6(i))	-	86,701.63
	<b>1,806.14</b>	<b>94,409.42</b>

<b>Note - 6</b> <b>Bank balance other than cash and cash equivalents</b>	<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
Bank deposits with original maturity of more than 3 months <sup>(i)</sup>	5,616.99	23,854.12
In earmarked accounts		
-Unpaid dividend accounts	283.09	301.99
	<b>5,900.08</b>	<b>24,156.11</b>

<b>(i) Bank deposits include:</b>		<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
a.	Deposits pledged with the National Stock Exchange of India, BSE Limited and NSE Clearing Limited for the purpose of base capital and additional base capital.	-	138.75
b.	Deposits pledged with the banks against bank guarantees for base capital and additional base capital to the National Stock Exchange of India, BSE Limited and the NSE Clearing Limited .	-	15,336.85
c.	Deposits pledged with banks for overdraft facilities availed by the Company.	3,870.00	7,392.50
d.	Deposits pledged with bank for overdraft facilities availed by one of the subsidiary Company.	-	86,000.00
e.	Deposits pledged with bank against bank guarantees issued in favor of Unique Identification Authority of India.	-	25.00
f.	Deposits pledged with bank against bank guarantees issued in favor of National Stock Exchange of India Limited for right issue of the Company.	1,700.00	850.00
g.	Deposits pledged for arbitration matters.	-	103.33
h.	Deposits pledged with State Commission, New Delhi for appeal filed by the Company in a consumer dispute matter.	-	0.25
<b>Total</b>		<b>5,570.00</b>	<b>109,846.68</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

<b>Note - 7</b>	<b>As at</b>	<b>As at</b>
<b>Trade receivables</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Receivables considered good - unsecured	-	7,302.23
Receivables which have significant increase in credit risk	-	722.97
<b>Total - gross</b>	-	<b>8,025.20</b>
Less: Impairment loss allowance	-	(722.97)
<b>Total - net</b>	-	<b>7,302.23</b>
Trade receivables include:		
Debts due by directors or other officers	-	-
Due from others	-	8,025.20

<b>Note - 8</b>	<b>As at</b>	<b>As at</b>
<b>Loans (at amortised cost)</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
(i) Loans		
Loan to related parties <sup>(a)</sup>		
Indiabulls Distribution Services Limited	7,930.00	36,950.00
Indiabulls Consumer Finance Limited	-	27,520.00
Indiabulls Securities Limited	5,510.00	-
<b>Sub total</b>	<b>13,440.00</b>	<b>64,470.00</b>
(ii) Others		
Margin funding loan receivables (considered good)	-	6,025.39
Less: Margin received	-	(1,017.13)
<b>Sub total</b>	-	<b>5,008.26</b>
<b>Total - gross</b>	<b>13,440.00</b>	<b>69,478.26</b>
Less: Impairment loss allowance	-	-
<b>Total - net</b>	<b>13,440.00</b>	<b>69,478.26</b>
Secured by others	-	5,008.26
Unsecured	13,440.00	64,470.00
<b>Total - gross</b>	<b>13,440.00</b>	<b>69,478.26</b>
Less: Impairment loss allowance	-	-
<b>Total - net</b>	<b>13,440.00</b>	<b>69,478.26</b>
<b>Loans in India</b>		
(i) Public sector	-	-
(ii) Others	13,440.00	69,478.26
<b>Total - gross</b>	<b>13,440.00</b>	<b>69,478.26</b>
Less: Impairment loss allowance	-	-
<b>Total - net</b>	<b>13,440.00</b>	<b>69,478.26</b>

(a) The Company has given inter corporate deposit to Indiabulls Distribution Services Limited, Indiabulls Consumer Finance Limited and Indiabulls Securities Limited, all wholly owned subsidiary companies (including step down subsidiary), for the general/corporate business purpose.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

Note - 9 Investments	Face value per unit (₹)	As at 31 March 2020		As at 31 March 2019	
		Number of shares	Amount	Number of shares	Amount
<b>(At fair value through other comprehensive income)</b>					
<b>Investment in equity instruments (others)</b>					
BSE Limited	2.00	55,350	164.28	65,000	397.24
<b>Total (A)</b>			<b>164.28</b>		<b>397.24</b>
<b>(At cost)*</b>					
<b>Investment in subsidiary companies</b>					
<b>In equity instruments</b>					
Indiabulls Securities Limited (formerly known as Indiabulls Commodities Limited)	10.00	13,700,000	34,130.35	600,000	68.94
Indiabulls Investment Advisors Limited (formerly known as Indiabulls Brokerage Limited)	10.00	-	11.47	5,500,000	560.28
Indiabulls Distribution Services Limited	10.00	50,000	68.36	50,000	45.40
Indiabulls Consumer Products Limited	10.00	50,000	5.00	50,000	5.00
Indiabulls Asset Reconstruction Company Limited	10.00	57,500,000	12,500.00	57,500,000	12,500.00
Indiabulls Infra Resources Limited	10.00	3,000,000	300.00	3,000,000	300.00
Indiabulls Consumer Finance Limited (formerly known as IVL Finance Limited)	10.00	61,188,000	388,046.20	61,188,000	386,383.78
Pushpanjali Finsolutions Limited	10.00	6,010,000	2,115.52	-	-
Pushpanjali Fincon Limited	10.00	4,010,000	401.00	-	-
Gyansagar Buildtech Limited	10.00	110,000	105.05	-	-
Arbutus Constructions Limited	10.00	110,000	105.05	-	-
Auxesia Soft Solutions Limited	10.00	50,000	5.00	-	-
Evinos Developers Limited	10.00	50,000	5.00	-	-
Savren Buildwell Limited	10.00	50,000	5.00	-	-
Krathis Buildcon Limited	10.00	50,000	5.00	-	-
Krathis Developers Limited	10.00	50,000	5.00	-	-
Evinos Buildwell Limited	10.00	50,000	5.00	-	-
Devata Tradelink Limited	10.00	50,000	5.00	50,000	5.00
<b>In compulsorily convertible debentures</b>					
8% Compulsory convertible debentures of Indiabulls Asset Reconstruction Company Limited	100.00	40,000,000	40,000.00	40,000,000	40,000.00
<b>Total (B)</b>			<b>477,823.00</b>		<b>439,868.40</b>
<b>Total gross C= (A)+(B)</b>			<b>477,987.28</b>		<b>440,265.64</b>
Less: Impairment allowance <b>(D)</b>			(5.00)		(5.00)
<b>Total net (C) - (D)</b>			<b>477,982.28</b>		<b>440,260.64</b>
Investments outside India			-		-
Investments in India			477,987.28		440,265.64
<b>Total gross</b>			<b>477,987.28</b>		<b>440,265.64</b>
Less: Impairment loss allowance			(5.00)		(5.00)
<b>Total net</b>			<b>477,982.28</b>		<b>440,260.64</b>





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

Name of subsidiary Companies	Principle place of business	Ownership interest	
		As at 31 March 2020	As at 31 March 2019
Indiabulls Securities Limited	India	100%	100%
Indiabulls Investment Advisors Limited	India	Nil	100%
Indiabulls Distribution Services Limited	India	14% <sup>§</sup>	100%
Indiabulls Consumer Products Limited	India	100%	100%
Indiabulls Asset Reconstruction Company Limited	India	100%	100%
Indiabulls Infra Resources Limited	India	100%	100%
Indiabulls Consumer Finance Limited	India	100%	100%
Pushpanjali Finsolutions Limited	India	100%	Nil <sup># (i)</sup>
Pushpanjali Fincon Limited	India	100%	Nil <sup># (i)</sup>
Gyansagar Buildtech Limited	India	100%	Nil <sup># (i)</sup>
Arbutus Constructions Limited	India	100%	Nil <sup># (i)</sup>
Auxesia Soft Solutions Limited	India	100%	Nil <sup># (i)</sup>
Evinos Developers Limited	India	100%	Nil
Savren Buildwell Limited	India	100%	Nil
Krathis Buildcon Limited	India	100%	Nil
Krathis Developers Limited	India	100%	Nil
Evinos Buildwell Limited	India	100%	Nil
Devata Tradelink Limited	India	100%	100%

§ Indiabulls Consumer Finance Limited, a wholly owned subsidiary of the Company, is holding remaining 86% shares in Indiabulls Distribution Services Limited, hence it becomes the step down subsidiary of the Company.

\* Equity investments in subsidiaries are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

# These were step down subsidiary of the Company.

- (i) In order to reorganise the capital structure of step down subsidiary companies, during the year ended 31 March 2020 the Company has purchased equity shares of such step down subsidiaries namely Gyansagar Buildtech Limited, Arbutus Constructions Limited, Krathis Developers Limited, Krathis Buildcon Limited, Savren Buildwell Limited, Evinos Developers Limited, Evinos Buildwell Limited, Pushpanjali Finsolutions Limited, Pushpanjali Fincon Limited & Auxesia Soft Solutions Limited making them direct subsidiaries. The total purchase consideration for these acquisition was ₹ 2,756.62 lakh.
- (ii) During the year ended 31 March 2020, the Company has further invested ₹ 34,060.00 lakh in the equity share capital of Indiabulls Securities Limited, a wholly owned subsidiary of the Company.
- (iii) During the year ended 31 March 2020, the Company has sold its 100% stake in the equity shares of Indiabulls Investment Advisors Limited (a wholly owned subsidiary of the Company) to Indiabulls Consumer Finance Limited (another wholly owned subsidiary of the Company) for consideration of ₹ 550.00 lakh.
- (iv) During the year ended 31 March 2019, the Company has invested ₹ 2,500 lakh in the equity share capital of Indiabulls Asset Reconstruction Company Limited ("IARCL").
- (v) During the year ended 31 March 2019, the Company has invested ₹ 40,000.00 lakh in 40,000,000 compulsory convertible debentures (CCDs) of IARCL. These CCDs carry interest rate of 8% and are compulsorily convertible at a conversion price of ₹ 100 per equity share (including a premium of ₹ 90 per equity share) within 14 months from the date of allotment. Subsequent to the year end 31 March 2020, these CCDs have been converted into equivalent number of fully paid up equity shares of the IARCL.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

- (vi) The Company issues stock options to employees of its subsidiaries as well as provides guarantees to counter parties in favour of the subsidiaries. The fair value of the employee stock options granted to the employees of the subsidiaries and the fair value of such financial guarantees is added to the cost of investments in subsidiaries.

The following are the amounts that have been added to the cost of investments in respective subsidiaries

Name of subsidiary Companies	As at 31 March 2020	As at 31 March 2019
Indiabulls Distribution Services Limited	63.36	40.40
Indiabulls Consumer Finance Limited	8,781.57	7,119.15
Indiabulls Investment Advisors Limited	11.47	10.28
Indiabulls Securities Limited	10.35	8.94
<b>Total</b>	<b>8,866.75</b>	<b>7,178.77</b>

Note - 10 Other financial assets	As at 31 March 2020	As at 31 March 2019
(a) Loan notes and escrow receivable *		
Considered good	760.42	646.16
(b) Loan to employees	10.63	146.55
(c) Security deposits		
<b>Unsecured</b>		
(i) Deposits (including margin money) with stock exchanges, (unsecured, considered good)	300.00	2,249.60
(ii) Deposits with others	2.70	493.62
	<b>1,073.75</b>	<b>3,535.93</b>

\* During the year ended 31 March 2012, the Company had sold 586,193 shares held by it in Copal Partners Limited to Moody's Group UK LTD for the consideration of ₹ 2,319.93 lakh vide the share purchase deed. Out of the total consideration of ₹ 2,319.93 lakh receivable from Moody's Group UK LTD, ₹ 760.42 lakh (including foreign exchange gain) [31 March 2019: ₹ 646.16 lakh (including foreign exchange gain)] is outstanding as at 31 March 2020 in the form of Loan Notes of the Moody's Group UK LTD and Escrow account.

Note - 11 Current tax assets (net)	As at 31 March 2020	As at 31 March 2019
Advance Income-tax (including tax deducted at source) (net of provision for income-tax)	2,303.16	1,209.29
	<b>2,303.16</b>	<b>1,209.29</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

Note - 12 Deferred tax assets (net)	As at 31 March 2020	As at 31 March 2019
<b>Deferred tax assets:</b>		
Disallowance under section 43(B) of the Income-tax Act, 1961	7.92	37.17
Disallowance under section 40A(7) of the Income-tax Act, 1961	13.26	147.88
Depreciation and amortisation	79.39	205.68
Financial assets measured at amortised cost	7.10	24.67
Impairment loss allowance	0.46	211.03
Share based payments	405.77	498.69
Compulsory convertible debentures	1,012.89	7,286.46
Minimum alternative tax credit entitlement	-	-
Tax losses carried forward	4,803.62	-
Others	-	0.67
<b>Total (A)</b>	<b>6,330.41</b>	<b>8,412.25</b>
<b>Deferred tax liability:</b>		
Financial liabilities measured at amortised cost	216.89	142.70
Others	11.18	-
<b>Total (B)</b>	<b>228.07</b>	<b>142.70</b>
<b>Deferred tax assets (net) C=(A)-(B)</b>	<b>6,102.34</b>	<b>8,269.55</b>

Movement in deferred tax assets (net)					
Particulars	As at 31 March 2019	Charged/ (credited) to statement of profit or loss	Charged/ (credited) to other comprehensive income	(Charged)/ credited to equity	As at 31 March 2020
<b>Assets</b>					
Disallowance under section 43(B) of the Income-tax Act, 1961	37.17	29.25	-	-	7.92
Disallowance under section 40A(7) of the Income-tax Act, 1961	147.88	129.43	(5.19)	-	13.26
Depreciation and amortisation	205.68	126.29	-	-	79.39
Financial assets measured at amortised cost	24.67	17.57	-	-	7.10
Impairment loss allowance	211.03	210.57	-	-	0.46
Share based payments	498.69	92.92	-	-	405.77
Compulsory convertible debentures	7,286.46	5,284.69	-	(988.88)	1,012.89
Tax losses carried forward	-	(4,803.62)	-	-	4,803.62
<b>Liabilities</b>					
Others	0.67	11.85	-	-	(11.18)
Financial liabilities measured at amortised cost	(142.70)	74.19	-	-	(216.89)
<b>Total (net)</b>	<b>8,269.55</b>	<b>1,173.14</b>	<b>(5.19)</b>	<b>(988.88)</b>	<b>6,102.34</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

Particulars	As at 1 April 2018	Charged/ (credited) to statement of profit or loss	Charged/ (credited) to other comprehensive income	(Charged)/ credited to equity	As at 31 March 2019
<b>Assets</b>					
Disallowance under section 43(B) of the Income-tax Act, 1961	30.46	6.71	-	-	37.17
Disallowance under section 40A(7) of the Income-tax Act, 1961	115.79	37.30	(5.21)	-	147.88
Depreciation and amortisation	340.78	(135.10)	-	-	205.68
Financial assets measured at amortised cost	38.29	(13.62)	-	-	24.67
Impairment loss allowance	109.72	101.31	-	-	211.03
Share based payments	239.45	259.24	-	-	498.69
Compulsorily convertible debentures	-	(1,830.77)	-	9,117.23	7,286.46
Others	3.31	(2.64)	-	-	0.67
<b>Liabilities</b>					
Financial liabilities measured at amortised cost	(42.16)	(100.54)	-	-	(142.70)
<b>Total (net)</b>	<b>835.64</b>	<b>(1,678.11)</b>	<b>(5.21)</b>	<b>9,117.23</b>	<b>8,269.55</b>

Note - 11 A Property, plant and equipment	Furniture and fixtures	Vehicles <sup>^</sup>	Office equipment	Computers	Leasehold improvements	Total
<b>Gross block</b>						
Balance as at 1 April 2018	11.71	72.32	36.92	352.94	200.44	674.33
Additions	12.19	52.59	12.47	465.58	-	542.83
Sales/adjustment	(0.20)	(4.57)	(0.50)	-	(1.73)	(7.00)
<b>Balance as at 31 March 2019</b>	<b>23.70</b>	<b>120.34</b>	<b>48.89</b>	<b>818.52</b>	<b>198.71</b>	<b>1,210.16</b>
Additions	14.91	11.01	8.01	130.76	22.26	186.95
Sales/adjustment	(0.40)	-	(4.23)	(6.11)	(3.08)	(13.82)
Transferred to discontinued operations	(38.21)	-	(51.83)	(940.60)	(217.89)	(1,248.53)
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>131.35</b>	<b>0.84</b>	<b>2.57</b>	<b>-</b>	<b>134.76</b>
<b>Accumulated Depreciation</b>						
Balance as at 1 April 2018	2.67	11.70	8.27	56.00	47.52	126.16
Depreciation (continuing operations)	-	14.93	-	-	-	14.93
Depreciation (discontinued operations)	3.10	-	9.40	126.16	43.61	182.27
Sales/adjustment	(0.17)	(3.85)	(0.50)	-	(0.99)	(5.51)
<b>Balance as at 31 March 2019</b>	<b>5.60</b>	<b>22.78</b>	<b>17.17</b>	<b>182.16</b>	<b>90.14</b>	<b>317.85</b>
Depreciation (continuing operations)	-	15.48	0.28	0.74	-	16.50
Depreciation (discontinued operations)	3.91	-	10.17	170.48	38.69	223.25
Sales/adjustment	(2.44)	-	(3.81)	(5.93)	-	(12.18)
Transferred to discontinued operations	(7.07)	-	(23.46)	(346.53)	(128.83)	(505.89)
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>38.26</b>	<b>0.35</b>	<b>0.92</b>	<b>-</b>	<b>39.53</b>
<b>Net block as at 31 March 2019</b>	<b>18.10</b>	<b>97.56</b>	<b>31.72</b>	<b>636.36</b>	<b>108.57</b>	<b>892.31</b>
<b>Net block as at 31 March 2020</b>	<b>-</b>	<b>93.09</b>	<b>0.49</b>	<b>1.65</b>	<b>-</b>	<b>95.23</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

### Notes:

^ Includes vehicles having carrying cost of ₹ 37.39 lakh (31 March 2019 ₹ 44.34 lakh) which are hypothecated to banks against the respective loans.

- (a) Refer note 37-B, for disclosure of contractual commitments to be executed on capital account for property, plant and equipment.

Note - 11 B Right of use of assets	Building	Total
<b>Gross block</b>		
Balance as at 1 April 2019	-	-
Addition on account of transition to Ind AS 116	1,849.87	1,849.87
Termination/ adjustment	(1,849.87)	(1,849.87)
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>-</b>
<b>Accumulated amortisation</b>		
Balance as at 1 April 2019	-	-
Amortisation (discontinued operations)	374.11	374.11
Termination/ adjustment	(374.11)	(374.11)
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>-</b>
<b>Net block as at 31 March 2020</b>	<b>-</b>	<b>-</b>

During the year ended 31 March 2020, the Company has adopted Ind AS - 116 (Leases) and recognised a lease liability of ₹ 1,740.31 lakh on transition date. The Company has sold its stock broking business to its wholly owned subsidiary Indiabulls Securities Limited and therefore derecognised its lease liabilities standing as on 20 February 2020 and the resultant gain / loss has been included in the statement of profit and loss under discontinued operations.

Note - 11 C Intangible assets under development	Amount
<b>Gross block</b>	
Balance as at 1 April 2018	486.26
Additions	1,580.50
Capitalised	( 1,411.63)
<b>Balance as at 31 March 2019</b>	<b>655.13</b>
Additions	1,036.84
Capitalised	( 1,503.27)
Transferred to discontinued operations	(188.70)
<b>Balance as at 31 March 2020</b>	<b>-</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

Note - 11 D Intangible assets	Membership rights of BSE Limited	Software	Indiabulls. com website	Total
<b>Gross block</b>				
Balance as at 1 April 2018	-	134.01	-	134.01
Additions	-	1,638.91	-	1,638.91
Sales/adjustment	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>-</b>	<b>1,772.92</b>	<b>-</b>	<b>1,772.92</b>
Additions	-	1,519.82	-	1,519.82
Sales/adjustment	-	-	-	-
Transferred to discontinued operations	-	(3,292.74)	-	(3,292.74)
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accumulated amortisation</b>				
Balance as at 1 April 2018	-	33.19	-	33.19
Amortisation (continuing operations)	-	-	-	-
Amortisation (discontinued operations)	-	209.13	-	209.13
Sales/adjustment	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>-</b>	<b>242.32</b>	<b>-</b>	<b>242.32</b>
Amortisation (continuing operations)	-	-	-	-
Amortisation (discontinued operations)	-	533.91	-	533.91
Transferred to discontinued operations	-	(776.23)	-	(776.23)
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net block as at 31 March 2019</b>	<b>-</b>	<b>1,530.60</b>	<b>-</b>	<b>1,530.60</b>
<b>Net block as at 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note - 12 Other non-financial assets	As at 31 March 2020	As at 31 March 2019
Capital advances	-	9.68
Prepaid expenses	6.68	322.88
Balance with government authorities	133.68	249.22
Advance to suppliers	7.54	47.03
Others	202.02	31.58
	<b>349.92</b>	<b>660.39</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

<b>Note - 13</b>	<b>As at</b>	<b>As at</b>
<b>Trade payables</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
(a) Total outstanding due to micro enterprises and small enterprises <sup>(i)</sup>	-	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	301.88	297.26
	<b>301.88</b>	<b>297.26</b>

(i) Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

(a) Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	-
(b) Interest due thereon	-	-
(c) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
(d) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
(e) Interest accrued and remaining unpaid as at end of the year	-	-

<b>Note - 14</b>	<b>As at</b>	<b>As at</b>
<b>Other payables</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
(a) Total outstanding due to micro enterprises and small enterprises <sup>(i)</sup>	-	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	79.58	349.59
	<b>79.58</b>	<b>349.59</b>

(i) Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

	<b>As at</b>	<b>As at</b>
	<b>31 March 2020</b>	<b>31 March 2019</b>
(a) Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	-
(b) Interest due thereon	-	-
(c) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
(d) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
(e) Interest accrued and remaining unpaid as at end of the year	-	-



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

Note - 15 Debt securities (at amortised cost)	As at 31 March 2020	As at 31 March 2019
<b>Unsecured</b>		
Liability component of compulsorily convertible debentures <sup>(i)</sup>	9,058.77	30,019.30
<b>Total</b>	<b>9,058.77</b>	<b>30,019.30</b>
Debt securities in India	9,058.77	30,019.30
Debt securities outside India	-	-
	<b>9,058.77</b>	<b>30,019.30</b>

(i) During the year ended 31 March 2019, the Board of Directors had resolved to create, offer, issue and allot up to an aggregate of 27,985,455 compulsorily convertible debentures (“CCDs”) of face value of ₹ 550 each, convertible into equivalent numbers of equity shares of ₹ 2 each at a conversion price of ₹ 550 per equity share (including premium of ₹ 548 per equity share) under the Non-Promoter Category by way of a preferential issue on a private placement basis to the certain foreign investors (“the CCD holders”). Subsequent to year ended 31 March 2020, these CCDs have been converted into 27,985,455 fully paid-up equity shares of face value of ₹ 2 each at a premium of ₹ 548 per share.

### Terms of the Issue:

- CCDs will be compulsorily converted into fully paid-up equity shares of face value of ₹ 2 each at a conversion price of ₹ 550 each on or before 18 months from the date of the allotment of the CCDs.
- CCDs carry interest rate of 14.90% per annum, payable quarterly and interest is payable and calculated on the face value of CCDs, commencing from the date of its allotment and until the date of its conversion into the equity shares.

Note - 16 Borrowings (other than debt securities) (at amortised cost)	As at 31 March 2020	As at 31 March 2019
<b>Secured</b>		
(a) Term loans		
-from banks <sup>(i)</sup>	-	14,999.61
(b) Loans repayable on demand		
-from banks		
-Bank overdraft <sup>(ii)</sup>	8,265.64	7,084.04
-Working capital loan <sup>(iii)</sup>	-	1,500.00
(c) Vehicle loans from banks <sup>(iv)</sup>	24.75	33.60
<b>Unsecured</b>		
(a) Term loans		
-from others <sup>(v)</sup>	20,000.00	-
<b>Total</b>	<b>28,290.39</b>	<b>23,617.25</b>
Borrowings in India	28,290.39	23,617.25
Borrowings outside India	-	-
<b>Total</b>	<b>28,290.39</b>	<b>23,617.25</b>





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

- (i) Term loan from bank was secured against receivables and current assets (including cash and cash equivalents and investments) on pari-passu basis. The loan carried Nil rate of interest (as at 31 March 2019: 10.50% per annum) as on balance sheet date and has been repaid in one bullet payment in April 2019.
- (ii) Bank overdraft facilities are secured against bank deposits pledged with respective banks and are repayable on demand. Bank overdraft carries rate of interest ranging from 7.74% to 8.19% per annum (as at 31 March 2019: 6.35% to 8.43% per annum).
- (iii) Working capital loans were secured against book debts and loans and advances on pari-passu basis and were repayable on demand. The loan carries rate of interest of Nil (as at 31 March 2019: 9.00% per annum) as at balance sheet date.
- (iv) Vehicle loans are secured against hypothecation of the vehicles purchased. The rate of interest of such loans ranges between 8.50% to 8.75% p.a. These loans are repayable in equated monthly installments of 5 years.
- (v) Unsecured term loan carries rate of interest of 10% per annum (31 March 2019 : Nil) and is repayable within 36 months from the date of disbursement of loan.

<b>Note - 17</b> <b>Other financial liabilities</b>	<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
Interest accrued but not due on borrowings	-	9.96
Unpaid dividends <sup>(i)</sup>	283.09	301.99
Margin from customers	-	14,032.02
Temporary overdrawn bank balances as per books	14.39	485.51
Payable to related party	10.22	-
Other payables	1.30	-
	<b>309.00</b>	<b>14,829.48</b>

- (i) In respect of amounts mentioned under Section 124 (5) of the Companies Act, 2013, the Company has credited ₹ 52.63 lakh (31 March 2019: ₹ Nil) to the Investor Education and Protection Fund.

<b>Note - 18</b> <b>Current tax liabilities (net)</b>	<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
Provision for taxation (net of tax deducted at source/ advance tax)	-	626.43
	-	<b>626.43</b>

<b>Note - 19</b> <b>Provisions</b>	<b>As at</b> <b>31 March 2020</b>	<b>As at</b> <b>31 March 2019</b>
<b>For employee benefits</b>		
Provision for gratuity (refer note - 41)	52.68	507.83
Provision for compensated absences	31.45	127.63
	<b>84.13</b>	<b>635.46</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

Note - 20 Other non-financial liabilities	As at 31 March 2020	As at 31 March 2019
Guarantee liability	436.37	613.62
Brokerage/depository income received in advance <sup>(i)</sup>	-	71.01
Statutory dues payables	2,504.77	792.59
	<b>2,941.14</b>	<b>1,477.22</b>

### (i) Reconciliation of brokerage/depository income received in advance:

Balance at the beginning of the year	71.01	101.62
Add: Advances received during the year	613.26	518.90
Less: Revenue recognised during the year	(576.39)	(549.51)
Less: Amount transferred of discontinued operations	(107.88)	-
Balance at the end of the year	-	<b>71.01</b>

Note - 21 Equity share capital	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
<b>i. Authorised</b>				
Equity shares of face value of ₹ 2 each	1,000,000,000	20,000.00	1,000,000,000	20,000.00
		<b>20,000.00</b>		<b>20,000.00</b>
<b>ii. Issued</b>				
Equity shares of face value of ₹ 2 each	465,529,440	9,310.59	522,030,890	10,440.62
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 1.10 paid up)	82,909,118	912.00	82,909,118	912.00
	<b>548,438,558</b>	<b>10,222.59</b>	<b>604,940,008</b>	<b>11,352.62</b>
<b>iii. Subscribed and paid up</b>				
Equity shares of face value of ₹ 2 each fully paid up	465,529,440	9,310.59	522,030,890	10,440.62
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 1.10 paid up)	82,803,864	910.85	81,566,088	897.21
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 0.80 paid up)	105,254	0.84	1,343,030	10.74
Amount paid up on shares forfeited		0.19		0.19
	<b>548,438,558</b>	<b>10,222.47</b>	<b>604,940,008</b>	<b>11,348.76</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

### iv. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year :

Equity shares, fully paid-up	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	522,030,890	10,440.62	442,391,002	8,847.82
Add: Shares issued by exercise of employee stock option plan	10,165,216	203.30	-	-
Add: Shares issued by exercise of warrants	-	-	33,800,000	676.00
Add: Shares issued through preferential allotment	-	-	45,839,888	916.80
Less: Shares bought back and extinguished during the year (refer note 46)	(66,666,666)	(1,333.33)	-	-
<b>Balance at the end of the year</b>	<b>465,529,440</b>	<b>9,310.59</b>	<b>522,030,890</b>	<b>10,440.62</b>
Equity shares, partly paid-up	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	82,909,118	907.95	82,948,313	414.74
Add: Amount received on 1st call at ₹ 0.30 per share	-	-	-	248.72
Add: Amount received on 2nd call at ₹ 0.30 per share	-	3.74	-	244.68
Less: Shares forfeited on non payment of 1st call	-	-	(39,195)	(0.19)
<b>Balance at the end of the year</b>	<b>82,909,118</b>	<b>911.69</b>	<b>82,909,118</b>	<b>907.95</b>

### v. Rights, preferences and restrictions attached to the equity shares

- The Company has only one class of equity shares having a face value of ₹ 2 per share. Each holder of fully paid up equity share is entitled to one vote per share. Voting rights of each holder of partly paid up equity share is proportionate to the paid up amount of such share. The final dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- Holders of Global Depository Receipts ('GDRs') will be entitled to receive dividends, subject to the terms of the deposit agreement, to the same extent as the holders of equity shares, less the fees and expenses payable under such deposit agreement and any Indian tax applicable to such dividends. Holders of GDRs don't have voting rights with respect to the deposited shares. The GDRs can not be transferred to any person located in India including Indian residents or ineligible investors except as permitted by Indian laws and regulations.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

### vi. Shares held by Shareholders each holding more than 5% shares:

Name of the Shareholders	As at 31 March 2020		As at 31 March 2019	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Sameer Gehlaut	31,552,493	5.75	50,898,005	8.41
Orthia Properties Private Limited	41,623,777	7.59	49,348,765	8.16
Orthia Constructions Private Limited	37,074,335	6.76	49,003,614	8.10
Zelkova Builders Private Limited	30,933,258	5.64	40,617,638	6.71
Tamarind Capital Pte Ltd	73,316,288	13.37	73,316,288	12.12
Steadview Capital Mauritius Limited	- *	- *	36,003,575	5.95
Jasmine Capital Investments Pte Ltd	58,732,443	10.71	59,832,443	9.89

\* As on 31 March 2020, Steadview Capital Mauritius Limited held less than 5% shares in the Company

### vii. Shares reserved for issue under options:

(a) 17,313,900 equity shares (As at 31 March 2019: 28,501,616 equity shares) of face value of ₹ 2 each are reserved under various option schemes of the Company (Refer note - 39)

viii. The Company has not issued any bonus shares during the current year and five years immediately preceding current year.

ix. There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue. During the year ended 31 March 2020, the Company has bought back 66,666,666 fully paid up equity shares of the Company at ₹ 150 per equity share through tender route.

x. 54,433 shares (31 March 2019: 54,433 shares) of face value of ₹ 2 per share represent the shares underlying GDRs. Each GDR represents one underlying equity share.

Note - 22 Other equity	As at 31 March 2020	As at 31 March 2019
Equity component of compulsory convertible debentures	130,719.26	131,708.14
Capital redemption reserve (Refer note - 46)	4,933.69	3,600.36
Securities premium	310,103.58	410,449.16
Foreign currency monetary item translation difference account	-	39.98
General reserve	3,381.78	3,381.78
Share options outstanding account	8,215.57	7,665.60
Retained earnings	18,553.20	11,916.95
Equity instruments through other comprehensive income	164.19	397.14
Treasury shares	(18,305.73)	-
	<b>457,765.54</b>	<b>569,159.11</b>

### Nature and purpose of other reserve

#### Equity component of compulsory convertible debentures

On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as financial liability measured at amortised cost until it is extinguished on conversion. The remainder of the proceeds is recognised in equity since conversion option meets the fixed for fixed criteria.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

### Capital redemption reserve

The same had been created in accordance with provision of the Act on account of redemption of preference shares and buy-back of equity shares.

### Securities premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Act.

### Foreign currency monetary item translation difference account

Pursuant to the notification dated 29 December 2011 issued by the Ministry of Corporate Affairs amending Accounting Standard 11 - 'Accounting for the Effects of Changes in Foreign Exchange Rates' the Company has exercised the option as per Paragraph 46A inserted in the said Accounting Standard for amortisation of foreign exchange gain/loss on long-term monetary items over the remaining life of the concerned monetary items.

### General reserve

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

### Share options outstanding account

The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option plan.

### Retained earnings

Retained earnings represents surplus / accumulated earning of the Company and are available for distribution to shareholders

### Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income. The balance of the reserve represents such changes recognised net of amounts reclassified to retained earnings on disposal of such investments.

### Treasury shares

This reserve represents Company's own equity shares held by the Indiabulls Ventures Limited - Employees Welfare Trust which is created under Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2019 (ESBS 2019) and Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2020 (ESBS 2020). Treasury shares are acquired for the purpose of issuing equity shares to employees under Company's ESBS 2019 and ESBS 2020.

### Money received against share warrants

This represents upfront amount received against the share warrants at the time of allotment of share warrants and pending for conversion into equity shares.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

<b>Note - 23</b> <b>Interest income (on financial assets measured at amortised cost)</b>	<b>For the year ended</b> <b>31 March 2020</b>	For the year ended 31 March 2019
Interest income on inter-corporate loans	9,844.56	9,932.46
Interest income on fixed and other deposits	134.46	87.23
Interest income on other investments	-	45.01
Other interest income	50.50	49.42
	<b>10,029.52</b>	<b>10,114.12</b>

<b>Note - 24</b> <b>Dividend income</b>	<b>For the year ended</b> <b>31 March 2020</b>	For the year ended 31 March 2019
Dividend income from subsidiary companies	20,494.38	4,627.97
Dividend income from others	16.25	23.40
	<b>20,510.63</b>	<b>4,651.37</b>

<b>Note - 25</b> <b>Net gain on fair value changes</b>	<b>For the year ended</b> <b>31 March 2020</b>	For the year ended 31 March 2019
Net gain on financial instruments at fair value through profit or loss		
Gain on sale of investment in mutual funds	36.37	-
<b>Total net gain on fair value changes</b>	<b>36.37</b>	-
Fair value changes		
- Realised	36.37	-
- Unrealised	-	-
<b>Total net gain on fair value changes</b>	<b>36.37</b>	-

<b>Note - 26</b> <b>Other income</b>	<b>For the year ended</b> <b>31 March 2020</b>	For the year ended 31 March 2019
Income from financial guarantees	318.94	437.53
Gain on foreign exchange fluctuations	106.73	53.36
	<b>425.67</b>	<b>490.89</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

<b>Note - 27</b> <b>Finance costs (on financial liabilities measured at amortised cost)</b>	<b>For the year ended</b> <b>31 March 2020</b>	<b>For the year ended</b> <b>31 March 2019</b>
Interest on borrowings		
Inter-corporate deposits	1,239.86	-
Term loans	589.04	-
Bank overdraft	29.98	-
Vehicle loans	2.37	3.32
Interest on debt securities		
Commercial papers	-	3,056.04
Liability component of compulsorily convertible debentures	1,936.38	1,105.57
Other borrowing costs	12.81	4.64
	<b>3,810.44</b>	<b>4,169.57</b>
<b>Note - 28</b> <b>Fees and commission expense</b>	<b>For the year ended</b> <b>31 March 2020</b>	<b>For the year ended</b> <b>31 March 2019</b>
Membership and depository fee	17.44	15.85
	<b>17.44</b>	<b>15.85</b>
<b>Note - 29</b> <b>Impairment on financial assets</b>	<b>For the year ended</b> <b>31 March 2020</b>	<b>For the year ended</b> <b>31 March 2019</b>
Investments	-	5.00
	<b>-</b>	<b>5.00</b>
<b>Note - 30</b> <b>Employee benefits expenses</b>	<b>For the year ended</b> <b>31 March 2020</b>	<b>For the year ended</b> <b>31 March 2019</b>
Salaries and wages	483.43	477.30
Contribution to provident and other funds	2.90	5.59
Share based payments to employees	512.75	877.20
	<b>999.08</b>	<b>1,360.09</b>
<b>Note - 31</b> <b>Depreciation and amortisation</b>	<b>For the year ended</b> <b>31 March 2020</b>	<b>For the year ended</b> <b>31 March 2019</b>
Depreciation on property, plant and equipment	16.50	14.93
	<b>16.50</b>	<b>14.93</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

Note - 32 Other expenses	For the year ended 31 March 2020	For the year ended 31 March 2019
Printing and stationery	65.67	127.50
Director's sitting fee	25.00	41.00
Payment to statutory auditors <sup>(i)</sup>	32.50	32.50
Legal and professional charges	26.20	2.93
Travelling and conveyance	66.68	1.17
Business promotion	132.68	-
Corporate social responsibility expenses (refer note - 42)	107.26	86.89
Miscellaneous expenses	0.65	2.54
	<b>456.64</b>	<b>294.53</b>

### (i) Auditor's remuneration (excluding goods and services tax):

	For the year ended 31 March 2020	For the year ended 31 March 2019
As auditor	32.50	32.50
For taxation matters	-	-
For company law matters	-	-
For other services	-	-
For reimbursement of expenses	-	-

Note - 33 Tax expense	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Tax expense of continuing operations</b>		
Current tax	-	424.46
Deferred tax	1,014.46	1,231.76
<b>Total (A)</b>	<b>1,014.46</b>	<b>1,656.22</b>
<b>Tax expense of discontinued operations</b>		
Current tax	(59.23)	153.80
Deferred tax	158.68	446.35
<b>Total (B)</b>	<b>99.45</b>	<b>600.16</b>
<b>Income-tax expense reported in the statement of profit and loss (A) + (B)</b>	<b>1,113.91</b>	<b>2,256.38</b>





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

The major components of Income-tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% (31 March 2019: 29.12%) and the reported tax expense in profit or loss are as follows:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Accounting profit before tax expense	25,718.71	12,801.42
Income-tax rate	25.17%	29.12%
Expected tax expense	6,472.88	3,727.77
<b>Tax effect of adjustments to reconcile expected Income-tax expense to reported Income-tax expense:</b>		
Tax impact on items exempt under Income-tax	(4,354.53)	(1,354.48)
Tax impact on deductions allowed under Income-tax	(1,776.85)	(5.79)
Tax impact of expenses which will never be allowed	594.70	21.10
Earlier years tax adjustments (net)	(59.23)	(73.72)
Impact of difference in tax rate on certain items	146.80	(25.48)
Deferred tax not created on capital losses	90.14	-
Others	-	(33.02)
<b>Income-tax expense</b>	<b>1,113.91</b>	<b>2,256.38</b>

### Notes:

- (i) During the year, the Company decided to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from the current financial year. Accordingly, the provision for income-tax and deferred tax balances have been recorded/ remeasured using the new tax rate and the Company had reversed deferred tax assets amounting to ₹ 1,141.65 lakh.

The impact of the change in tax rate has been recognised in tax expense of statement of profit and loss, except to the extent that it relates to items previously recognised outside the statement of profit and loss.

- (ii) Detail of unused tax losses

Expiry assessment year (as per Income-tax Act, 1961)	As at 31 March 2020	As at 31 March 2019
<b>Tax losses</b>		
1 April 2028 - 31 March 2029	18,158.34	-
Unabsorbed depreciation for indefinite period	1,286.01	-

### Note - 34

#### Discontinued operations

On 14 January 2019, the Board of Directors considered and approved the sale and transfer of securities broking business of the Company to Indiabulls Securities Limited (formerly Indiabulls Commodities Limited), a wholly owned subsidiary, by way of a slump sale. On 31 July 2019, the Company entered into a business transfer agreement (BTA) with Indiabulls Securities Limited to sell its securities broking business on slump sale basis. The business transfer involved transfer of certain assets and liabilities as stated in the BTA on slump sale basis for an agreed consideration



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

of ₹ 34,200.00 lakh. On receipt of approvals from the regulatory authorities National Stock Exchange of India Limited, BSE Limited and the Securities and Exchange Board of India, the business stood transferred to Indiabulls Securities Limited with effect from 21 February 2020.

<b>a. Analysis of profit from discontinued operations:</b>			
		<b>For the year ended 31 March 2020</b>	For the year ended 31 March 2019
	<b>Revenue from operations</b>		
	Interest income	3,455.75	4,306.28
	Fees and commission income	6,959.24	11,818.63
	Net gain on fair value changes	168.90	249.11
	<b>Total revenue from operations</b>	<b>10,583.89</b>	<b>16,374.02</b>
	Other income	192.46	80.81
	<b>Total income</b>	<b>10,776.35</b>	<b>16,454.83</b>
	<b>Expenses</b>		
	Finance costs	628.35	1,857.11
	Fees and commission expense	459.02	491.99
	Impairment on financial instruments	306.31	354.40
	Employee benefits expenses	5,210.94	7,576.48
	Depreciation and amortisation expense	1,131.28	391.40
	Other expenses	2,203.14	2,378.44
	<b>Total expenses</b>	<b>9,939.04</b>	<b>13,049.82</b>
	<b>Profit before loss on disposal of discontinued operations</b>	<b>837.31</b>	<b>3,405.01</b>
	Loss on disposal of discontinued operations	820.69	-
	<b>Profit before tax from discontinued operations</b>	<b>16.62</b>	<b>3,405.01</b>
	<b>Tax expense</b>	<b>-</b>	<b>-</b>
	Current tax	(59.23)	153.80
	Deferred tax	158.68	446.35
	Tax on disposal of discontinued operations	-	-
	<b>Total tax expense</b>	<b>99.45</b>	<b>600.16</b>
	<b>(Loss) / profit after tax from discontinued operations</b>	<b>(82.83)</b>	<b>2,804.83</b>
<b>b. Net cash flows attributable to the discontinued operations:</b>			
		<b>For the year ended 31 March 2020</b>	For the year ended 31 March 2019
	Net cash (used in)/ generated from operating activities	(6,570.74)	8,204.45
	Net cash generated from/ (used in) investing activities	32,449.40	(1,970.53)
	Net cash (used in)/ generated from financing activities	(24,070.00)	413.33
	<b>Net cash generated</b>	<b>1,808.66</b>	<b>6,647.25</b>



## Summary of significant accounting policies and other explanatory information

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<b>c.</b>	<b>Gain on disposal of discontinued operations:</b>	
		<b>Amount</b>
	Cash consideration	34,200.00
	Less: cash and cash equivalents transferred	(605.93)
		<b>33,594.07</b>
	Net assets transferred (i)	34,414.76
	Loss on disposal	<b>(820.69)</b>
<b>(i)</b>	<b>Information of book value of assets and liabilities transferred on the date of slump sale:</b>	
		<b>Amount</b>
	Property, plant and equipment and Intangible assets	3,259.15
	Intangible assets under development	188.70
	Loans	5,679.94
	Trade receivables (net of provisions)	2,782.66
	Cash and cash equivalents	605.93
	Other financial assets	32,217.28
	Other non-financial assets	220.34
	<b>Total assets (A)</b>	<b>44,954.00</b>
	Trade payables and other payables	97.35
	Provision for employee benefits	523.66
	Other financial liabilities	9,204.42
	Other non-financial liabilities	107.88
	<b>Total liabilities (B)</b>	<b>9,933.31</b>
	<b>Net assets (C) = (A) - (B)</b>	<b>35,020.69</b>

### Note - 35

#### Earnings per equity share (EPS)

#### Disclosure in respect of Indian Accounting Standard – 33 'Earnings Per Share' :

The basic earnings per equity share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Partly paid-up equity shares are treated as a fraction of an equity share to the extent they are entitled to participate in dividend relative to a fully paid-up equity share during the reporting period. Compulsory convertible debentures are treated as equivalent of equity share for the purpose of basic earnings per equity share. Treasury shares are adjusted for computation of weighted average equity shares. Diluted earnings per equity share is computed by considering the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.



## Summary of significant accounting policies and other explanatory information

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Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential dilutive equity shares are adjusted for the potential dilutive effect of employee stock option plan and warrants as appropriate.

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit available for equity shareholders (₹ in lakh) from continuing operations	24,687.63	7,740.19
Profit available for equity shareholders (₹ in lakh) from discontinued operations	(82.83)	2,804.85
Profit available for equity shareholders (₹ in lakh) from continuing and discontinued operations	24,604.80	10,545.04
<b>Basic/diluted earnings per equity share:</b>		
Weighted-average number of equity shares for basic earnings per share	588,484,888	545,045,534
<b>Effect of dilution:</b>		
Add: Potential number of equity shares that could arise on exercise of employee stock options	10,594,404	22,467,617
Add: Potential number of equity shares that could arise on exercise of warrants	-	5,934,875
Weighted-average number of equity shares for diluted earnings per share	599,079,292	573,448,026
Face value of equity share (₹)	2.00	2.00
Earnings per equity share from continuing operation - basic (₹)	4.19	1.42
Earnings per equity share from continuing operation - diluted (₹)	4.12	1.35
Earnings per equity share from discontinued operation - basic (₹)	(0.01)	0.51
Earnings per equity share from discontinued operation - diluted (₹)	(0.01)	0.49
Earnings per equity share from continuing and discontinued operation - basic (₹)	4.18	1.93
Earnings per equity share from continuing and discontinued operation - diluted (₹)	4.11	1.84

### Note - 36

#### Leases

The Company had leases for office buildings. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

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### A Lease payments not included in measurement of lease liability

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

Particulars	Year ended 31 March 2020
Short-term leases	407.24
Leases of low value assets	-
Variable lease payments	-

B Total cash outflow for leases for the year ended 31 March 2020 was ₹ 818.62 lakh.

C The Company has total commitment for short-term leases of ₹ Nil as at 31 March 2020.

D Future minimum lease payments of the Company is ₹ Nil.

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2020 is of ₹ Nil.

### F Impact on transition

- (1) Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1 April 2019. On transition, the adoption of new standard resulted in recognition of lease liability of ₹ 1,740.31 lakh and corresponding right of use asset of ₹ 1,849.87 lakh.
- (2) For contracts in place as at 1 April 2019, the Company has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.
- (3) 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 1 April 2019.
- (4) 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.
- (5) On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.
- (6) For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.
- (7) On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 10.50%.
- (8) The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:



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Particular	Amount
Total operating lease commitments disclosed as at 31 March 2019	2,075.91
Recognition exemptions:	
Leases of low value assets	-
Leases with remaining lease term of less than 12 months	-
Variable lease payments not recognised	-
Operating lease liabilities before discounting	2,075.91
Discounting impact (using incremental borrowing rate)	(335.60)
Operating lease liabilities	1,740.31
Finance lease obligations under Ind AS 17	-
<b>Total lease liabilities recognised under Ind AS 116 at 1 April 2019</b>	<b>1,740.31</b>

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2020:

Particular	Amount
Balance as at 1 April 2019	-
Addition on account of transition to Ind AS 116	1,849.87
Additions	-
Lease modification	(1,475.76)
Amortisation*	(374.11)
<b>Balance as at 31 March 2020</b>	<b>-</b>

\*The aggregate amortisation expense on right of use assets is included under depreciation and amortization in Statement of profit and loss under discontinued operations .

The following is the movement in lease liabilities during the year ended 31 March 2020:

Particular	Amount
Balance as at 1 April 2019	-
Addition on account of transition to Ind AS 116	1,740.31
Finance cost accrued during the period	102.28
Lease modification	(1,366.21)
Payment of lease liabilities	(476.38)
<b>Balance as at 31 March 2020</b>	<b>-</b>



## Summary of significant accounting policies and other explanatory information

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### Note - 37

#### A. Contingent liabilities not provided for in respect of:

	As at 31 March 2020	As at 31 March 2019
- Claims against the Company not acknowledged as debts in respect of:		
Cases under Arbitration and Conciliation Act, 1996 <sup>(i)</sup>	-	33.30
Cases under Income-tax Act, 1961 <sup>(ii) &amp; (iii)</sup>	315.05	315.05
- Bank deposits pledged against overdraft facility availed by Subsidiary Company (refer note - 6(i)d.)	-	86,000.00
- Corporate guarantee for bank loans taken by Subsidiary Companies <sup>(iv)</sup>	187,730.00	298,516.67

(i) The Company was involved in various legal proceedings as respondents/ defendants for various claims including those related to conduct of its business. The Company has transferred its stock broking business on slump sale to its wholly owned subsidiary Indiabulls Securities Limited (IBSL). Pursuant to business transfer agreement, all the litigations related to stock broking business after slump sale will now be handled by IBSL and all liabilities arising subsequently will be settled by IBSL.

(ii) Demand pending u/s 143(3) read with section 153A of the Income-tax Act, 1961:-

- For ₹ 90.97 lakh with respect to FY 2010-11 (Previous year ₹ 90.97 lakh) against disallowances under Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).
- For ₹ 33.02 lakh with respect to FY 2011-12 (Previous year ₹ 33.02 lakh) against disallowances under Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).
- For ₹ 4.21 lakh with respect to FY 2012-13 (Previous year ₹ 4.21 lakh) against disallowances under Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).
- For ₹ 43.33 lakh with respect to FY 2013-14 (Previous year ₹ 43.33 lakh) against disallowances under Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).
- For ₹ 40.66 lakh with respect to FY 2014-15 (Previous year ₹ 40.66 lakh) against disallowances under Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).
- For ₹ 18.32 lakh with respect to FY 2015-16 (Previous year ₹ 18.32 lakh) against disallowances under Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).
- For ₹ 67.17 lakh with respect to FY 2016-17 (Previous year ₹ 67.17 lakh) against disallowances under Income-tax Act, 1961, against which the appeal is pending before CIT (Appeal).

(iii) Demand pending u/s 143(3) :-

- For ₹ 17.36 lakh with respect to FY 2012-13 (Previous Year ₹ 17.36 lakh, against which appeal was pending with CIT (Appeals)) against disallowance under Income Tax Act 1961, against which departmental appeal is pending before ITAT.

(iv) Total guarantee of ₹ 243,900 lakh (as at 31 March 2019: ₹ 310,600 lakh) has been shown to the extent of outstanding term loan of ₹ 187,730.00 lakh (as at 31 March 2019: ₹ 298,516.67 lakh)



## Summary of significant accounting policies and other explanatory information

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### B. Commitments:

	As at 31 March 2020	As at 31 March 2019
Commitments for purchase of fixed assets (net of capital advances paid)	-	9.68

#### Note - 38

#### Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt securities)	Lease liabilities	Total
<b>Balance as at 1 April 2018</b>	75,000.00	23,180.10	-	98,180.10
<b>Cash flows:</b>				
- Proceeds	371,919.99 *	12,940.53 #	-	384,860.52
- Repayment	(294,289.88)	(12,508.12)	-	(306,798.00)
<b>Non cash:</b>				
- Amortisation of upfront fees	-	4.74	-	4.74
- Others (Equity component of compulsory convertible debentures)	(122,610.81)	-	-	(122,610.81)
<b>Balance as at 31 March 2019</b>	<b>30,019.30</b>	<b>23,617.25</b>	<b>-</b>	<b>53,636.55</b>
<b>Cash flows:</b>				
- Addition on account of transition to Ind AS 116	-	-	1,842.59	1,842.59
- Proceeds	1,500.00	251,186.60 #	-	252,686.60
- Repayment	(22,460.53)	(246,513.85)	(476.38)	(269,450.76)
<b>Non cash:</b>				
- Amortisation of upfront fees	-	0.39	-	0.39
- Others	-	-	(1,366.21)	(1,366.21)
<b>Balance as at 31 March 2020</b>	<b>9,058.77</b>	<b>28,290.39</b>	<b>-</b>	<b>37,349.16</b>

\* This includes gross amount received on issue of CCDs.

# This includes proceeds of ₹ 1,181.60 lakh (31 March 2019: ₹ 5,440.53 lakh) from bank overdraft which is considered under cash and cash equivalents in the cash flow statement.

#### Note - 39

#### Employee stock option schemes:

##### a) Employees Stock Option Scheme - 2008

During the financial year ended 31 March 2009, the Indiabulls Ventures Limited ("The Company") had issued an Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines").

Under the Scheme, the Company was authorised to grant 20,000,000 Equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their





## Summary of significant accounting policies and other explanatory information

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directors. All options under the Scheme are exercisable for Equity Shares of the Company. Employees covered by the plan were granted an option to purchase shares of the Company subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of the Company administered the plan. The Compensation Committee had granted, under the “Indiabulls Ventures Limited Employees Stock Option Scheme - 2008” (“IBVL ESOP - 2008”), 20,000,000 stock options representing an equal number of equity shares of face value ₹ 2 each in the Company, to the eligible employees, at an exercise price of ₹ 17.40 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 23 January 2009. The stock options so granted, shall vest in the eligible employees over a period of 10 years beginning from 25 January 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2017, the Compensation Committee had regranted 9,700,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value ₹ 2 each in the Company, to the eligible employees, at an exercise price of ₹ 24.15 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 June 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 02 July 2017, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2018, the Compensation Committee has regranted 500,000 and 880,600 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value ₹ 2 each in the Company, to the eligible employees, at an exercise price of ₹ 219.65 per equity share and ₹ 254.85 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018, respectively. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

		IBVL ESOP - 2008			
		20,000,000 Options	9,700,000 Options Regranted	500,000 Options Regranted	880,600 Options Regranted
1.	Exercise price (₹)	17.40	24.15	219.65	254.85
2.	Expected volatility *	79.00%	42.97%	46.70%	47.15%
3.	Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
4.	Option Life (Weighted Average) (in years)	11	6	6	6
5.	Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
6.	Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
7.	Fair value of the options **	0.84	4.31	106.31	130.05

\* The expected volatility was determined based on historical volatility data.

\*\* Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

### b) Employees Stock Option Scheme - 2009

During the financial year ended 31 March 2010, the Company had issued Employee Stock Option Scheme titled as ‘Indiabulls Ventures Limited Employees Stock Option Scheme - 2009’ (“IBVL ESOP - 2009”). Under the Scheme, the Company was authorised to grant 20,000,000 options, representing equivalent number of equity shares of



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face value ₹ 2 each in one or more tranches at a price and on such terms and conditions as may be decided by the Compensation Committee, to the eligible employees of the Company and its subsidiaries.

During the year ended 31 March 2010, the Compensation Committee constituted granted 10,000,000 stock options representing an equal number of Equity Shares of face value ₹ 2 each in the Company, at an exercise price of ₹ 35.25 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 November 2009. The stock options so granted, shall vest uniformly over 10 years beginning from 2 December 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended 31 March 2011, the Compensation Committee had further granted 2,050,000 Stock Options representing an equal number of equity shares of face value ₹ 2 each in the Company, at an exercise price of ₹ 31.35 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 09 April 2010. The Stock options so granted, shall vest uniformly over 10 years beginning from 13 April 2011 being the first vesting date. The options granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended 31 March 2016, the Compensation Committee had regranted under the IBVL ESOP - 2009 10,000,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value of ₹ 2 each in the Company, at an exercise price of ₹ 27.45 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 24 August 2015. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 26 August 2016, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, the Company had received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Company.

During the year ended 31 March 2017, the Compensation Committee had further regranted 9,500,000 and 10,000,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value ₹ 2 each in the Company, to the Eligible Employees, at an exercise price of ₹ 16 per equity share and ₹ 24.15 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 11 May 2016 and 30 June 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 13 May 2017 and 02 July 2017 respectively, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, the Company has received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Company.

During the year ended 31 March 2018, the Compensation Committee has regranted 10,000,000 and 669,400 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value ₹ 2 each in the Company, to the Eligible Employees, at an exercise price of ₹ 219.65 per equity share and ₹ 254.85 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018 respectively. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.



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		IBVL ESOP – 2009						
		10,000,000 Options	2,050,000 Options	10,000,000 Options Regranted & Surrendered	9,500,000 Options Regranted	10,000,000 Options Regranted & Surrendered	10,000,000 Options Regranted	669,400 Options Regranted
1.	Exercise price (₹)	35.25	31.35	27.45	16.00	24.15	219.65	254.85
2.	Expected volatility *	77.00%	48.96%	38.59%	40.74%	42.97%	46.70%	47.15%
3.	Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4.	Option life (weighted average)	10 Years	10 Years	7 Years	6 Years	6 Years	6 Years	6 Years
5.	Expected dividends yield	13.48%	6.86%	9.16%	16.33%	10.82%	1.27%	1.10%
6.	Risk free interest rate	7.50%	8.05%	6.50%	7.45%	7.45%	6.54%	7.56%
7.	Fair value of the options (₹)**	6.48	9.39	4.77	1.38	4.31	106.31	130.05

\* The expected volatility was determined based on historical volatility data.

\*\* Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

### c) **Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2019 (“Scheme”).**

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of Indiabulls Ventures Limited at its meeting held on 22 October 2019; and (b) a special resolution of the shareholders’ of the Company passed through postal ballot on 4 December 2019, result of which were declared on 5 December 2019.

This Scheme comprises:

- Indiabulls Ventures Limited Employees Stock Option Plan 2019 (“ESOP Plan 2019”)
- Indiabulls Ventures Limited Employees Stock Purchase Plan 2019 (“ESP Plan 2019”)
- Indiabulls Ventures Limited Stock Appreciation Rights Plan 2019 (“SARs Plan 2019”)

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “SBEB Regulations”), the Company has set up Indiabulls Ventures Limited - Employees Welfare Trust (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the “SBEB Regulations”, is authorised to purchase upto an aggregate of 10,500,000 (One Crore Five Lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Company as on the date of approval of shareholders, from the secondary market.

### d) **Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2020 (“Scheme”).**

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of Indiabulls Ventures Limited at its meeting held on 23 January 2020; and (b) a special resolution of the shareholders’ of the Company passed through postal ballot on 20 March 2020, result of which were declared on 21 March 2020.

This Scheme comprises:

- Indiabulls Ventures Limited Employees Stock Option Plan 2020 (“ESOP Plan 2020”)
- Indiabulls Ventures Limited Employees Stock Purchase Plan 2020 (“ESP Plan 2020”)
- Indiabulls Ventures Limited Stock Appreciation Rights Plan 2020 (“SARs Plan 2020”)



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In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the Company has set up Indiabulls Ventures Limited - Employees Welfare Trust (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 9,300,000 (Ninety Three Lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Company as on the date of approval of shareholders, from the secondary market.

The Company has recognised Share based payments expense to employees of ₹ 519.82 lakh (31 March 2019: ₹ 890.24 lakh) in the statement of Profit and loss for the year ended 31 March 2020 as follows:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Share based payments expense (continuing operations)	512.75	877.20
Share based payments expense (discontinued operations)	7.07	13.04
	<b>519.82</b>	<b>890.24</b>

The other disclosures in respect of the above stock option schemes are as under:

Total options under the scheme (Nos.)	IBVL ESOP - 2008			
	20,000,000			
Options granted (Nos.)	20,000,000	9,700,000 (Regrant)	500,000 (Regrant)	880,600 (Regrant)
Vesting period and percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years
Vesting date	25 <sup>th</sup> January each year, commencing 25 January 2010	2 <sup>nd</sup> July each year, commencing 2 July 2017	2 <sup>nd</sup> September each year, commencing 2 September 2018	25 <sup>th</sup> March each year, commencing 25 March 2019
Exercise price (₹)	17.40	24.15	219.65	254.85
<b>Outstanding as at 1 April 2018 (Nos.)</b>	1,277,866	9,700,000	500,000	880,600
Granted/ regranted during the year (Nos.)	-	-	-	-
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	406,950	-	-	187,000
<b>Outstanding as at 31 March 2019 (Nos.)</b>	870,916	9,700,000	500,000	693,600
Vested and exercisable as at 31 March 2019 (Nos.)	870,916	3,880,000	100,000	138,720
Granted/ regranted during the year (Nos.)	-	-	-	-
Exercised during the year (Nos.)	870,916	5,050,800	-	25,800
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	10,000	500,000	152,000
<b>Outstanding as at 31 March 2020 (Nos.)</b>	-	4,639,200	-	515,800
Vested and exercisable as at 31 March 2020 (Nos.)	-	769,200	-	192,640
Remaining contractual life (weighted months)	-	66	-	73



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Weighted average exercise price of share during the year ended 31 March 2020: ₹ 198.22 (31 March 2019: Not applicable).

	IBVL ESOP - 2009						
Total options under the Scheme (Nos.)	20,000,000						
Options granted (Nos.)	10,000,000	2,050,000	10,000,000 (Regrant & Surrendered)	9,500,000 (Regrant)	10,000,000 (Regrant & Surrendered)	10,000,000 (Regrant)	669,400 (Regrant)
Vesting period and percentage	Uniformly over a period of Ten years	Uniformly over a period of Ten years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years	Uniformly over a period of Five years
Vesting date	2 <sup>nd</sup> December each year, commencing 2 December 2010	13 <sup>th</sup> April each year, commencing 13 April 2011	26 <sup>th</sup> August each year, commencing 26 August 2016	13 <sup>th</sup> May each year, commencing 13 May 2017	2 <sup>nd</sup> July each year, commencing 2 July 2017	2 <sup>nd</sup> September each year, commencing 2 September 2018	25 <sup>th</sup> March each year, commencing 25 March 2019
Exercise price (₹)	35.25	31.35	27.45	16.00	24.15	219.65	254.85
<b>Outstanding as at 1 April 2018 (Nos.)</b>	-	150,000	-	7,152,500	-	9,970,000	669,400
Granted/ regranted during the year (Nos.)	-	-	-	-	-	-	-
Exercised during the year (Nos.)	-	-	-	-	-	-	-
Expired during the year (Nos.)	-	-	-	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	664,800	-	90,000	450,000
<b>Outstanding as at 31 March 2019 (Nos.)</b>	-	150,000	-	6,487,700	-	9,880,000	219,400
Vested and exercisable as at 31 March 2019 (Nos.)	-	50,000	-	1,676,300	-	1,976,000	43,880
Granted/ regranted during the year (Nos.)	-	-	-	-	-	-	-
Exercised during the year (Nos.)	-	100,000	-	3,225,100	-	852,600	40,000
Expired during the year (Nos.)	-	-	-	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	165,000	-	195,500	-
<b>Outstanding as at 31 March 2020 (Nos.)</b>	-	50,000	-	3,097,600	-	8,831,900	179,400
Vested and exercisable as at 31 March 2020 (Nos.)	-	-	-	-	-	3,034,400	47,760
Remaining contractual life (Weighted Months)	-	60	-	67	-	67	77

Weighted average exercise price of share during the year ended 31 March 2020: ₹ 187.29 (31 March 2019: Not applicable).



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

### Note - 40

#### Operating segments

The operations of the Company fall under “stock broking and related activities” business only, which is the only reportable segment in accordance with Ind-AS 108, Operating Segments. The Company has presented “stock broking business” as discontinued operation in accordance with Ind-AS 105, Non-Current Assets Held for Sale and Discontinued Operations. Further, The Company is operating in India which is considered as a single geographical segment.

### Note - 41

#### Employee benefits

The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :

##### Defined contribution plans

##### Provident fund

The Company pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government of India, which invests the funds in permitted securities. Both the Company and employees make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee’s salary. During the year, the Company has recognized the following amounts in the Statement of Profit and Loss in respect of defined contribution plans and included in “Employee benefits expense”.

	For the year ended 31 March 2020	For the year ended 31 March 2019
Contribution made to Employees' Provident Fund Organisation	22.69	17.12
Contribution made to Employees' State Insurance Corporation	6.96	6.03
Contribution to Labour Welfare Fund	1.78	0.80
Contribution to Employees' National Pension Scheme	18.56	17.36
	<b>49.99</b>	<b>41.31</b>

##### Defined benefit plans

##### Gratuity

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation.

##### Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan’s liability. Increase in salary rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan’s liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan’s liability.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

### Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of obligation	52.68	507.83
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	<b>52.68</b>	<b>507.83</b>
Expected contribution for the next Annual reporting period	8.12	135.81

### Amount recognised in the statement of profit and loss is as under:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	51.18	63.03
Past service cost including curtailment gains/losses	-	-
Interest cost on defined benefit obligation	44.35	31.68
Interest income on plan assets	-	-
Net impact on profit (before tax)	<b>95.53</b>	<b>94.71</b>

### Amount recognised in the other comprehensive income:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial gain recognised during the year	20.61	17.89

### Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of defined benefit obligation as at the beginning of year	507.83	397.63
Current service cost	51.18	63.03
Interest cost	44.35	31.68
Past service cost including curtailment gains/losses	-	-
Liability (transferred) / acquired on transfer of employees (net) *	(477.67)	67.31
Benefits paid	(52.41)	(33.93)
Actuarial loss/(gain) on obligation		
Actuarial gain on arising from change in demographic assumption	0.02	-
Actuarial loss on arising from change in financial assumption	43.01	15.54
Actuarial gain on arising from experience adjustment	(63.63)	(33.43)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>52.68</b>	<b>507.83</b>

\* Includes liabilities amounting to ₹ 432.93 lakh transferred to Indiabulls Securities Limited ( a wholly owned subsidiary) on discontinued operations.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

### Actuarial assumptions

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Discounting rate	6.80%	7.65%
Future salary increase	5.00%	5.00%
Retirement age (years)	60.00	60.00
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration (years)	15.72	20.16

Mortality rates inclusive of provision for disability -100% of IALM (2012-14) (previous year: 100% of IALM (2006-08))

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table (previous year Indian Assured Lives Mortality (2006-08) Ultimate table).

### Sensitivity analysis for gratuity liability

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Impact of the change in discount rate		
Present value of obligation at the end of the year	52.68	507.83
- Impact due to increase of 0.50 %	(2.91)	(34.32)
- Impact due to decrease of 0.50 %	3.12	37.65
Impact of the change in salary increase		
Present value of obligation at the end of the year	52.68	507.83
- Impact due to increase of 0.50 %	3.16	38.45
- Impact due to decrease of 0.50 %	(2.97)	(35.31)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

Maturity profile of defined benefit obligation (years)	As at 31 March 2020	As at 31 March 2019
0 to 1 year	1.02	12.45
1 to 2 year	0.89	8.48
2 to 3 year	0.79	8.35
3 to 4 year	0.80	8.56
4 to 5 year	0.80	8.43
5 to 6 year	0.81	8.21
6 year onwards	47.57	453.35





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

### Other long-term employee benefits

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a longterm employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. A provision of ₹ 12.07 lakh (previous year ₹ 11.07 lakh) for the year have been made on the basis of actuarial valuation at the year end and debited to the statement of profit and loss.

### Note - 42

In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms with the provisions of the said Act, the Company was to spend a sum of ₹ 107.26 Lakh (previous year ₹ 86.89 Lakh) towards CSR activities during the year ended 31 March 2020. The details of amount actually spent by the Company are:

	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Gross amount required to be spent by the Company	107.26	86.89
(b) Amount spent on		
- Construction/acquisition of any asset	-	-
- Any other purpose other than above *	107.26	86.89
- Yet to be paid	-	-
	<b>107.26</b>	<b>86.89</b>

\*Contribution towards donation/corpus fund paid to Indiabulls Foundation.

### Note - 43

#### Related party disclosures

The Company's related parties primarily consist of its subsidiaries including step down subsidiaries. The Company routinely enters into transactions with these related parties in the ordinary course of business on the terms equivalent to those that prevail in arm length transactions.

Nature of relationship	Name of the party
<b>(a) Related parties where control exists:</b>	
Subsidiary companies (including step-down subsidiaries)	Indiabulls Securities Limited (formerly known as Indiabulls Commodities Limited)
	India Ethanol and Sugar Limited (till 8 March 2019)*
	Devata Tradelink Limited
	Indiabulls Investment Advisors Limited (formerly known as Indiabulls Brokerage Limited)
	Indiabulls Infra Resources Limited
	Indiabulls Logistics Limited (till 8 March 2019)*
	Indiabulls Consumer Products Limited
	Indiabulls Distribution Services Limited



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

	Auxesia Soft Solutions Limited
	Pushpanjali Finsolutions Limited
	Arbutus Constructions Limited
	Gyansagar Buildtech Limited
	Indiabulls Consumer Finance Limited (formerly known as IVL Finance Limited)
	Astraea Constructions Limited (till 8 March 2019)*
	Silenus Buildtech Limited (till 8 March 2019)*
	Astilbe Builders Limited (till 8 March 2019)*
	Pushpanjali Fincon Limited
	Indiabulls Assets Reconstruction Company Limited Group
	Indiabulls Alternate Investments Limited
	Evinos Buildwell Limited (from 17 June 2019)
	Evinos Developers Limited (from 17 June 2019)
	Savren Buildwell Limited (from 19 November 2019)
	Krathis Buildcon Limited (from 20 November 2019)
	Krathis Developers Limited (26 November 2019)
	TranServ Limited (formerly known as TranServ Private Limited) (with effect from 1 April 2019)
Associate company	TranServ Limited (formerly known as TranServ Private Limited) (from 29 March 2019 and till 31 March 2019)
	* Dissolved and struck off from the Register of Companies pursuant to Section 248(5) of the Act on 8 March 2019
<b>(b) Other related parties:</b>	
<b>(i) Key management personnel</b>	Mr. Divyesh B. Shah, Whole Time Director & Chief Executive Officer
	Mr. Pinank Jayant Shah, Whole Time Director
	Mr. Gagan Banga, Non-executive Director
	Mr. Abhaya Prasad Hota, Independent Director (w.e.f. 25 August 2018 and till 16 September 2019)
	Mr. Alok Misra, Independent Director
	Brig. (Retd.) Labh Singh Sitara, Independent Director (till 31 March 2019)
	Mr. Shyam Lal Bansal, Independent Director
	Ms. Vijayalakshmi Rajaram Iyer, Independent Director (till 27 August 2019)
	Mr. Praveen Kumar Tripathi (w.e.f. 16 September 2019)
	Mrs. Rekha Gopal Warriar (w.e.f. 27 August 2019)
<b>(ii) Person exercising significant influence</b>	Mr. Sameer Gehlaut (Non executive chairman and Promoter)



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

### (c) Transactions with related parties during the year

	Subsidiary companies		Key management personnel		Person exercising significant influence		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Income</b>								
i. Brokerage income	14.42	25.59	0.69	0.48	0.40	0.06	15.51	26.13
ii. Interest income from compulsory convertible debentures	-	43.84	-	-	-	-	-	43.84
iii. Dividend income	20,494.38	4,627.97	-	-	-	-	20,494.38	4,627.97
iv. Interest income on inter corporate loans	9,844.56	9,932.46	-	-	-	-	9,844.56	9,932.46
v. Sale of plant, property and equipment	0.60	-	-	-	-	-	0.60	-
<b>Expenses</b>								
i. Reimbursement of expenses paid	882.08	2,810.97	-	-	-	-	882.08	2,810.97
ii. Reimbursement of expenses received	129.10	232.93	-	-	-	-	129.10	232.93
iii. Professional expenses	-	400.00	-	-	-	-	-	400.00
iv. Interest expense on inter corporate loans	1,239.86	-	-	-	-	-	1,239.86	-
v. Compensation to Key Management Personnel								
- Short term employee benefits	-	-	400.59	407.65	-	-	400.59	407.65
- Post employment benefits- gratuity	-	-	1.56	0.55	-	-	1.56	0.55
- Other long-term employee benefits- compensated absences	-	-	2.15	0.75	-	-	2.15	0.75
- Share based expenses	-	-	512.30	876.78	-	-	512.30	876.78
- Sitting fees	-	-	25.00	41.00	-	-	25.00	41.00
<b>Finance</b>								
i. Inter corporate loans given (Maximum balance outstanding during the year)	275,729.90	219,275.81	-	-	-	-	275,729.90	219,275.81
ii. Inter corporate loans taken (Maximum balance outstanding during the year)	60,500.00	-	-	-	-	-	60,500.00	-
iii. Money received against employee stock option plans	-	-	1,622.56	-	-	-	1,622.56	-
iv. Equity shares issued	-	-	-	-	-	-	-	-



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

	Subsidiary companies		Key management personnel		Person exercising significant influence		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
v. Call money received against right issue	-	-	51.98	1,478.96	-	6,774.43	51.98	8,253.39
vi. Buy back of equity shares	-	-	5,546.91	-	29,018.27	-	34,565.18	-
vii. Dividend paid #	-	-	366.04	118.71	1,081.31	425.11	1,447.35	543.82
<b>Investment</b>								
i. Investment in equity shares of subsidiary companies	34,060.00	259,724.80	-	-	-	-	34,060.00	259,724.80
ii. Investment in compulsory convertible debentures	-	40,000.00	-	-	-	-	-	40,000.00
iii. Purchase of Investment from subsidiary companies	2,756.62	-	-	-	-	-	2,756.62	-
iv. Sale of Investment to subsidiary company	550.00	-	-	-	-	-	550.00	-
v. Transfer of stock broking business	34,200.00	-	-	-	-	-	34,200.00	-
<b>Liabilities</b>								
i. Employee benefits liabilities paid	243.63	59.01	-	-	-	-	243.63	59.01
ii. Employee benefits liabilities received	185.99	138.71	-	-	-	-	185.99	138.71
# Dividend paid to related parties in their capacity of shareholders.								
<b>Contingent Liability</b>								
i. Bank deposits pledged against overdraft facility availed by subsidiary company	-	86,000.00	-	-	-	-	-	86,000.00
ii. Corporate guarantees given on behalf of subsidiary companies	60,000.00	225,600.00	-	-	-	-	60,000.00	225,600.00
iii. Reduction of corporate guarantees on account of repayment of loan by subsidiary / guarantee released by bank *	170,786.67	208,621.79	-	-	-	-	170,786.67	208,621.79
iv. Bank deposits released as margin money from stock exchange	1,100.00	100.00	-	-	-	-	1,100.00	100.00
* Guarantee released by bank ₹ 126,700.00 lakh (previous year ₹ 225,000 lakh) and reduction of guarantee on account of repayment of loan by ₹ 44,086.67 lakh (previous year ₹ 12,083.33 lakh).								



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

	Subsidiary companies		Key management personnel		Person exercising significant influence		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>(d) Balance outstanding as at 31 March 2020:</b>								
Inter-corporate loans given	13,440.00	64,470.00	-	-	-	-	13,440.00	64,470.00
Margin from customers	-	(305.85)	-	(131.72)	-	-	-	(437.57)
Bank deposits received and pledged as margin money with stock exchange	-	(1,100.00)	-	-	-	-	-	(1,100.00)
Bank deposits pledged against overdraft facility availed by subsidiary company	-	(86,000.00)	-	-	-	-	-	(86,000.00)
Corporate guarantees given on behalf of subsidiary companies	(187,730.00)	(298,516.67)	-	-	-	-	(187,730.00)	(298,516.67)
Calls in arrear	-	-	-	51.98	-	-	-	51.98
Payable for reimbursement of expenses	(10.22)	-	-	-	-	-	(10.22)	-

Amount presented in brackets represent liabilities.

### Note - 44

#### Financial instruments

##### A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at 31 March 2020	As at 31 March 2019
<b>Financial assets measured at fair value</b>			
Investments* measured at fair value through other comprehensive income	Note - 9	164.28	397.24
<b>Financial assets measured at amortised cost</b>			
Cash and cash equivalents	Note - 5	1,806.14	94,409.42
Bank balance other than cash and cash equivalents	Note - 6	5,900.08	24,156.11
Trade receivables	Note - 7	-	7,302.23
Loans	Note - 8	13,440.00	69,478.26
Security deposits	Note - 10	302.70	2,743.22
Other financial assets	Note - 10	771.05	792.71
<b>Total</b>		<b>22,384.25</b>	<b>199,279.19</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
<b>Financial liabilities measured at amortised cost</b>			
Trade payables	Note - 13	301.88	297.26
Other payables	Note - 14	79.58	349.59
Debt securities (including interest accrued)	Note - 15	9,058.77	30,019.30
Borrowings (other than debt securities) (including interest accrued)	Note - 16	28,290.39	23,627.21
Other financial liabilities	Note - 17	309.00	14,819.52
		<b>38,039.62</b>	<b>69,112.88</b>

\* Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

### B Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

**Level 1:** Quoted prices (unadjusted) for identical instruments in an active market;

**Level 2:** Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data (unobservable inputs).

#### B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	Period	Level 1	Level 2	Level 3	Total
<b>Assets</b>					
<b>Investments at fair value through other comprehensive income</b>					
Quoted equity investment in BSE Limited	31 March 2020	164.28	-	-	<b>164.28</b>
	31 March 2019	397.24	-	-	<b>397.24</b>

#### B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	1,806.14	1,806.14	94,409.42	94,409.42
Bank balance other than cash and cash equivalents	5,900.08	5,900.08	24,156.11	24,156.11
Trade receivables	-	-	7,302.23	7,302.23
Loans	13,440.00	13,440.00	69,478.26	69,478.26
Security deposits	302.70	302.70	2,743.22	2,721.93
Other financial assets	771.05	767.81	792.71	775.29
<b>Total</b>	<b>22,219.97</b>	<b>22,216.73</b>	<b>198,881.95</b>	<b>198,843.24</b>
<b>Financial liabilities</b>				
Trade payables	301.88	301.88	297.26	297.26
Other payables	79.58	79.58	349.59	349.59
Debt securities (including interest accrued)	9,058.77	9,066.49	30,019.30	30,019.30
Borrowings (other than debt securities) (including interest accrued)	28,290.39	28,290.39	23,627.21	23,627.21
Other financial liabilities	309.00	309.00	14,819.52	14,819.52
<b>Total</b>	<b>38,039.62</b>	<b>38,047.34</b>	<b>69,112.88</b>	<b>69,112.88</b>

The management assessed that fair values of cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, loans, trade payables, other payables and other financial liabilities approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

- (i) The fair values of the Company's fixed interest bearing security deposits, loan notes and escrow account are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.
- (ii) The fair values of the Company fixed rate interest-bearing debt securities and borrowings are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities and borrowings carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

### Financial risk management

#### i) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company's risk are managed by a treasury department under policies approved by the board of directors. The board of directors provides written principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, bank balance other than cash and cash equivalents, investments, loans, trade receivables and other financial assets	Ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, debt securities, trade payables, other payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities (whenever required)
Market risk - foreign exchange	Financial assets and liabilities not denominated in Indian rupee	Sensitivity analysis	Forward contract/hedging, if required
Market risk - interest rate	Variable rates borrowings and debt securities	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

### A) Credit risk

Credit Risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, bank balance other than cash and cash equivalents, investments, loans, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

#### a) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

The company provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, bank balance other than cash and cash equivalents, investments, trade receivables, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss
High credit risk	Trade receivables	Life time expected credit loss or fully provided for

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Financial assets that expose the entity to credit risk\*

Particulars		As at 31 March 2020	As at 31 March 2019
<b>(i)</b>	<b>Low credit risk</b>		
	Cash and cash equivalents	1,806.14	94,409.42
	Bank balance other than cash and cash equivalents	5,900.08	24,156.11
	Trade receivables	-	7,302.23
	Loans	13,440.00	69,478.26
	Investments	164.28	397.24
	Security deposits	302.70	2,743.22
	Other financial assets	771.05	792.71
<b>(ii)</b>	<b>Moderate credit risk</b>		
	Trade receivables	-	722.97

\* These represent gross carrying values of financial assets, without deduction for expected credit losses

### Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

### Trade receivables

Credit risk related to trade receivables is managed by continuously monitoring the recoverability of such amounts.

### Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by continuously monitoring the recoverability of such amounts.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

### b) Credit risk exposure

#### i) Expected credit losses for financial assets

As at 31 March 2020	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,806.14	-	1,806.14
Bank balance other than cash and cash equivalents	5,900.08	-	5,900.08
Loans	13,440.00	-	13,440.00
Investments	164.28	-	164.28
Security deposits	302.70	-	302.70
Other financial assets	771.05	-	771.05

As at 31 March 2019	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	94,409.42	-	94,409.42
Bank balance other than cash and cash equivalents	24,156.11	-	24,156.11
Trade receivables	8,025.20	722.97	7,302.23
Loans	69,478.26	-	69,478.26
Investments	397.24	-	397.24
Security deposits	2,743.22	-	2,743.22
Other financial assets	792.71	-	792.71

#### Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables	Security deposits
<b>Loss allowance on 1 April 2018</b>	368.57	4.25
Impairment loss recognised during the year	354.40	-
Write - offs	-	(4.25)
<b>Loss allowance on 31 March 2019</b>	<b>722.97</b>	-
Impairment loss recognised during the year	306.31	-
Write - offs	(100.57)	-
Transfer on discontinued operations	(928.71)	-
<b>Loss allowance on 31 March 2020</b>	-	-



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

### c) Concentration of financial assets

The Company had carried on the business as stock broker on the National Stock Exchange of India Limited (“NSE”) and the BSE Limited (“BSE”), depository participants and renders other related ancillary services till 20 February 2020. The Company’s outstanding receivables were for stock broking business on stock exchange’s and depository participants. Loans and other financial assets majorly represents loans to subsidiaries, margin funding loans and deposits given for business purposes.

### B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company’s liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

### (i) Financing arrangements

The Company had access to the following funding facilities:

As at 31 March 2020	Total facility	Drawn	Undrawn
- Expiring within one year	19,800.00	8,265.64	11,534.36
- Expiring beyond one year	60,000.00	20,000.00	40,000.00
<b>Total</b>	<b>79,800.00</b>	<b>28,265.64</b>	<b>51,534.36</b>

As at 31 March 2019	Total facility	Drawn	Undrawn
- Expiring within one year	112,450.00	23,637.36	88,812.64
- Expiring beyond one year	-	-	-
<b>Total</b>	<b>112,450.00</b>	<b>23,637.36</b>	<b>88,812.64</b>

### (ii) Maturities of financial assets and liabilities

The tables below analyse the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2020	Less than 1 year	1-3 years	More than 3 years	Total
<b>Non-derivatives</b>				
Cash and cash equivalent	1,806.14	-	-	1,806.14
Bank balance other than cash and cash equivalents	6,025.42	-	-	6,025.42
Loans	13,440.00	-	-	13,440.00
Investments	-	-	477,982.28	477,982.28
Other financial assets	295.61	827.31	-	1,122.92
<b>Total undiscounted financial assets</b>	<b>21,567.17</b>	<b>827.31</b>	<b>477,982.28</b>	<b>500,376.76</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

As at 31 March 2020	Less than 1 year	1-3 years	More than 3 years	Total
<b>Non-derivatives</b>				
Debt Securities	9,808.09	-	-	9,808.09
Borrowings (other than debt securities)	10,277.07	23,432.56	-	33,709.63
Trade payables	301.88	-	-	301.88
Other payables	79.58	-	-	79.58
Other financial liabilities	309.00	-	-	309.00
<b>Total undiscounted financial liabilities</b>	<b>20,775.62</b>	<b>23,432.56</b>	<b>-</b>	<b>44,208.18</b>
<b>Net undiscounted financial assets/ (liabilities)</b>	<b>791.55</b>	<b>(22,605.25)</b>	<b>477,982.28</b>	<b>456,168.58</b>

### (ii) Maturities of financial assets and liabilities (continued)

As at 31 March 2019	Less than 1 year	1-3 years	More than 3 years	Total
<b>Non-derivatives</b>				
Cash and cash equivalent	94,455.27	-	-	94,455.27
Bank balance other than cash and cash equivalents	24,453.55	539.09	-	24,992.64
Trade receivables	8,025.20	-	-	8,025.20
Loans	69,478.26	-	-	69,478.26
Investments	-	-	440,260.64	440,260.64
Other financial assets	2,271.35	670.10	832.37	3,773.82
<b>Total undiscounted financial assets</b>	<b>198,683.63</b>	<b>1,209.19</b>	<b>441,093.01</b>	<b>640,985.83</b>
<b>Non-derivatives</b>				
Debt Securities	22,934.08	9,823.71	-	32,757.79
Borrowings (other than debt securities)	23,728.00	22.85	4.69	23,755.54
Trade payables	297.26	-	-	297.26
Other payables	349.59	-	-	349.59
Other financial liabilities	14,819.52	-	-	14,819.52
<b>Total undiscounted financial liabilities</b>	<b>62,128.45</b>	<b>9,846.56</b>	<b>4.69</b>	<b>71,979.70</b>
<b>Net undiscounted financial assets/ (liabilities)</b>	<b>136,555.18</b>	<b>(8,637.37)</b>	<b>441,088.32</b>	<b>569,006.13</b>

### C) Market risk

#### a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. To mitigate the Company's exposure to foreign currency risk, non-rupee cash flows are monitored and forward exchange contracts are entered into in accordance with the Company's risk management policies. The Company has not hedged its foreign currency receivables and payables.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

### (i) Foreign currency risk exposure in USD:

The Company exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows:

Particulars	As at	Foreign currency	Exchange rate	Amount in Foreign Currency	Amount
<b>Financial assets</b>					
Loan notes and escrow receivable	31 March 2020	USD	75.39	10.74	809.49
Loan notes and escrow receivable	31 March 2019	USD	69.17	10.74	742.76

#### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>USD sensitivity</b>		
INR/USD- increase by 6.70% (31 March 2019: 8.38%)*	54.24	62.24
INR/USD- decrease by 6.70% (31 March 2019: 8.38%)*	(54.24)	(62.24)

\* Holding all other variables constant

### b) Interest rate risk

#### i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2020, the Company is exposed to changes in market interest rates through debt securities and other borrowings at variable interest rates.

*Interest rate risk exposure*

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Variable rate liabilities</b>		
Borrowings (other than debt securities)	8,265.64	22,083.65
<b>Fixed rate liabilities</b>		
Debt securities	9,058.77	30,019.30
Borrowings (other than debt securities)	20,024.75	1,533.60
<b>Total</b>	<b>37,349.16</b>	<b>53,636.55</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

### Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Interest sensitivity*</b>		
Interest rates – increase by 1%	13.27	157.68
Interest rates – decrease by 1%	(13.27)	(157.68)

\* Holding all other variables constant

#### ii) Assets

The Company's bank deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### c) Price risk

##### i) Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

##### ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity:

#### Impact on other comprehensive income

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Quoted equity instruments</b>		
Value per share – increase by 26% (31 March 2019: 19%)	42.71	75.48
Value per share – decrease by 26% (31 March 2019: 19%)	(42.71)	(75.48)

### Note - 45

#### Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

Particulars	As at 31 March 2020	As at 31 March 2019
Debt*	37,349.16	53,646.51
Total equity	467,988.01	580,507.87
<b>Debt to equity ratio</b>	<b>0.08</b>	<b>0.09</b>

\* Debt includes debt securities + Borrowings (other than debt securities) + interest accrued

### Note - 46

#### Buy-Back of shares

During the year ended 31 March 2020, the Company pursuant to and in terms of its shareholders' and applicable regulatory approvals had bought back 66,666,666 fully paid-up equity shares having face value of ₹ 2 each at a price of ₹ 150 per share, through the 'Tender Offer' route for an aggregate amount of ₹ 100,000 lakh (excluding expenses towards buy back). The said Buy Back was completed on 4 February 2020. Consequently, the paid-up capital of the Company was reduced by ₹ 1,333.33 lakh. Of the total buyback cash outflow excluding related expenses, an amount of ₹ 98,666.67 lakh was utilized from Securities Premium Account and Capital Redemption Reserve of ₹ 1,333.33 lakh (representing the nominal value of the shares bought back and extinguished) has been created from the balance in retained earnings as per the requirements of the Companies Act, 2013. Buy back expenses of ₹ 7,160.79 lakh have been adjusted to Securities Premium Account.

### Note - 47

#### Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

ASSETS	As at 31 March 2020		As at 31 March 2019	
	Within 12 months	After 12 months	Within 12 months	After 12 months
<b>Financial assets</b>				
Cash and cash equivalents	1,806.14	-	94,409.42	-
Bank balances other than cash and cash equivalents	5,900.08	-	23,552.53	603.58
Trade receivables	-	-	7,302.23	-
Loans	13,440.00	-	69,478.26	-
Investments	-	477,982.28	-	440,260.64
Other financial assets	295.51	778.24	2,284.42	1,251.51
	<b>21,441.73</b>	<b>478,760.52</b>	<b>197,026.86</b>	<b>442,115.73</b>
<b>Non-financial assets</b>				
Current tax assets (net)	-	2,303.16	32.29	-
Deferred tax assets (net)	-	6,102.34	-	9,446.55
Property, plant and equipment	-	95.23	-	892.31
Intangible assets under development	-	-	-	655.13
Other intangible assets	-	-	-	1,530.60
Other non-financial assets	349.92	-	549.12	111.27
	<b>349.92</b>	<b>8,500.73</b>	<b>581.41</b>	<b>12,635.86</b>
<b>TOTAL ASSETS</b>	<b>21,791.65</b>	<b>487,261.25</b>	<b>197,608.27</b>	<b>454,751.59</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

LIABILITIES	As at 31 March 2020		As at 31 March 2019	
	Within 12 months	After 12 months	Within 12 months	After 12 months
<b>Financial liabilities</b>				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	301.88	-	297.26	-
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	79.58	-	349.59	-
Debt securities	9,058.77	-	25,995.92	4,023.38
Borrowings (other than debt securities)	8,275.29	20,015.10	23,592.50	24.75
Other financial liabilities	309.00	-	14,829.48	-
	<b>18,024.52</b>	<b>20,015.10</b>	<b>65,064.75</b>	<b>4,048.13</b>
<b>Non-financial liabilities</b>				
Current tax liabilities (net)	-	-	626.43	-
Provisions	1.58	82.55	15.70	619.76
Other non-financial liabilities	2,758.61	182.53	1,120.02	357.20
	<b>2,760.19</b>	<b>265.08</b>	<b>1,762.15</b>	<b>976.96</b>
<b>TOTAL LIABILITIES</b>	<b>20,784.71</b>	<b>20,280.18</b>	<b>66,826.90</b>	<b>5,025.09</b>
<b>Net</b>	<b>1,006.94</b>	<b>466,981.07</b>	<b>130,781.37</b>	<b>449,726.50</b>





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amount in Indian Rupees in lakh unless stated otherwise)

### Note - 48

Disclosure as per Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186(4) of the Companies Act, 2013.

#### (i) Loans and advances in the nature of loans given to subsidiaries:

Name of the Subsidiaries	Maximum balance outstanding during the year		Balance outstanding as at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Indiabulls Investment Advisors Limited	35,105.00	22,510.81	-	-
Indiabulls Distribution services Limited	147,927.00	89,845.00	7,930.00	36,950.00
Indiabulls Securities Limited	6,210.00	-	5,510.00	-
Pushpanjli Finsolutions Limited	16,467.90	-	-	-
Indiabulls Consumer Finance Limited	70,020.00	98,920.00	-	27,520.00
Indiabulls Asset Reconstruction Company Limited	-	8,000.00	-	-
All above loans have been given for business purpose.				

#### (ii) Guarantees given to subsidiaries:

Name of the Subsidiaries	Guarantees given during the year		Balance outstanding as at *	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Indiabulls Consumer Finance Limited	60,000.00	143,900.00	187,730.00	216,816.67
Indiabulls Distribution services Limited	-	81,700.00	-	81,700.00

\* Closing balance is net of repayment of loans made by subsidiary companies

#### (iii) Investments in subsidiaries:

Details of investments made are given in note - 9

### Note - 49

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 global and Indian markets, and a significant decrease in economic activity. On 24 March 2020, the Government of India announced a nation-wide lockdown till 14 April 2020, which was extended till 31 May 2020 through subsequent announcements, to contain the spread of the virus. The extent to which the Covid-19 will impact the Company's operations and its financial metrics depends on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the Covid-19 pandemic and its effect on the economy

The management has assessed the potential impact of the COVID-19 on the Company. Based on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Company and the carrying value of its assets and liabilities is not likely to be material. However, the impact assessment of COVID-19 is an ongoing 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

*(All amount in Indian Rupees in lakh unless stated otherwise)*

### Note - 50

Previous year's figures have been regrouped / reclassified and rearranged wherever necessary to correspond with the current year's classification/ disclosure.

#### For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

#### Lalit Kumar

Partner

Membership No.: 095256

Place: Noida

Date: 25 June 2020

#### For and on behalf of Board of Directors

#### Divyesh B. Shah

Whole Time Director &

Chief Executive Officer

DIN:00010933

Place: Mumbai

Date: 25 June 2020

#### Pinank Shah

Whole Time Director

DIN: 07859798

#### Rajeev Lochan Agrawal

Chief Financial Officer

#### Lalit Sharma

Company Secretary



# Statement Pursuant to Section 129 of the Companies Act, 2013

## Annexure: Statement containing the salient features of the financial statements of subsidiaries / associate companies / joint ventures

[Form AOC-1: 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]

### Part A: Subsidiaries

Sr. No.	Name of the Subsidiary Companies	Date of acquisition of Subsidiary	Year	Reporting Currency	Share Capital / Security Receipts	Other equity (Surplus / Deficit)	Total Assets excluding investments	Total Liabilities #	Investments	Turnover	Profit / (Loss) before Taxation	Provision for Taxation / (Tax Credit)	Profit / (Loss) after Taxation	Proposed Dividend (including Corporate Dividend Tax)	% of share-holding
1	Indiabulls Securities Limited	1-Apr-07	2019-20	₹	1,370.00	34,663.79	56,275.42	20,241.63	-	12,216.17	(487.24)	(294.22)	(193.02)	-	100%
2	Devata Tradelink Limited	9-Jan-08	2019-20	₹	5.00	(18,102.24)	70.80	18,168.04	-	0.02	(22.79)	-	(22.79)	-	100%
3	Indiabulls Investment Advisors Limited	22-Aug-08	2019-20	₹	35,550.00	(8,008.84)	28,888.49	1,347.33	-	3,477.46	(7,446.96)	(1,163.37)	(6,283.59)	-	100%
4	Indiabulls Distribution Services Limited	11-Jun-09	2019-20	₹	35.82	49,343.71	110,008.42	61,133.89	505.00	12,074.87	(4,714.35)	143.77	(4,858.12)	-	100%
5	Auxesia Soft Solutions Limited	30-Sep-11	2019-20	₹	5.00	(466.20)	2.89	464.09	-	-	(38.90)	(0.39)	(38.51)	-	100%
6	Pushpanjali Finsolutions Limited	28-Jun-13	2019-20	₹	601.00	(1,777.01)	27,125.94	28,301.95	-	20.12	(1,841.71)	(0.49)	(1,841.22)	-	100%
7	Arbutus Constructions Limited	11-Jun-13	2019-20	₹	11.00	(11.45)	1.43	1.88	-	10.13	(7.51)	-	(7.51)	-	100%
8	Gyansagar Buildtech Limited	11-Jun-13	2019-20	₹	11.00	(206.10)	255.71	450.81	-	-	(53.91)	-	(53.91)	-	100%
9	Indiabulls Consumer Finance Limited	28-Jun-13	2019-20	₹	6,118.80	417,654.95	760,389.56	530,607.27	193,991.46	251,687.60	4,961.03	(464.43)	5,425.46	-	100%
10	Pushpanjali Fincon Limited	11-Jun-13	2019-20	₹	401.00	(172.28)	229.02	0.30	-	21.30	11.77	0.93	10.85	-	100%
11	Indiabulls Alternate Investments Limited	10-Feb-16	2019-20	₹	505.00	309.19	548.62	20.02	285.59	297.46	163.00	23.15	139.85	-	100%
12	Indiabulls Asset Reconstruction Company Limited	3-Oct-16	2019-20	₹	5,750.00	47,640.32	2,138.83	2,259.65	53,511.14	5,039.94	2,329.38	712.12	1,617.26	-	100%
13	Indiabulls Consumer Products Limited	5-Jul-16	2019-20	₹	5.00	7.11	13.83	1.72	-	1.15	(3.17)	(0.79)	(2.38)	-	100%
14	Indiabulls Infra Resources Limited	1-Feb-17	2019-20	₹	300.00	54.18	358.52	4.33	-	29.97	27.38	6.94	20.44	-	100%
15	Evinos Buildwell Limited	17-Jun-19	2019-20	₹	5.00	(742.55)	32,645.85	33,383.40	-	-	(742.55)	-	(742.55)	-	100%



# Statement Pursuant to Section 129 of the Companies Act, 2013

Sr. No.	Name of the Subsidiary Companies	Date of acquisition of Subsidiary	Year	Reporting Currency	Share Capital / Security Receipts	Other equity (Surplus / Deficit)	Total Assets excluding investments	Total Liabilities #	Investments	Turnover	Profit / (Loss) before Taxation	Provision for Taxation / (Tax Credit)	Profit / (Loss) after Taxation	Proposed Dividend (Including Corporate Dividend Tax)	% of share-holding
16	Evinos Developers Limited	17-Jun-19	2019-20	₹	5.00	(0.35)	4.80	0.15	-	-	(0.35)	-	(0.35)	-	100%
17	Savren Buildwell Limited	19-Nov-19	2019-20	₹	5.00	(0.25)	4.91	0.16	-	-	(0.25)	-	(0.25)	-	100%
18	Krathis Buildcon Limited	20-Nov-19	2019-20	₹	5.00	(0.25)	4.91	0.16	-	-	(0.25)	-	(0.25)	-	100%
19	Krathis Developers Limited	26-Nov-19	2019-20	₹	5.00	(0.25)	4.91	0.16	-	-	(0.25)	-	(0.25)	-	100%
20	Indiabulls ARC- III Trust	30-Jun-18	2019-20	₹	5,936.98	(349.33)	2,978.42	(2,609.23)	-	-	(151.77)	-	(151.77)	-	51%
21	Indiabulls ARC- IV Trust	31-Dec-18	2019-20	₹	7,305.51	(1,649.16)	5,675.47	19.12	-	0.35	(903.18)	-	(903.18)	-	51%
22	Indiabulls ARC- V Trust	31-Dec-18	2019-20	₹	9.93	19.10	162.31	133.28	-	83.42	31.74	-	31.74	-	51%
23	Indiabulls ARC- VI Trust	28-Mar-19	2019-20	₹	4,200.00	(108.94)	4,200.93	109.87	-	-	(108.69)	-	(108.69)	-	51%
24	Indiabulls ARC- VII Trust	28-Mar-19	2019-20	₹	2,414.19	(222.23)	2,207.45	15.49	-	2.75	(221.47)	-	(221.47)	-	51%
25	Indiabulls ARC- VIII Trust	29-Jun-19	2019-20	₹	4,762.50	(97.56)	4,763.73	98.79	-	-	(97.56)	-	(97.56)	-	51%
26	Indiabulls ARC- X Trust	30-Sep-19	2019-20	₹	34,012.82	(462.80)	33,606.38	56.36	-	-	(462.80)	-	(462.80)	-	51%
27	Indiabulls ARC- XI Trust	30-Sep-19	2019-20	₹	20,325.92	(263.15)	20,321.24	258.47	-	-	(263.15)	-	2.00	-	51%
28	Indiabulls ARC- XII Trust	31-Dec-19	2019-20	₹	18,112.61	(137.44)	18,109.52	134.35	-	-	(137.44)	-	(137.44)	-	51%
29	Indiabulls ARC- XIII Trust	31-Dec-19	2019-20	₹	2,000.00	(15.30)	2,016.45	31.75	-	-	(15.30)	-	(15.30)	-	51%
30	Transerv Limited *	1-Apr-19	2019-20	₹	647.92	2,983.53	9,172.71	5,541.26	-	6,333.01	2,504.69	(289.75)	2,794.44	-	42%

# Total liabilities exclude share capital and other equity

\* The Group exercises control over Transerv Limited (formerly known as Transerv Private Limited) and accordingly same is treated as subsidiary.

## Part "B" Associates - Not applicable

For and on behalf of Board of Directors

<b>Divyesh B. Shah</b> Whole Time Director & Chief Executive Officer DIN:00010933	<b>Pinank Shah</b> Whole Time Director DIN: 07859798	<b>Rajeev Lochan Agrawal</b> Chief Financial Officer	<b>Lalit Sharma</b> Company Secretary
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Place: Mumbai  
Date: 25 June 2020







# CARING FOR THE COMMUNITY

## Dialysis Programme

Dialysis treatment is quite an expensive process in the country, which the poor and needy often fail to receive. Absence of such service has often been fatal in many instances. To change this scenario, Indiabulls Foundation has started an initiative of providing free dialysis treatment to underprivileged patients at Nana Palkar Smruti Samiti in Parel, Mumbai. The aim is to make sure that even the poorest of people can have access to exclusive quality medical treatment and processes, and can lead a healthy life. Indiabulls Foundation, with support from Indiabulls Ventures Limited (IVL), has sponsored 14690 dialysis for over 1320 patients, from 1st April, 2019 to 31st March, 2020.

## Solar Project

Intending to light up tribal ashram schools, Indiabulls Foundation, with support from Indiabulls Ventures Limited (IVL), has installed a 40-kilowatt Solar Energy Plant in a tribal ashram school in Maharashtra. The school is named as Sakhare Ashram School and is located in the Dahanu taluka of Palghar district. This school has faced a lot of blackouts, load shedding and heavy electricity crunch before the start of the project. They had to undergo their daily activities without adequate electricity supply, for many hours, days and even weeks. It largely hampered the living conditions and academics of the students. With Indiabulls Foundation's intervention, now there is complete electrification 24x7 in the school, giving students the freedom of anytime activity. This solar plant will keep providing 24 hours seamless electricity to this school for approximately 25 years, absolutely free of cost. This plant will keep benefitting approximately 1000 students and school staff on yearly basis. This righteous initiative of Indiabulls Foundation has not only helped light up the schools but also the students' future.

## Gaushala Project

On seeing the need for protection and wellbeing of cattle and livestock, Indiabulls Ventures Limited (IVL), has donated to the Smt. Ganeshi Bai Gau Seva Charitable Trust, towards the Gaushala Project in Haryana. In this project the upkeep and safety of the cattle are ensured, along with initiatives like the milk produced from the cattle is to be given to the underprivileged children in the village.

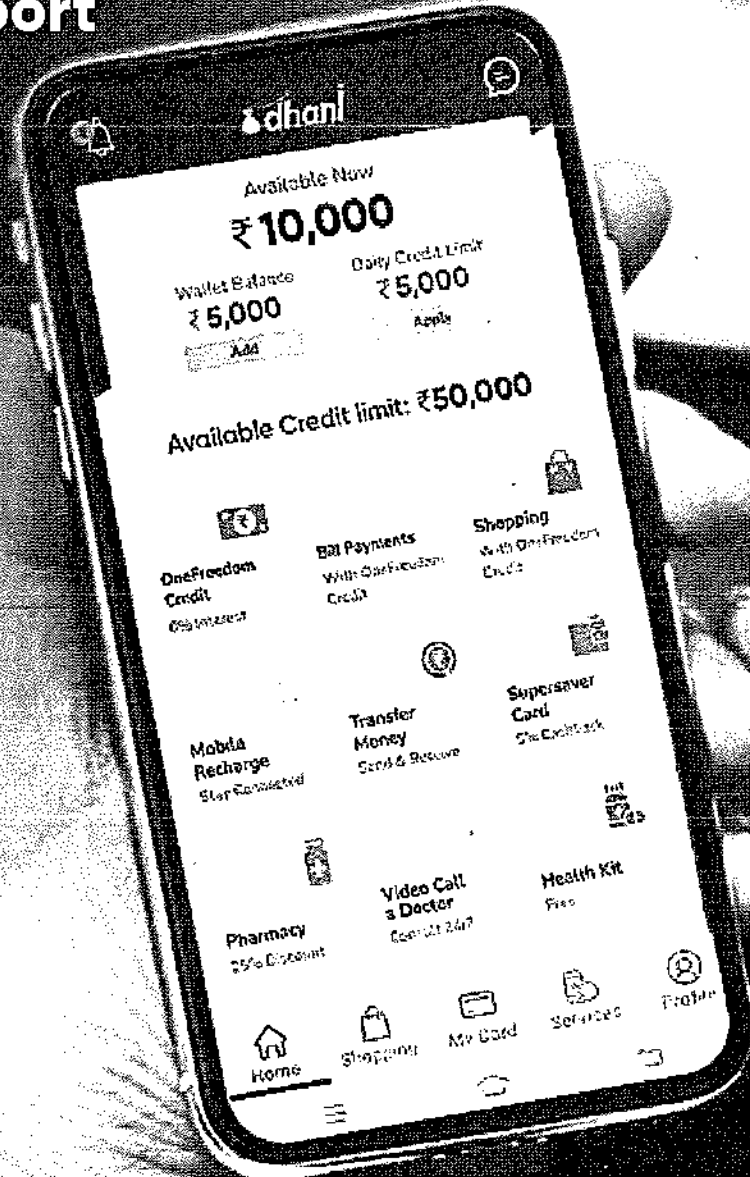
## Healthcare

India has one of the highest disease burdens in the world. Many people die of preventable diseases in India than in other countries. The high costs of healthcare act as a deterrent for poor people in seeking treatment, leading to delays and aggravated health problems. Thus, to make quality healthcare accessible to all, Indiabulls Foundation with support from Indiabulls Ventures Limited (IVL), has sponsored advanced healthcare treatment for underprivileged patients. This project strives to ensure that even the poorest of people can have access to quality secondary and tertiary medical treatment, and lead a healthy life.





# Dhani Services Limited Annual Report 2021



# Forward-Looking Statements

This Annual 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.

Although we have been prudent in our assumptions, we cannot guarantee that these forward-looking statements will be realised. The achievement of results is 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 materially vary from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statement whether as a result of new information, future events or otherwise.



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# Corporate Information

**Board of Directors:**

Mr. Sameer Gehlaut  
Dr. Narendra Damodar Jadhav  
Mr. Praveen Kumar Tripathi  
Mrs. Fantry Mein Jaswal  
Mr. Rakesh Mohan Garg  
Mr. Vijay Chugh  
Mr. Divyesh B. Shah  
Mr. Gagan Banga  
Mr. Pinank Jayant Shah  
Mr. Anish Williams

**Chief Financial Officer:**

Mr. Rajeev Lochan Agrawal

**Company Secretary:**

Mr. Lalit Sharma

**Statutory Auditors:**

Walker Chandio & Co LLP  
(A member of Grant Thornton International)  
Chartered Accountants  
L 41, Connaught Circus,  
New Delhi 110 001

**Internal Auditors:**

N.D. Kapur & Co.  
Chartered Accountants  
1st Floor, The Great Eastern Center  
70, Nehru Place, Behind IFCI Tower  
New Delhi – 110 014

**Secretarial Auditors:**

A.K. Kuchhal & Co.  
Company Secretaries,  
C-154, Sector-51,  
Noida- 201301

**Registered Office:**

M- 62 & 63, First Floor,  
Connaught Place, New Delhi – 110 001  
Email: support@dhani.com  
Tel: 0124-6681199, Fax:0124-6681240  
Website:www.dhani.com

**Corporate Offices:**

One International Centre (Formerly IFC),  
Senapati Bapat Marg, Elphinstone Road,  
Mumbai – 400 013

Indiabulls House, 448-451,  
Udyog Vihar, Phase V,  
Gurugram – 122 016

**Registrars & Transfer Agents:**

Skyline Financial Services Pvt. Ltd.  
Unit: Dhani Services Limited,  
D-153 A 1st Floor Okhla Industrial Area,  
Phase-1 New Delhi-110020

**Bankers:**

- Allahabad Bank
- Axis Bank
- Bank of Baroda
- Canara Bank
- Central Bank of India
- HDFC Bank
- ICICI Bank
- IDBI Bank
- IDFC First Bank
- Indian Overseas Bank
- Indusind Bank
- Kotak Mahindra Bank
- Punjab and Sind Bank
- Punjab National Bank
- RBL Bank Limited
- South Indian Bank
- State Bank of India
- Union Bank of India
- Yes Bank





# Dhani at a Glance

Dhani Services Ltd. is a consumer business that offers digital healthcare and digital transactional finance to its customers through innovative & affordable product offerings. The company has grown from strength to strength and garnered 1.8 million paid subscribers since the launch of its first subscription product earlier this year. The Dhani app is used by 8.4 million unique users every month.

Residing at the nucleus of our business is the Dhani Card which offers convenient payment solution with or without credit to our customers. Available in both digital & physical formats, and accepted by over 1 crore+ RuPay merchants, the card brings great usage versatility thereby providing high levels of customer engagement for Dhani.

Dhani's growth has been built on the foundation of innovation, customer experience and transparency. We aim to constantly outdo ourselves in our chase of offering innovative digital product offerings & customer delight.

**26.1 mn**  
Customers

**1.8 mn**  
Paid Subscriptions

**8.4 mn**  
Monthly Active Users





# The self reinforcing Dhani virtuous flywheel





# Journey of Dhani

## 2021

- Mar** • Launch of Pharmacy  
• 26.1 million Customers
- Jan** • Launch of Health 365

## 2020

- Dec** • Launch of Private Patients  
• 22 million customers  
• # 4<sup>th</sup> Rank on Google Play Store in Business Category
- Nov** • Launch of OneFreedom
- Oct** • 1 Hour Delivery of Medicines
- Sep** • Instant Doctor Consultations  
• 16 million customers
- Jul** • Launch of SuperSaver
- Jun** • Launch of Insurance  
• 10 million customers
- May** • First Subscription Product Launched



# Choice Of Multiple Monthly Subscription Products

**Doctor: Monthly Subscription:**  
₹ 150, ₹ 300

Personal doctor available instantly, anytime through video consultation on app, prescription uploaded on app

**Medicines:**

50% off on 1 hour medicines delivery to customer for prescriptions from doctor consultations on dhani app

**Pharmacy**

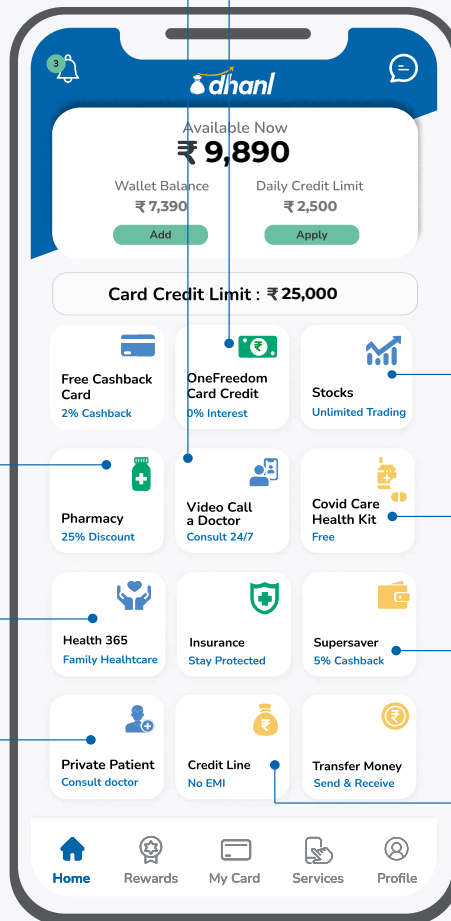
Delivery of branded medicines & OTC products

**Health 365: Monthly Subscription:** ₹ 450, ₹ 700, ₹ 900

Unlimited doctor consultations and medicines

**Private Patient**

Digital practice management solution for doctors for their private patients



**OneFreedom: Monthly Subscription for transaction finance plus doctor:** ₹ 199 to ₹ 1799

0% interest, amount paid on T+1, T+30, T+60; 50% off on medicines and personal doctor available instantly, anytime through video consultation on app

**Stocks**

Discount brokerage trading plans

**Health Insurance: Monthly premium:** ₹ 394

Family health insurance, third party product distribution

**Super Saver: Monthly Subscription for cash back plus doctor:** ₹ 200, ₹ 300, ₹ 350

60% off on medicines, personal doctor available instantly, anytime through video consultation on app and 5% cashback on all spends

**Flat Personal Loan: Monthly Subscription for overdraft facility plus doctor:** ₹ 450, ₹ 500, ₹ 700, ₹ 900

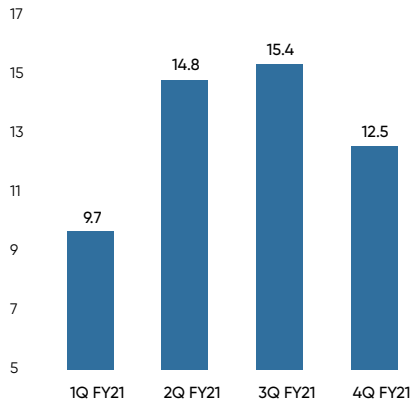
Instant credit line of 3 months with no EMI payments, 50% off on medicines and personal doctor available instantly, anytime through video consultation on app



# Business Highlights

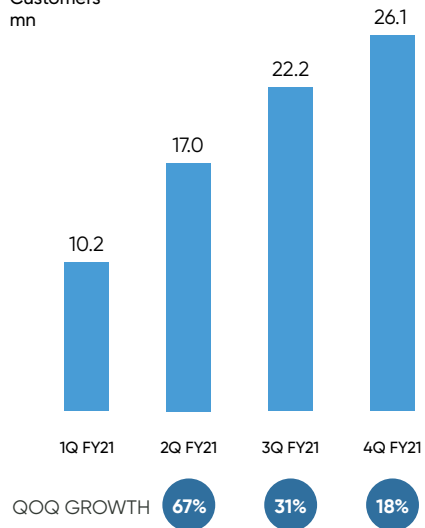
## Consistent High App Downloads

Users downloading Dhani app  
mn



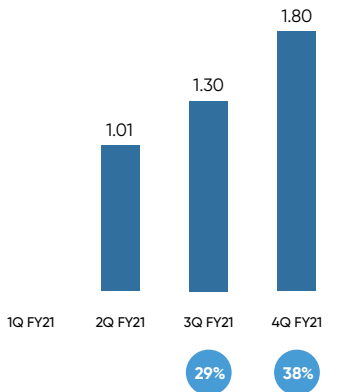
## Our Customer Base is Large and Growing Rapidly

Customers  
mn



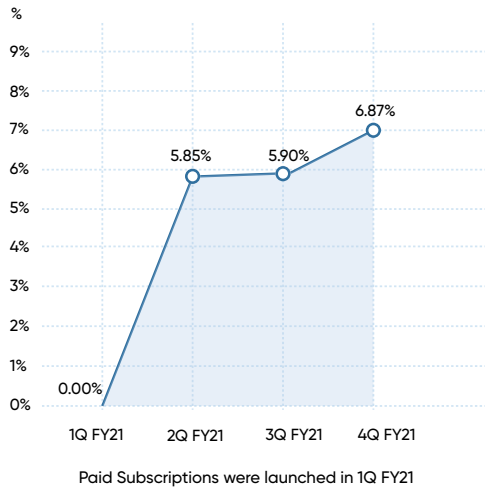
## Paid Subscription Penetration Increase Since Launch

Paid Subscriptions  
mn



Paid Subscriptions were launched in 1Q FY21

Paid Subscriptions as percent of total customers



Paid Subscriptions were launched in 1Q FY21





# Board of Directors

## Mr. Sameer Gehlaut

Founder, CEO & Chairman

Mr. Gehlaut is the Founder of the Indiabulls Group, one of India's leading business conglomerates with interests in consumer finance, housing finance, consumer digital services, real estate and pharmaceuticals. Mr. Gehlaut holds a B.Tech in Mechanical Engineering from the Indian Institute of Technology [IIT], Delhi. In 1999, Mr. Gehlaut began his entrepreneurial journey by buying a defunct brokerage and rechristening it as Indiabulls Financial Services. Sameer's vision in the ensuing years served as the guiding light for Indiabulls as the company grew from strength to strength and diversified from being a broking services company to a large financial services conglomerate.

## Dr. Narendra Damodar Jadhav [Former Member Planning Commission]

Independent Director

Dr. Narendra Jadhav Ph.D. in Economics from Indiana University, USA is a renowned economist, educationist, social scientist, author and a public speaker. During his distinguished career spanning over four decades of public service, Dr. Jadhav has served in various key positions including as Member of the Planning Commission of India and the National Advisory Council. He has also held the position of Principal Adviser and Chief Economist, Reserve Bank of India (RBI). During his 31 year association with the RBI, he also served in Advisory capacities at International Monetary Fund (IMF) and various Governments. He is known for his expertise and contribution in the areas of economics and social work. He is the recipient of numerous national and international awards including four Honorary D-Litt. Degrees and the title of the Commander of the Order of Academic Palmes by the Government of France.

## Mr. Praveen Kumar Tripathi [Retd. IAS and Ex- Chief Secretary, Govt. of NCT Delhi]

Independent Director

Mr. P. K. Tripathi is a retired IAS officer. During his illustrious career, as an IAS officer, spanning over 40 years in public service 1977 to 2017 December (including 5 years as Chairman - Public Grievances Commission & Police Complaints Authority), he held various key senior positions at state and centre level such as Principal Secretary to Chief Minister, Govt of NCT Delhi; Chief Secretary - Govt of NCT Delhi; Joint Secretary - Ministry of Information & Broadcasting, Govt. of India; Director - Indian Institute of Mass Communication; CEO - Delhi Jal Board, NCT Delhi; Commissioner Sales Tax - NCT Delhi; Development Commissioner & Chief Electoral Officer - A&N Islands; Director Total Literacy Campaign (National Literacy Mission) - Department of Education, Ministry of HRD; Commissioner Land - Delhi Development Authority; Commissioner Excise & Entertainment Tax - NCT Delhi; Secretary - New Delhi Municipal Committee; Deputy Commissioner and Secretary to Lt. Governor in Arunachal Pradesh etc. Dynamism and human approach are the hallmark of his persona. He is known as committed professional having rich and varied experience. He has successful leadership and governance abilities, expertise in management and administrative matters, project execution and operational matters. His firm and tactful handling of sensitive and tricky issues has seen the organisation, with which he was associated, emerge a winner at all times. Mr. Tripathi is a post graduate in political science from Allahabad University and a gold medalist for securing highest marks in political science at under-graduate level in the University.

**Mrs. Fantry Mein Jaswal [Retd. IRS]**

Independent Director

Mrs. Fantry Mein Jaswal, IRS (Rtd.) joined the Indian Revenue Service (Customs & Central Excise) in 1976. During her career spanning 35 years in the Customs and Central Excise Department, she held several assignments and Mrs. Jaswal as a recognition of her outstanding record in service, she was conferred with the President's "Meritorious Record of Service" award in 2003. She retired as Chief Commissioner of Customs & Central Excise in July 2011. In August 2012, she was appointed as Chairperson of the Arunachal Pradesh State Finance Commission and completed that assignment in July 2014. Smt. Jaswal is on the Board of Basix Academy For Building Lifelongemployability Limited.

**Mr. Rakesh Mohan Garg [Retd. IRS]**

Independent Director

Mr. Rakesh Mohan Garg, joined Indian Revenue Service in 1983 and retired as Principal Chief Commissioner of Income Tax in Govt. of India. During his illustrious career spanning over 35 years, he handled various assignments at all levels in the Income Tax Department and has varied experience in assessing and dealing with corporate houses. Mr. Garg possesses specialization in Maths and is a gold medalist from Guru Nanak Dev University. He is also a Management Graduate from Panjab University, Chandigarh. Prior to joining Indian Revenue Service, Mr. Garg had about 4 years of experience in the private sector.

**Mr. Vijay Chugh [Retd. Principal Chief General Manager, Reserve Bank of India]**

Independent Director

Mr. Vijay Chugh, is a distinguished & committed professional with rich & varied experience of over 37 years with strong leadership qualities, in regulatory compliance, payment banking, policies, data protection etc., in financial sector. He is the former Principal Chief General Manager and Head of Payment and Settlement Systems, Reserve Bank of India. He has also served as RBI nominee on the Board of State Bank of Patiala and United Bank of India and as the chief vigilance officer of the Industrial Investment Bank of India Limited. He is presently a part time advisor/consultant to the World Bank / IMF / UNCDF etc. and associated in their several projects including Data Protection Framework – Laws, Regulations, Policies (Research for IMF), Financial industry practice on the collection, storage, transmission and use of data (Multi Countries). He is also a consultant to Deloitte Touche Tohmatsu India LLP, Mswipe Technologies P Ltd, Netflix Entertainment Services India Ltd, Finnew Solutions P. Ltd. and MSC Global Consulting Pte Ltd (Singapore). Earlier he was a consultant to big corporates like Google (Singapore), SWIFT (India) and E-Currency Mint (Fintech firm advocating Digital Fiat Currency), Card network MasterCard, Pre-paid Issuers M/s MobMe, Transerv, LivQuik, ITZ Cash (now EBIX) and Paynear (payment gateway).

During his distinguished career of over 32 years with RBI, he has handled various key senior positions, in the department of payment and settlement systems and core banking solution (financial infrastructure), regulation and supervision of commercial banks (financial stability and financial integrity), and rural credit and development (financial inclusion) and also participated in national and international payment system policies/processes, as member of several prestigious committees, at national and international level, including Committee for Payments & Market Infrastructure (CPMI – the erstwhile CPSS), Bank for



International Settlements, Basel, Switzerland, SAARC Payments Council, Payment & Settlement Systems of Asia-Pacific Central Banks (SEACEN), Malaysia, Regulatory Oversight Committee and its Executive Committee, Global Legal Entity Identifier (GLEI) Foundation, Switzerland, Indian/Bharat Bills Payment System (BBPS), MSME Trade Receivables Exchange (TReDS), Mobile Banking - SMS and USSD channels, etc. Mr. Chugh holds a Bachelor of Arts degree from the Delhi University and a Master of Arts degree from the University of Rajasthan. He also holds a Post Graduate Diploma in Business Administration from the KC College of Management Studies, Mumbai. He is a Certificated Associate of the Indian Institute of Bankers and has been awarded an Advanced Certificate for Executives in Management, Innovation and Technology from the Sloan School of Management, Massachusetts Institute of Technology, U.S.A.

### **Mr. Divyesh B. Shah**

Executive Director & COO

Mr. Divyesh Shah is the Chief Operating Officer of the Dhani Group. With over 20 years of experience in building profitable businesses for the Group, he is now at the forefront of executing new initiatives in the digital transactional finance and digital healthcare space.

### **Mr. Gagan Banga**

Non-Executive Director

Mr. Banga is Non-Executive Director of Dhani Services Ltd. He has over 22 years of industry experience and has been with Indiabulls since 2000. He is also the Vice Chairman and Managing Director of Indiabulls Housing Finance Limited (IBH), and a key driver of the success story of transforming a start-up IBH into India's third largest housing finance company. Under Gagan's leadership, the IBH today is a lender of considerable size, repute and presence in asset classes such as Home Loans, Loans Against Property and Corporate Mortgage Loans.

### **Mr. Pinank Jayant Shah**

Executive Director

Mr. Pinank is the Group CFO & the CEO of Dhani Loans & Services Limited. Prior to joining Dhani, Pinank was the head of Treasury at Indiabulls Housing Finance for 6 years before which he spent almost a decade at HDFC Limited in retail, corporate lending & risk management functions. Pinank holds a Masters degree in Management Studies (Finance) from Jamnalal Bajaj Institute of Management Studies.

### **Mr. Anish Williams**

Non-Executive Director

Mr. Anish Williams is Chief Product Officer of Dhani. He was the Founder & CEO of Transerv Limited, before its acquisition by the Company as its wholly owned subsidiary. Anish is a seasoned professional with over 22 years of enriched and varied experience in product design, technology and data analytics. During his distinguished career spanning over 22 years, he held various high level positions with leading organisations like Citi, HSBC and Amex. Mr. Anish is a graduate from the prestigious St. Stephen's College, Delhi University.



# Message from Founder



**Sameer Gehlaut**  
Founder, CEO & Chairman  
Dhani Services Ltd.

Dear Shareholders,  
FY 20-21 was our first year in new avatar of digital product offerings for transaction finance and primary healthcare. At the beginning itself, it is important to mention the goals set out in my last letter of FY 19-20 Annual Report and reflect on the progress made on those through the last year.

We want to grow our customers from 5 million to 20 million in FY 21. Other than the loan products, we will introduce other financial products as well. However the defining and king product for our consumer business will be affordable healthcare for our customers through Dhani doctor that will be available 24 hours, 365 days a year, through online video consultations. Consumers will also have optional delivery of generic medicines at their doorstep, at a discount, as compared to the branded medicines otherwise available in the market. We believe that today digital healthcare is at the same inflection point where online shopping was in 1995. We have set out to offer our customers digital healthcare products that they simply could not get before and at very affordable prices.

We want to introduce affordable monthly subscriptions of various product offerings to our customers. To begin with, our goal is to get a small percentage of our customer base to take monthly subscriptions from us.

We believe that if we can learn how to successfully offer subscription products to our customers and also keep healthy subscription renewal rates in the process then we will be able to scale up the customer base and the subscriptions very quickly in the subsequent years, in a very cost effective manner. This business has a huge potential of size and scale and has the ability to serve a significant percentage of the growing Indian population.

We surpassed our goals that we set out. By end of the year, we had over 25 million customers, we launched many products at a breathtaking pace through the year on both primary healthcare (24x7 on demand doctor, deep discounted unbranded medicines and an e-pharmacy on the app for branded medicines) and transaction finance. The monthly subscriptions started and we were able to offer paid subscriptions to around 7% of our customer base. We were also able to learn a lot on the consumer preferences and trends.

## The goals for this year are :

1. Improve our products and the user interfaces basis our learnings of last year
2. Focus on retention and renewal rates of paying customers
3. To provide superior customer service and introduce customer NPS feedback
4. Doubling the paying subscriptions percentage on our customer base
5. Increasing the revenue per paying customer

To achieve our goals, we are investing heavily in technology resources, systems and infrastructure. Tech First is an ethos that is now widely imbibed by the senior management team. We believe that the product construct itself has to be the main driver of marketing. Great products require minimum marketing and that is a direction we are moving on very rapidly. We are making continuous changes on the product constructs looking at various cohorts for increasing the renewals of paying customers and expect good results. We are adding over 5,000 people to our own call center team for customer service and support for easy adoption for our digital products within our customer base. Finally, we do believe that if we have winning products and great customer service, we can increase our revenue per paying customer by offering upgraded plans and more products.

As the legacy loan book runs off, our revenues from paid subscriptions and delivery of medicines will pick up. We expect increasing momentum in our business each year, for many years to come.

We, at Dhani are very grateful to our initial set of paying customers in our first year and our shareholders who continue to support and share our passion of delivering great everyday use products at very reasonable prices to millions of people.

Thank you



## Board's Report

Dear Shareholders,

Your Directors are pleased to present the Twenty Sixth Annual Report of the Company alongwith the audited statement of accounts for the financial year ended March 31, 2021.

The year gone by has been unprecedented in all of our lives. At the beginning of 2020, few of us could have anticipated the profound challenges that the world would face in the months ahead. The COVID-19 pandemic prompted an unprecedented health crisis, loss of lives and livelihood for millions and large scale economic disruption around the globe. Medical researchers the world over rose to the challenge, and by December 2020, the first vaccines to counter the infection were approved. By early 2021, multiple vaccines were rolled out across the world, raising hopes of finally containing the pandemic.

India did well to control the spread of infections in the first wave and, supported by government and RBI's initiatives, the battered economy clawed its way back to growth from October – November 2020 onwards. However, the sharp rise in COVID-19 cases since March 2021 has led to the re-imposition of restrictions in various states and cities which has impacted economic activity. The spiralling count of infections and deaths seen in April and early May 2021 has now receded and the economy is tentatively opening up again. Vaccination has gathered very good pace and it would not be overly optimistic to hope that we may finally be getting to a stage where we can put the most devastating aspects of the pandemic behind us.

Supported by generous monetary and fiscal measures by central banks and governments the world over, including in India, deep economic damage seems to have been contained, and it is expected that the world economy will be nurtured back to good health over the next couple of years.

Through financial year 2020-21, the Company continued to rationalize its balance sheet following the difficult liquidity scenarios that the financial sector has been facing since September 2018, following the default by the infrastructure-lending focused NBFC IL&FS. The Company even amid an unprecedented global crisis, continue to balance success as a business with exemplary governance and responsiveness to the needs of all our stakeholders.

### FINANCIAL HIGHLIGHTS (STANDALONE)

The financial highlights of the Company, for the financial year ended March 31, 2021, are as under:

	Amount in ₹ Lakhs	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit/(loss) before Depreciation & Amortisation expenses and Tax	(764.21)	25,718.59
Less: Depreciation & Amortisation expenses	19.38	16.50
Profit/(loss) before Tax	(783.59)	25,702.09
Less: Tax Expense	891.41	1,014.46
Profit/(loss) from continuing operations after tax	(1,675.00)	24,687.63
Profit/(loss) from discontinued operations after tax	-	(82.83)
Profit/(loss) for the year	(1,675.00)	24,604.80
Other comprehensive income (net of taxes)	152.27	(151.93)
Total comprehensive income for the year	(1,522.73)	24,452.87
Balance in retained earnings at the beginning of the year	18,553.20	11,916.95
Profit/(loss) for the year	(1,675.00)	24,604.80
Other comprehensive income – Remeasurement of defined employee benefit plans (net of taxes)	0.45	15.42
Other comprehensive income - Sale for equity instruments	-	65.60
Transfer from share based payments - Options lapsed	3,541.16	227.07



## Board's Report (Contd)

Amount in ₹ Lakhs

	Year ended March 31, 2021	Year ended March 31, 2020
Amount transferred to capital redemption reserve upon buy-back	-	(1,333.33)
Interim Dividend on Equity Shares	-	(17,174.35)
Corporate Dividend Tax on Interim Dividend on Equity Shares	-	(2.96)
Interim dividend received on Treasury Shares	-	234.00
Balance in retained earnings at the end of the year	20,419.81	18,553.20

The total revenue of the Company during the financial year ended March 31, 2021 stood at ₹ 3,539.00 lakh with a net loss of ₹ 1,675.00 lakh. The Company proposes to retain the entire amount of ₹ 20,419.81 lakh in the statement of profit & loss. The consolidated revenue of the Company stood at ₹ 136,345.70 lakh and the consolidated net loss after tax stood at ₹ 22,976.90 lakh. This decline in revenue was primarily due to the fundamental change in the Company's business model to monthly subscriptions as the main revenue driver and adverse impact of COVID-19 pandemic.

### DIVIDEND

The Company has not declared any dividend during the financial year 2020-21.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year 2020-21, Mr. Sameer Gehlaut, the Founder Promoter, was appointed as Whole time Director & Key Managerial Personnel, designated as Chairman and Chief Executive Officer (CEO) of the Company effective from September 25, 2020.

Mr. Rakesh Mohan Garg, IRS (Retd.) (DIN: 08970794) and Mr. Vijay Chugh (Retired Principal Chief General Manager, RBI) (DIN: 07112794) were appointed as Non-Executive Independent Director(s) (Additional Directors) of the Company, for a period of one year w.e.f. November 25, 2020 and December 21, 2020, respectively. Mr. Anish Williams (DIN: 03314110) was appointed as a Non-Independent Director (Additional Director) on the Board of the Company w.e.f. December 21, 2020. Being Additional Directors, they hold office up to the date of ensuing Annual General Meeting of the Company. The Board recommends the appointments of Mr. Garg and Mr. Chugh, as such for a period of one year w.e.f. November 25, 2020 and December 21, 2020, respectively, as Non-Executive Independent Director(s), not liable to retire by rotation and appointment of Mr. Williams as a Non-Executive Director, liable to retire by rotation, at the ensuing Annual General Meeting of the Company.

The existing term of Mrs. Fantry Mein Jaswal, IRS (Retd.) (DIN: 07011247), Mr. Praveen Kumar Tripathi, a retired IAS and Ex- Chief Secretary, Govt. of NCT Delhi (DIN: 02167497), Mr. Rakesh Mohan Garg, IRS (Retd.) (DIN: 08970794) and of Mr. Vijay Chugh (Retired Principal Chief General Manager, RBI) (DIN: 07112794) as Non-Executive Independent Director(s) of the Company, is upto August 22, 2021, September 15, 2021, November 24, 2021 and December 20, 2021, respectively. To ensure continuity of their guidance, the Board has recommended their re-appointment as Non- Executive Independent Directors of the Company for additional one year i.e. up to August 22, 2022, September 15, 2022, November 24, 2022 and December 20, 2022, respectively.

Further, in compliance with the applicable regulations, Mr. Pinank Jayant Shah (DIN: 07859798), Executive Director and Key Managerial Personnel, liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

All the Independent Directors have given declaration that they meet the criteria of independence laid down under Section 149 (6) of the Act, and in Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'). The brief resume of the Directors proposed to be appointed/ reappointed, nature of their expertise in specific functional areas, terms of appointment and names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, are provided in the Notice convening the



Twenty Sixth Annual General Meeting of the Company.

During the financial year 2020-21 and upto the date of this report, the following changes have also taken place in the Board:

- (a) Mr. Divyesh B. Shah was re-designated as Chief Operating Officer of the Company w.e.f. August 28, 2020;
- (b) Mr. Shyam Lal Bansal (DIN: 02910086) and Mr. Alok Kumar Misra (DIN: 00163959) ceased to be the Independent Directors on completion of their respective tenure(s) w.e.f. August 27, 2020; and
- (c) Mrs. Rekha Gopal Warriar (DIN: 08152356) resigned due to her personal reasons, w.e.f. May 23, 2020.

### SHARE CAPITAL

**During the financial year 2020-21, the Company had:**

- (a) Issued and allotted 2,79,85,452 fully paid up equity shares of face value ₹ 2/- each, at a price of ₹ 550/- per equity share, (including a premium of ₹ 548/- per Equity Share) to certain foreign investors, upon conversion of equivalent number of Compulsorily Convertible Debentures (CCDs) of face value of ₹ 550/- each, earlier issued and allotted to them on a preferential basis, in terms of shareholders' approval dated November 21, 2018 and November 28, 2018.
- (b) Issued and allotted 3,36,00,000 fully paid up equity shares of face value ₹ 2/- each, at a price of ₹ 175/- per equity share, (including a premium of ₹ 173/- per equity share) to certain foreign investors, on a preferential basis, in terms of shareholders' approval dated September 25, 2020.
- (c) Received the second call money of ₹36/- (₹ 0.50 face value and ₹ 35.50 premium) on 26,344 partly paid shares which got listed for trading in relevant ISIN.

Consequently, the paid up share capital of the Company increased to ₹ 114,54,06,140.80 divided into 52,71,14,892 Fully Paid-up Equity shares of face value ₹ 2/- each and 8,28,30,208 Partly Paid up Equity Shares (PPS) of face value of ₹2/- each (Paid-up value ₹1.10 per PPS) and 78,910 PPS of face value of ₹2/- each (Paid-up value Re.0.80 per PPS). Voting rights in respect of PPS are proportionate to the amount paid-up thereon.

### ESOP SCHEMES

Presently, stock options granted to the employees operate under the schemes namely; "Dhani Services Limited Employees Stock Option Scheme – 2008 and "Dhani Services Limited Employees Stock Option Scheme - 2009. During the year under review no stock option was granted to any employee under these schemes. However, during the current financial year, 1,01,00,000 stock options representing an equal number of fully paid-up equity shares of face value of ₹ 2/- each in the Company under "Dhani Services Limited Employees Stock Option Scheme(s) – 2008 & 2009" were granted to the eligible employees.

### SAR SCHEMES

Presently, stock appreciation rights granted to the employees operate under the scheme namely; "Dhani Services Limited - Employee Stock Benefit Scheme – 2019", "Dhani Services Limited - Employee Stock Benefit Scheme – 2020" and "Dhani Services Limited - Employee Stock Benefit Scheme –2021" (hereinafter individually and/or collectively referred to as the "Scheme"). In compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 (SBEB Regulations), the Company has set up a registered employee's welfare trust titled "Udaan Employee Welfare Trust" (formerly Indiabulls Ventures Limited – Employees Welfare Trust)" (the "Trust") to efficiently manage the Scheme 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. Since shares granted under the Scheme, on account of exercise of options, will be out of those purchased by the Trust from the secondary market, there will be no dilution in shareholding.





## Board's Report (Contd)

During the year under review and upto the date of this Report, 1,97,00,000 shares held by the Trust have been appropriated for the implementation and management of Company's employees benefit scheme viz. the "Dhani Services Limited - Employee Stock Benefit Scheme – 2019" and "Dhani Services Limited - Employee Stock Benefit Scheme – 2020", towards grant of Share Appreciations Rights (SARs) to the employees of the Company and its subsidiaries as permitted pursuant to and in compliance with applicable SBEB Regulations.

There has been no material variation in the terms of the options granted under any of these schemes and all the schemes are in compliance with SBEB Regulations.

The disclosures required to be made under SBEB Regulations and the Act read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, in respect of all existing ESOP Schemes/SARs of the Company have been placed on the website of the Company [www.dhani.com](http://www.dhani.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 Act and the Companies (Acceptance of Deposits) Rules, 2014.

### LISTING WITH STOCK EXCHANGES

The fully paid up Equity Shares (ISIN: INE274G01010) and partly paid up Rights Equity Shares (ISIN: IN9274G01034) 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 2021-22 have been paid. The GDRs issued by the Company continue to remain listed on Luxembourg Stock Exchange.

### CHANGE OF NAME OF THE COMPANY

The name of the Company stands changed from Indiabulls Ventures Limited to Dhani Services Limited with effect from October 6, 2020, vide fresh Certificate of Incorporation, issued by Registrar of Companies, NCT of Delhi & Haryana (ROC).

### STATEMENT OF DEVIATION(S) OR VARIATION(S) PURSUANT TO REGULATION 32 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Pursuant to Regulation 32 of the SEBI LODR Regulations, statement of deviation, for the quarter and year ended March 31, 2021, on the utilization of proceeds of Rights Issue of the Company was placed before the Audit Committee, in its meeting held on June 18, 2021, wherein the Audit Committee noted that there was no deviation as regards the utilization of funds from the Objects stated in the Letter of Offer for Company's Rights Issue and post its approval the same was submitted with the Stock Exchanges on June 18, 2021.

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

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

### AUDITORS

#### (a) Statutory Auditors

M/s Walker Chandio & Co LLP (Firm Regn. No. 001076N/N500013) (a member of Grant Thornton International), the statutory auditors of the Company were appointed by the members in their 22nd Annual General Meeting, held on September 29, 2017, for a period of five years i.e. until the conclusion of the 27th Annual General Meeting of the Company.





The Notes to the Accounts referred to in the Auditors' Report are self – explanatory and therefore do not call for any further explanation. No frauds have been reported by the Auditors of the Company in terms of Section 143(12) of the Act.

**(b) Secretarial Auditors & Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Act read with the rules made thereunder, the Company has appointed M/s A. K. Kuchhal & Co., a firm of Company Secretaries in practice as its Secretarial Auditors, to conduct the secretarial audit of the Company, for the Financial Year 2020-21. The Company has provided all assistance, facilities, documents, records and clarifications etc. to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the Financial Year 2020-21, is annexed as “**Annexure 1**” and forming part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Secretarial Compliance Report as prescribed by SEBI is annexed as “**Annexure 2**” and forming part of this Report.

The Secretarial Audit Report of material subsidiary company, namely, Dhani Loans and Services Limited is annexed as “**Annexure 3**”.

**(c) Cost Records**

The Company is not required to prepare and maintain cost records pursuant to Section 148(1) of the Act.

**CORPORATE SOCIAL RESPONSIBILITY**

As part of its initiatives under “Corporate Social Responsibility (CSR)”, the Company has undertaken projects in the area of Education, as per its CSR Policy (available on your Company's website [https://www.dhani.com/wp-content/uploads/2020/12/csr-policy-isl\\_1564987829.pdf](https://www.dhani.com/wp-content/uploads/2020/12/csr-policy-isl_1564987829.pdf) and the details are contained in the Annual Report on CSR Activities given in “**Annexure 4**”, forming part of this Report. The project is in accordance with Schedule VII of the Act read with the relevant rules.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Regulation 34 of SEBI LODR Regulations, Management's Discussion and Analysis Report, for the year under review, is presented in a separate section forming part of this Annual Report.

**CORPORATE GOVERNANCE REPORT**

Pursuant to Regulation 34 of the SEBI LODR Regulations, Corporate Governance Practices followed by the Company, together with a certificate from a practicing Company Secretary confirming compliance, is presented in a separate section forming part of this Annual Report.

**BUSINESS RESPONSIBILITY REPORT**

Pursuant to Regulation 34 of the SEBI LODR Regulations, Business Responsibility Report (BRR) 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 Act:

- a) that in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;



## Board's Report (Contd)

- b) that such accounting policies as mentioned in the Notes to the Financial Statements had 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, 2021 and the profit and loss of the Company for the year ended on that date;
- c) that proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts had been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that such financial controls were adequate and were operating effectively; and
- f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### 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 **Dhani Services Limited**

Sd/-

**Divyesh B. Shah**

Whole-time Director & COO  
(DIN: 00010933)

Sd/-

**Pinank Jayant Shah**

Executive Director  
(DIN: 07859798)

Place: Mumbai

Date: August 6, 2021



## ANNEXURE-A

### ANNEXURE FORMING PART OF THE BOARDS' REPORT

#### EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3) of the Companies Act, 2013 ("Act"), the Annual Return as on March 31, 2021 is available on the Company's website [https://www.dhani.com/wp-content/uploads/2021/08/DSL-Form\\_MGT-7\\_31.03.2021-1.pdf](https://www.dhani.com/wp-content/uploads/2021/08/DSL-Form_MGT-7_31.03.2021-1.pdf).

#### BOARD MEETINGS

During the FY 2020-21, 6 (Six) 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 Act. Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent to relaxations granted by MCA and SEBI, all Board meetings in FY 2021 were held through Video Conferencing. The notice and agenda including all material information and minimum information required to be made available to the Board under Regulation 17 read with Schedule II Part-A of the SEBI LODR Regulations, were circulated to all directors, well within the prescribed time, before the meeting or placed at the meeting. During the year, separate meeting of the Independent Directors was held on March 26, 2021, through video conferencing mode, without the attendance of Non-Independent Directors and the members of the Company Management.

#### BOARD EVALUATION

The Nomination and 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)/Chairman 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 parameter which inter-alia 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, role of the Chairman and management of conflict of interest. Basis these parameters and guidance note on board evaluation issued by SEBI, the NRC had reviewed at length the performance of each director individually and expressed satisfaction on the process of evaluation and the performance of each Director. The performance evaluation of the Board as a whole and its committees namely Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee as well as the performance of each director individually, including the Chairman was carried out by the entire Board of Directors. The performance evaluation of the Chairman, Executive Directors and Non-Executive Director was carried out by the Independent Directors in their meeting held on March 26, 2021. The Directors expressed their satisfaction with the evaluation process.

Also the Chairman 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.

#### POLICY ON APPOINTMENT OF DIRECTORS & THEIR REMUNERATION

A Board approved policy for selection and appointment of Directors, Senior Management and their remuneration, is already in place. The brief of Remuneration Policy is stated in the Corporate Governance Report forming part of this Annual Report.

#### LOANS, GUARANTEES OR INVESTMENTS

During the FY 2020-21, in terms of the provisions of Section 186 (1) of the Act, the Company did not make any investments through more than two layers of investment companies. The Company's investment/loans/guarantees, during FY 2020-21, were in compliance with the provisions of Section 186 of the Act, particulars of which are captured in financial statements of the Company for the financial year ended March 31, 2021, wherever applicable and required, forming part of this Annual Report.



## RELATED PARTY TRANSACTIONS

All the related party transactions, entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. There are no materially significant related party transactions entered by the Company with its Promoters, Key Management Personnel or other designated persons which may have potential conflict with the interest of the Company at large. None of the transactions with related parties fall under the scope of Section 188(1) of the Act and hence the informations on transactions with related parties pursuant to Section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules 2014 required to be given in the prescribed form AOC -2 are not applicable.

Further, the Policy for Dealing with Related Party Transactions is enclosed as “Annexure 5” and is also available on the website of the Company at [https://www.dhani.com/wp-content/uploads/2020/12/IVL\\_Policy\\_For\\_Dealing\\_with\\_Realted\\_Party\\_Transactions\\_1598078265.pdf](https://www.dhani.com/wp-content/uploads/2020/12/IVL_Policy_For_Dealing_with_Realted_Party_Transactions_1598078265.pdf)

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

## MATERIAL CHANGES AND COMMITMENTS

Apart from the information provided/disclosures made elsewhere in the Boards' Report including Annexures thereof, there are no material changes and commitments affecting the financial position of the Company, occurred between the date of end of the financial year of the Company i.e. March 31, 2021 till date of this Report.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

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.

However, SEBI vide order dated May 21, 2021 imposed a penalty of ₹ 55 Lacs on the Company and its Secretary for not closing trading window in respect of one of the transaction executed in 2017 with the shareholders' approval in July 2016. SAT has granted stay on the said SEBI order subject to payment of 50% of penalty. The said penalty has been paid by the Company and Secretary of the Company. The appeal filed will be finally disposed off on September 20, 2021.

## TRANSFER TO IEPF

During the year, the unclaimed dividend of ₹ 88.84 lakh pertaining to the Financial Year 2012-13 and 2013-14, got transferred to Investor Education and Protection Fund (IEPF) after giving due notice to the members.

Further, the Company has transferred 41,331 fully paid-up equity shares pertaining to the Financial Year 2012-13 and 2013-14 in respect of which dividend has not been received or claimed for seven consecutive years to Demat Account of IEPF Authority, in respect of which, individual notice had also been sent to concerned Shareholders.

Those members who have not so far claimed their dividend for the subsequent financial years are also advised to claim it from the Company or Skyline Financial Services Private Limited. Further, in compliance with the requirements, in terms of the notification issued by the Ministry of Corporate Affairs (MCA), the Company has till date transferred its 1,71,480 (One Lakh Seventy One Thousand Four Hundred and Eighty) fully paid-up equity shares in respect of which



dividend has not been received or claimed for seven consecutive years from the Financial Year 2008-09 onwards to Demat Account of IEPF Authority, in respect of which, individual notice had also been sent to concerned Shareholders.

Further, pursuant to the requirements of SEBI Circular no. SEBI/ LAD-NRO/GN/2016-17/008 dated July 8, 2016, the Dividend Distribution Policy of the Company is available on the website of the Company at - [https://www.dhani.com/wp-content/uploads/2020/12/ivl-dividend-distribution-policy\\_1564992261.pdf](https://www.dhani.com/wp-content/uploads/2020/12/ivl-dividend-distribution-policy_1564992261.pdf)

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

The Company has been the leader in technology adoption to set forth example for others to trail, and is continuously launching new products & services for the customers by leveraging existing and emerging technologies. Organisation has created single view for customers to enable usage of multiple services through single frontend leading to higher customer engagement. As part of the roadmap of technology stack modernisation, applications have been consolidating application layers leading to efficiency in the processes and enhanced customer experience. Organisation has invested into multiple technology platforms to enhance customer acquisition, servicing processes and handle volumes. The Company is also actively investing and deploying capabilities in Artificial Intelligence (AI), Machine learning (ML), natural language processing (NLP) in the area of customer service and collections through mailbot, chatbot & voicebot . Aim is to create an unmatched customer experience with swift response at their queries & needs. The technology architecture is being simplified to be able to manage the scale and agility requirements of the organisation. Organisation has intensely invested in cloud and data infrastructure to enables faster change management and provides ability to scale and deploy rapidly.

#### **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 utilizing alternate sources of energy; and (iii) the capital investment on energy conservation equipment.

Consumption of electricity and its efficient utilization is an important area and the Company has taken many steps to reduce its carbon footprint on this front. The Company has been able to reduce energy consumption by using star rated appliances where possible and also through the replacement of CFL lights with LED lights. Monitoring resource usage, improved process efficiency, reduced waste generation and disposal costs have also supported the cause.

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

The Company is investing in cutting edge technologies to upgrade its infrastructure set up and innovative technical solutions, thereby increasing customer delight & employee efficiency. Next Generation Business Intelligence & analytics tool have been implemented to ensure that while data continues to grow, decision makers gets answers faster than ever for timely & critical level decision making. The Company has implemented best of the breed applications to manage and automate its business processes to achieve higher efficiency, data integrity and data security. It has helped it in implementing best business practices and shorter time to market new schemes, products and customer services. The Company has taken major initiatives for improved employee experience, by implementing innovative solutions and empowering them by providing mobile platform to manage their work while on the go. The Company's investment in technology has improved customer services, reduced operational cost and development of new business opportunities. No technology was imported by the Company during the last three financial years including financial year 2020-21.

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

During the year under review, your Company had no foreign exchange earnings. Foreign exchange outgo was ₹ 50.64 crores.



## GREEN INITIATIVES

The Company's Environmental Management System (EMS) focuses on assessing the environmental cost of the Company's services and activities, and seeks to reduce or eliminate the negative impact and increase their positive effects.

Environmental sustainability is important to the Company and is one of the reasons behind the Company's push to digitize its processes.

Pursuant to the guidelines and notification issued by the Ministry of Home Affairs, Government of India and pursuant to applicable provisions of the Act and rules made thereunder and SEBI LODR and the MCA/SEBI Circulars, the AGM of the Company is being held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. 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. Electronic copies of the Annual Report for Financial year 2020-21 and Notice of the Twenty Sixth AGM are sent to all the members whose email addresses are registered with the Company / Depository Participant(s). The Members who have not received the said Annual Report and Notice may download the same from the Company's website at [www.dhani.com](http://www.dhani.com) and on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

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 Twenty Sixth AGM. This is pursuant to Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI LODR Regulations. The instructions for remote e-voting are provided in the Notice convening the Twenty Sixth AGM. The members may also cast their votes during the AGM.

## BUSINESS RISK MANAGEMENT

Pursuant to the applicable provisions of the Act and Regulation 21 of the SEBI LODR Regulations, the Company has in place a Board constituted Risk Management Committee. Details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of this report.

The Company has a robust Business Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on its business objectives and enhance its competitive advantage. It defines the risk management approach across the Company and its subsidiaries at various levels including the documentation and reporting. At present, the Company has not identified any element of risk which may threaten its existence.

## PARTICULARS OF EMPLOYEES

Pursuant to the applicable provisions of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures on Managerial Remuneration are provided in "Annexure 6" forming part of this Report. In terms of the provisions of Section 136(1) of the Act, read with the said rules, the Boards' 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 of the Company. The inspection is to be carried out at the Company's Registered Office at New Delhi or at its Corporate Office, at Gurugram, during business hours on working days (except Saturday and Sunday) of the Company up to date of ensuing Annual General Meeting.

## FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Non-Executive 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 non-executive directors including independent directors. The details of the familiarization programmes have been hosted on the website of the Company and link provided in the Report on Corporate Governance forming part of this Report.

### **SUBSIDIARY & ASSOCIATE COMPANIES**

Pursuant to Section 129 of the Act and Indian Accounting Standard (IND AS) - 110 on Consolidated Financial Statements, the Company has prepared its Consolidated Financial Statement along with all its subsidiaries, in the same form and manner, as that of the Company, which shall be laid before its ensuing Twenty Sixth Annual General Meeting along with its Standalone Financial Statement. The Consolidated Financial Statements of the Company along with its subsidiaries, for the year ended March 31, 2021, forms part of this Annual Report.

Each quarter, the Audit Committee reviews the performance and unaudited/audited financial statements of subsidiary companies. The minutes of the board meetings of the unlisted subsidiary companies of the Company and significant transactions and arrangements entered into by all the unlisted subsidiary companies are placed before the board on a quarterly basis. The Board is periodically apprised of the performance of key subsidiary companies, including material developments.

For the performance and financial position of each of the subsidiaries of the Company, included in its Consolidated Financial Statements, the Members are requested to refer to Note no. 61 of the Notes to the Accounts, of Consolidated Financial Statements of the Company and statement pursuant to first proviso to subsection (3) of section 129 of the Act read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC - 1 relating to Statement containing salient features of the financial statement of subsidiary has been attached to this report and forms part of the financial statements.

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 at [www.dhani.com](http://www.dhani.com)

Shareholders may write to the Company for the annual financial statements and any further information on subsidiary companies. Further, the documents shall also be available for inspection by the shareholders at the registered office of the Company.

During the year, Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) (DLSL) was material unlisted subsidiary of the Company, as per SEBI LODR Regulations. As on March 31, 2021, the Company has 25 subsidiaries, 1 employee welfare trust and 14 business trusts and there is no joint venture company, within the meaning of Section 2(6) of the Act.

The Company is in compliance with Regulation 24A of the SEBI LODR Regulations. The Company's unlisted material subsidiary DLSL undergoes Secretarial Audit. Copy of Secretarial Audit Report of DLSL is given in Annexure-3. The Secretarial Audit report of DLSL does not contain any qualification, reservation or adverse remark.

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

During the year under review, the Company has incorporated/acquired 5 new subsidiary companies namely, Dhani Health Middle East FZ LLC, Euler Systems, INC, Jwala Technology Systems Private Limited, Dhani Limited (Jersey) and Dhani LTD (UK).

### **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) Compensation Committee
- e) Corporate Social Responsibility Committee
- f) Allotment Committee
- g) Management Committee
- h) Securities Issuance Committee
- i) Restructuring Committee
- j) Risk Management Committee
- k) Internal Complaints Committee

The details with respect to the composition, powers, roles, terms of reference, etc. of relevant committees constituted under the Act and SEBI LODR Regulations are given in the Corporate Governance Report forming part of this Annual Report.

#### **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 sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the financial year 2020-21 no case of sexual harassment was reported.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress complaints received, if any, regarding sexual harassment.

#### **VIGIL MECHANISM**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Whistle Blower Policy ("the Policy"), to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees working for the Company and its subsidiaries. Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds / assets etc. A whistle-blowing or reporting mechanism, 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 at [https://www.dhani.com/wp-content/uploads/2021/05/whistleblower\\_policy\\_dhani\\_2021.pdf](https://www.dhani.com/wp-content/uploads/2021/05/whistleblower_policy_dhani_2021.pdf)

For Dhani Services Limited

Sd/-  
**Divyesh B. Shah**  
Whole-time Director & COO  
(DIN: 00010933)

Sd/-  
**Pinank Jayant Shah**  
Executive Director  
(DIN: 07859798)

Place: Mumbai  
Date: August 6, 2021





# Secretarial Audit Report

## ANNEXURE 1

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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,  
**Dhani Services Limited**  
Formerly known as Indiabulls Ventures Limited  
**CIN L74999DL1995PLC069631**  
**M-62 & 63, First Floor**  
**Connaught Place, New Delhi-01**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dhani Services Limited (formerly known as Indiabulls Ventures Limited) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute 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 31st March, 2021 complied with the 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, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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; [Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investment]
- (v) The following Regulations and Guidelines 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, 2009; and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - (d) The SEBI (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not Applicable];
  - (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;



## Secretarial Audit Report (Contd.)

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not Applicable]; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; [Not Applicable];
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) The Management has identified and confirmed the following other laws, as applicable:
- (a) The Securities and Exchange Board of India Act, 1992;
  - (b) The Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
  - (c) The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018;
  - (d) The Bye laws and Business Rules of NSDL/ CDSL;
  - (e) Directives/ Circular/ Clarifications/ Guidelines issued by SEBI, the Government of India, Regulatory Bodies and NSDL/ CDSL, from time to time;
  - (f) Prevention of Money Laundering Act, 2002 and the Rules and Guidelines notified there under by SEBI / Regulatory Authorities;
  - (g) Securities and Exchange Board of India (Research Analysts) Regulations, 2014
  - (h) Securities and Exchange Board of India (Stock Brokers) Regulations, 1992
  - (i) Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

- ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned herein above.

### We further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director 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.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent, 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.
- iii. All the decisions of the Board and Committees thereof were carried out with requisite majority.

**We further report that** based on review of compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the Company which is 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:

- 1. The Company has responded appropriately to notices received from various statutory /regulatory authorities including initiating actions for corrective measures, wherever found necessary.
- 2. The Company, its Directors and Key Managerial Persons had received Show Cause Notices from the Registrar of Companies, NCT of Delhi & Haryana, Ministry of Corporate Affairs, New Delhi ("ROC"), for non-compliance of certain applicable provisions / disclosure requirements, under different provisions of the Companies Act, 2013 (the Act),



as observed by MCA officials during inspection of Company records under section 206(5) of the Act for the period from FY 2014-15 to FY 2016-17. The Company & its officers have filed Representations under Section 123 and Section 186 of the Act with ROC and the Regional Director (NR), Ministry of Corporate Affairs, New Delhi. The Company & its officers (Executive Directors & KMPs), in order to buy peace, qua such non compliances, have filed necessary Compounding Applications/ Petitions under section 441 of the Act and application / request for Adjudication of Penalties under section 454 of the Act with ROC.

**We further report that** during the audit period the Company had the following specific events:

- (a) Allotted an aggregate of 2,79,85,452 fully paid up equity shares of face value of ₹ 2/- each of the Company, at a price of ₹ 550/- per share, (including a premium of ₹ 548/- per Equity Share) upon conversion of equivalent number of Compulsorily Convertible Debentures earlier allotted in December 2018 to certain foreign investors, pursuant to shareholders approval.
- (b) The Company has incorporated/acquired the following companies:
- (i) Dhani Limited (Jersey)
  - (ii) Jwala Technology Systems Private Limited
  - (iii) Dhani Ltd (UK)
  - (iv) Euler Systems, INC
- Further a step down subsidiary named as Dhani Health Middle East FZ LLC (Dubai) was incorporated during the year under review.
- (c) Pursuant to and in terms of shareholders authorisation dated September 25, 2020, issued and allotted an aggregate of 3,36,00,000 fully paid up equity shares of face value ₹ 2/- each, at an issue price of ₹ 175/- (including a premium of INR 173/- per share), on preferential basis, to certain foreign investor(s).
- (d) The name of the Company has been changed to Dhani Services Limited w.e.f. October 6, 2020 and fresh Certificate of Incorporation dated October 6, 2020 has been issued by the Registrar of Companies, NCT of Delhi and Haryana in this behalf.
- (e) The Company, for rewarding its employees for their continuous hard work, dedication and support, has in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations") created share based employees benefits scheme, namely 'Dhani Services Limited - Employee Stock Benefit Scheme 2021, to create and/or transfer and/or offer and/or grant employee stock options ("ESOPs") and/or fully paid-up equity shares of the Company of face value of ₹ 2 each ("Shares") and/or stock appreciation rights ("SARs" as defined in SBEB Regulations) under the Scheme, from time to time, upto an aggregate of 1,05,00,000 Shares.
- (f) To bring the Main Objects Clause of Memorandum of Association of the Company in sync with the existing business activities, the Main Objects Clause of Memorandum of Association of the Company, has been amended suitably.
- (g) Second Call Money of ₹ 36 per partly paid up share (PPS), has been received on 6,214 partly paid up Rights equity shares during the another opportunity provided for the period from March 1, 2021 to March 15, 2021.

For **A. K. Kuchhal & Co.**  
Company Secretaries

Sd/-  
(Priyanshu Yadav)  
Partner  
CP No. 23043

Place: Noida  
Date: 15.07.2021

FRN. P2011UP000800  
UDIN: A061820C000640233

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed and forms an integral part of this report.



## Secretarial Audit Report (Contd.)

### ANNEXURE TO SECRETARIAL AUDITORS' REPORT

To,  
The Members,  
**Dhani Services Limited**  
(Formerly known as Indiabulls Ventures Limited)  
**CIN L74999DL1995PLC069631**  
**M-62 & 63, First Floor**  
**Connaught Place, New Delhi-01**

Our Secretarial Audit Report of even date, for the financial year 2020-21 is to be read along with this letter.

#### Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

#### Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

#### Disclaimer

5. 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.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

For **A. K. Kuchhal & Co.**  
Company Secretaries

Sd/-  
(Priyanshu Yadav)  
Partner

CP No. 23043  
FRN. P2011UP000800

Place: Noida  
Date: 15.07.2021

UDIN: A061820C000640233



# Secretarial Compliance Report

## ANNEXURE 2

### SECRETARIAL COMPLIANCE REPORT OF

#### “DHANI SERVICES LIMITED”

#### *Formerly known as Indiabulls Ventures Limited* FOR THE YEAR ENDED 31ST MARCH, 2021

We, M/s A.K. Kuchhal & Co., Practising Company Secretaries having office at C-154, Sector-51, Noida-201301 have conducted the Secretarial Compliance Audit of DHANI SERVICES LIMITED (Formerly known as Indiabulls Ventures Limited) (“the Listed Entity”) in terms of the applicable SEBI Regulations and the circulars/ guidelines issued thereunder for the Financial Year ended 31st March 2021. The audit was conducted in a manner that provided us a reasonable basis for evaluating the statutory compliances and expressing our opinion thereon.

We have examined:

- (a) the documents and records made available to us and explanation provided by the listed entity,
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) Other document/ filing, as may be relevant, which has been relied upon to make this certification.

For the year ended 31st March, 2021 (“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 to the extent applicable, includes:-

- (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 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; were not applicable during the review period
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 were not applicable during the review period;
- (g) Securities and Exchange Board of India (Issue and Listing of Non Convertible and Redeemable Preference Shares) Regulations, 2013 – were not applicable during the review period
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including the provisions with regard to disclosure and maintenance of records required under the said Regulations;
- (i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;



## Secretarial Compliance Report (Contd)

- (j) The provisions of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 were not applicable during the review period;
- (k) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (l) Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018;
- (m) SEBI (Research Analysts) Regulations, 2014;
- (n) SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011;
- (o) SEBI (Merchant Bankers) Regulations, 1992;
- (p) Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992;
- 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.	Action 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... (The years are to be mentioned)	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 **A. K. Kuchhal & Co.**  
Company Secretaries  
Sd/-  
(Priyanshu Yadav)  
Partner  
CP No. 23043  
FRN. P2011UP000800

Date: 04.06.2021  
Place: Noida  
UDIN: A061820C000420741



# Secretarial Audit Report

## ANNEXURE 3

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2021

[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,  
**Dhani Loans and Services Limited**  
Formerly known as Indiabulls Consumer Finance Limited  
**CIN U74899DL1994PLC062407**  
**M-62 & 63, First Floor**  
**Connaught Place, New Delhi-01**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dhani Loans and Services Limited (Formerly known as Indiabulls Consumer Finance Limited) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute 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 31st March, 2021 complied with the 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, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The 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; [Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investment]
- (v) The following Regulations and Guidelines 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, 2009; and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - (d) The SEBI (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; [Not Applicable as there was no reportable event during the period under review]; and





## Secretarial Audit Report (Contd)

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as applicable [Not Applicable as there was no reportable event during the period under review];
- (vi) Other laws specifically applicable to the Company, namely:
- (a) All the Rules, Regulations, Guidelines and Circulars applicable to Non Banking Financial Companies under the RBI Act, 1934
- (b) Credit Information Companies (Regulation) Act, 2005 and Rules

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India
- ii. The Listing Agreements entered into by the Company with the Stock Exchanges of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director 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.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.
- All the decisions of the Board and Committees thereof were carried out with requisite majority.

We further report that based on review of compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- The name of the Company has been changed to Dhani Loans and Services Limited w.e.f. July 7, 2020 and fresh Certificate of Incorporation dated July 7, 2020 has been issued by the Registrar of Companies, NCT of Delhi and Haryana in this behalf.
- During the period under review, Company has acquired 100% paid share capital of Transerv Limited (Formerly Transerv Private Limited).
- During the period under review, the Company has allotted 5,250 Secured Redeemable Non-Convertible Debentures of ₹ 10,00,000/- each, on private placement basis & Secured Redeemable Non-Convertible Debentures amounting to ₹ 571.45 cr. have been redeemed.

For **A. K. Kuchhal & Co.**  
Company Secretaries

Sd/-  
**(Priyanshu Yadav)**

Partner

C. P. 23043

UDIN: A061820C000652828

Date: 19.07.2021

Place: Noida

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed and forms an integral part of this report.





## ANNEXURE TO SECRETARIAL AUDITORS' REPORT

To,  
The Members,  
**Dhani Loans and Services Limited**  
Formerly known as Indiabulls Consumer Finance Limited  
**CIN U74899DL1994PLC062407**  
**M-62 & 63, First Floor**  
**Connaught Place, New Delhi-01**

Our Secretarial Audit Report of even date, for the financial year 2020-21 is to be read along with this letter.

### Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer

5. 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.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

For **A. K. Kuchhal & Co.**  
Company Secretaries

Sd/-  
**(Priyanshu Yadav)**  
Partner  
C. P. 23043  
UDIN: A061820C000652828

Date: 19.07.2021  
Place: Noida



# Annual Report on CSR Activities

## ANNEXURE 4

### ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED MARCH 31, 2021

#### 1. Brief outline on CSR Policy of the Company

The Company focuses its CSR efforts on areas where maximum benefit accrues to society, such as education, health, sanitation, rural development and environmental conservation etc. The Company also engages with stakeholders including experts, NGOs, professional bodies / forums, and the government and takes up such CSR activities that are important for the society at large. The Company may also undertake such CSR projects of sudden criticality such as providing relief in areas stuck by natural disasters etc. The Company's CSR Policy is available at [https://www.dhani.com/wp-content/uploads/2020/12/csr-policy-isl\\_1564987829.pdf](https://www.dhani.com/wp-content/uploads/2020/12/csr-policy-isl_1564987829.pdf)

#### 2. Composition of the CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Divyesh B. Shah	Chairman, Whole-time Director	2	2
2.	Mr. Praveen Kumar Tripathi	Member, Independent Director	2	2
3.	Dr. Narendra Damodar Jadhav	Member, Independent Director	2	2
4.	Mr. Pinank Jayant Shah	Member, Executive Director	2	2

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

Composition of the CSR committee shared above and is available on the Company's website at [https://www.dhani.com/wp-content/uploads/2021/04/Board&Committees\\_DSL.pdf](https://www.dhani.com/wp-content/uploads/2021/04/Board&Committees_DSL.pdf) and Policy of the Company is available at [https://www.dhani.com/wp-content/uploads/2020/12/csr-policy-isl\\_1564987829.pdf](https://www.dhani.com/wp-content/uploads/2020/12/csr-policy-isl_1564987829.pdf).

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

There are no projects undertaken or completed after January 22, 2021, for which the impact assessment report is applicable in FY 2021.

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from Preceding financial year (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2017-18	Nil	Nil
2	2018-19	Nil	Nil
3	2019-20	Nil	Nil
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>

#### 6. Average net profit of the company as per section 135(5): ₹ 797,082,614/-

#### 7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 1,59,42,000/

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil



(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 1,59,42,000/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
1,59,42,000	N.A	N.A	N.A	N.A	N.A

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	CSR Registration number
				State	District						Name	
1.	Promotion of Education including Gramin Yuva Kendra for Girls Students	(ii)	Yes	PAN India	PAN India	3 Years	1,59,42,000	1,59,42,000	N.A	No	Indiabulls Foundation	CSR00000380
	Total						1,59,42,000	1,59,42,000	N.A			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Total	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 1,59,42,000/-

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	1,59,42,000
(ii)	Total amount spent for the Financial Year	1,59,42,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0



## Annual Report on CSR Activities (Contd)

### 9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.	2017-18	N.A	N.A	N.A	N.A	N.A	N.A
2.	2018-19	N.A	N.A	N.A	N.A	N.A	N.A
3.	2019-20	N.A	N.A	N.A	N.A	N.A	N.A
	Total	N.A	N.A	N.A	N.A	N.A	N.A

### (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
1	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
2	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
3	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	Total	N.A	N.A	N.A	N.A	N.A	N.A	N.A

### 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): No Assets Created During the Year.

- (a) Date of creation or acquisition of the capital asset(s): N.A
- (b) Amount of CSR spent for creation or acquisition of capital asset: N.A
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A

### 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): N.A

For Dhani Services Limited

Sd/-  
**Divyesh B. Shah**  
 Chairman - CSR Committee  
 (Whole-time Director & COO)  
 DIN: 00010933

Sd/-  
**Pinank Jayant Shah**  
 Member - CSR Committee  
 (Executive Director)  
 DIN: 07859798

Place: Mumbai  
 Date: August 6, 2021



# Policy for Dealing with Related Party Transactions

## ANNEXURE-5

### Policy for Dealing with Related Party Transactions

#### I. INTRODUCTION

Dhani Services Limited (the “Company” / “DSL”) is governed, amongst others, by the rules and regulations framed by Securities Exchange Board of India (“SEBI”). SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. Accordingly, Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Company has formulated this policy on materiality of related party transactions and on dealing with related party transactions.

This policy aims at preventing and providing guidance in situations of potential conflict of interests in the implementation of transactions involving such related parties.

#### II. DEFINITIONS

For the purposes of this Policy, the following definitions apply:

- a) **“Act”** means the Companies Act, 2013, for the time being in force and as amended from time to time.
- b) **“Listing Regulations”** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the time being in force and as amended from time to time.
- c) **“Audit Committee”** means Committee of Board of Directors of the Company constituted under provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- d) **“Board/Board of Directors”** means the board of directors of DSL.
- e) **“Related Party”** shall mean a person or entity that is related to the Company as defined under Section 2(76) of the Companies Act,

2013 or under Regulation 2(zb) of the Listing Regulations, as may be amended from time to time.

- f) **“Related Party Transaction”** shall mean all transactions as per Section 188 of the Act or under regulation 2(zc) of the Listing Regulations or as per applicable accounting standards, as may be amended from time to time.
- g) **“Material transaction”** means transaction(s) defined as Material Related Party Transaction(s) under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015.
- h) **“Arm’s length transaction”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- i) **“Ordinary Course of Business”** - The transactions shall be in the ordinary course of business if - (a) If the transaction is covered in the main objects or objects in furtherance of the main objects or (b) If the transaction is usual as per industry practice or (c) If the transaction is happening frequently over a period of time and is for the business purpose of the Company.
- j) **“Annual Consolidated Turnover”** is defined as Total Income (including other income) of the last audited Consolidated Financial Statements of the Company.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time.

#### III. POLICY

All RPTs must be in compliance of this Policy and subject to all applicable regulatory requirements.



## Policy for Dealing with Related Party Transactions (Contd)

### IV. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

#### Approval of Related Party Transactions:

#### A. Audit Committee:

- i. All the transactions which are identified as Related Party Transactions should be pre-approved by the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.
- ii. Any member of the Audit Committee who has a potential interest in any Related Party Transaction will recuse himself and shall not participate in discussion and voting on the approval of the Related Party Transactions.

#### B. Board of Directors:

- i. In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances.
- ii. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and shall not participate in discussion and voting on the approval of the Related Party Transaction.

#### C. Shareholders:

- i. If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the

Companies Act, 2013, it shall require shareholders' approval by a special resolution.

- ii. Any member, who is a Related Party, shall not participate in discussion and voting on resolution for approving such Related Party Transaction.

### V. OMNIBUS APPROVAL BY AUDIT COMMITTEE FOR RELATED PARTY TRANSACTIONS

The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23(3) of the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.

### VI. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a RPT with a Related Party that has not been approved under this Policy prior to its consummation, the Company would obtain post facto approval from the Audit Committee.

In case the Company is not able to take prior approval from the Audit Committee, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is informed to the Audit Committee as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

The Audit Committee shall consider all relevant facts and circumstances regarding the RPT and shall evaluate all options available to the Company, including ratification, revision or termination of the RPT.

**VII. THRESHOLD LIMITS FOR MATERIALITY OF RELATED PARTY TRANSACTIONS**

The threshold limits for materiality of related party transactions shall be –

- (a) ₹ 200 Crores (Rupees Two Hundred Crores), or
- (b) ten percent of the annual consolidated turnover, as per the last audited financial statements of the Company, whichever is lower.

**VIII. DISCLOSURE OF THE POLICY**

This Policy will be uploaded in the website of the Company at [www.dhani.com](http://www.dhani.com).

**IX. POLICY REVIEW**

This Policy is framed based on the provisions of Regulation 23 of the Listing Regulations. In case of any subsequent changes in the provisions of the Listing Regulations or the Companies Act, 2013 and Rules made thereunder (Act), then the amended Listing Regulations/Act would prevail over the Policy and the provisions in the Policy would be suitably modified in due course to make it consistent with law.

The Board may review and amend this policy from time to time. The Audit Committee (the “Committee”) will review, modify and approve the related party transaction to be entered by the Company.



# Disclosures on Managerial Remuneration

## ANNEXURE-6

### Disclosures on Managerial Remuneration

Details of remuneration as required under Rule 5.1 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are as under –

#### Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2020-21

Designation	Ratio of remuneration to the median employees' remuneration
Whole time Director & COO	3:1

The details of fee for attending Board meetings and other incentives, if any, paid to Independent and Non-Executive Directors have been disclosed in Corporate Governance Report, forming part of this Annual Report.

No remuneration was paid to other Director(s) during the FY 2020-21 and hence, not forming part of this clause.

#### Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in FY 2020-21

Designation	Increase in Remuneration (%)
Whole time Director & COO	(-) 90%
Chief Financial Officer	43.4%
Company Secretary	Nil

In the FY2020-21, Whole-time Director & COO, Mr. Divyesh B. Shah, had voluntarily opted for total pay cut of 90% in his CTC.

No remuneration was paid to other Director(s) during the Financial Year 2020-21 hence not forming part of this clause.

#### The percentage increase in the median remuneration of employees in the FY 2020-21

There has been a decrease of 0.8% in the median remuneration of all the employees (including KMPs), in the FY 2020-21.

#### Number of permanent employees on the rolls of Company.

The Company had 11 employees on its permanent rolls, as on March 31, 2021

#### 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.

There has been average percentile decrease of 1.4% in the salaries of total employees other than the key managerial personnel in the FY 2020-21. While the average decrease in the remuneration of key managerial personnel is around 77.2% (reduction in remuneration due to voluntary pay cut by the Whole Time Director and COO)

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.

There were no exceptional circumstances which warranted an increase in managerial remuneration, which was not justified, by the overall performance of the Company. Further, Overall remuneration of Key Managerial Personnel has decreased.

The change in remuneration of Key Managerial Personnel is based on the overall performance of the Company. With the macro-economic headwinds facing the financial sector for most of the last few years, the Company has focused on conserving capital and liquidity, and consequent rationalisation of the balance sheet. The management has also looked at cost structures, taking voluntary pay cuts and reducing other operating expenses.





# Management Discussion and Analysis

## ABOUT THE COMPANY

**Dhani Services Limited is a technology business that operates through its app 'Dhani' and provides digital healthcare and transaction finance to its customers.**

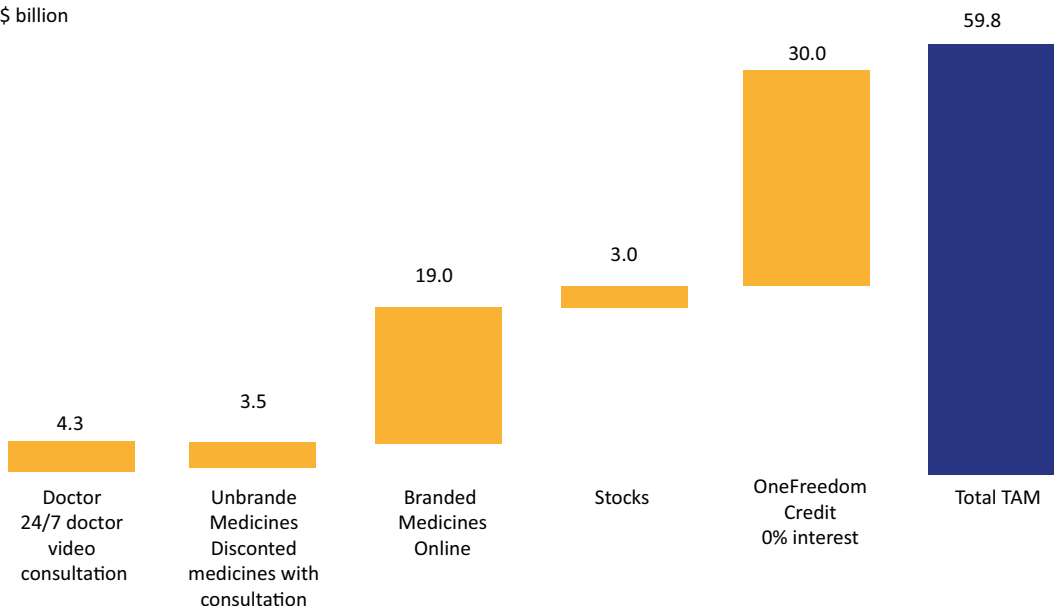
For transaction finance, we issue cards (virtual and physical) which come with embedded credit providing customers with daily transaction power (our customers don't own a credit card).

We provide customers with primary healthcare access over instant video calls with doctors. Customers can get access to primary medical care 24x7 on the app within 15 seconds. Doctor consultations and prescriptions are supplemented with unbranded medicines delivery at 50% discount. E-pharmacy provides customers with branded medicines at 25% discount, delivered to their doorsteps.

## BUSINESS PROGRESS AND STRATEGY

We moved away from our legacy business of giving unsecured personal loans to individuals and SMEs at the beginning of the fiscal and it has been a very important first 12 months for us. Our monthly subscription products have \$60 billion addressable market in India which is growing every year. In our first 12 months, we have laid down the necessary foundation for a good growth trajectory over the next couple of years and also proof checked our products extensively by securing 1.8 million paid subscriptions within first few months of launch of our subscription products.

**Revenue TAM**  
\$ billion



Source BCG, Bain & Company, Statista, TransUnion CIBIL, Research and Markets Deloitte Consulting Bloomerge

We are a 100% digital platform. Our app has evolved over the last 12 months with continuous product improvements and has over 26 million customers. We offer affordable monthly subscriptions for our product offerings like Doctor, Pharmacy, Health365, One Freedom Card, Credit, Insurance, etc.



## Management Discussion and Analysis (Contd.)



### The Self Reinforcing Dhani Virtuous Flywheel

Our ecosystem has multiple, self-reinforcing flywheels, which drives customer engagement and growth on our ecosystem. These network effects in turn increase the stickiness and loyalty of our customers, creating an interlinked virtuous cycle.



India has estimated 745 million people in the working age group with a median age of 28. However, as per the RBI Industry reports, number of credit cards in circulation in India stood at 62 millions as on March 31, 2021. As per estimates, 75-80% cardholders are salaried. As such, Dhani aims to target this segment by providing transaction power via Dhani Cards which are issued instantly. In addition, Buy-now-pay-later (BNPL) has gained significant traction globally indicating shift in consumer preference of Millennials and Gen Z from traditional credit.



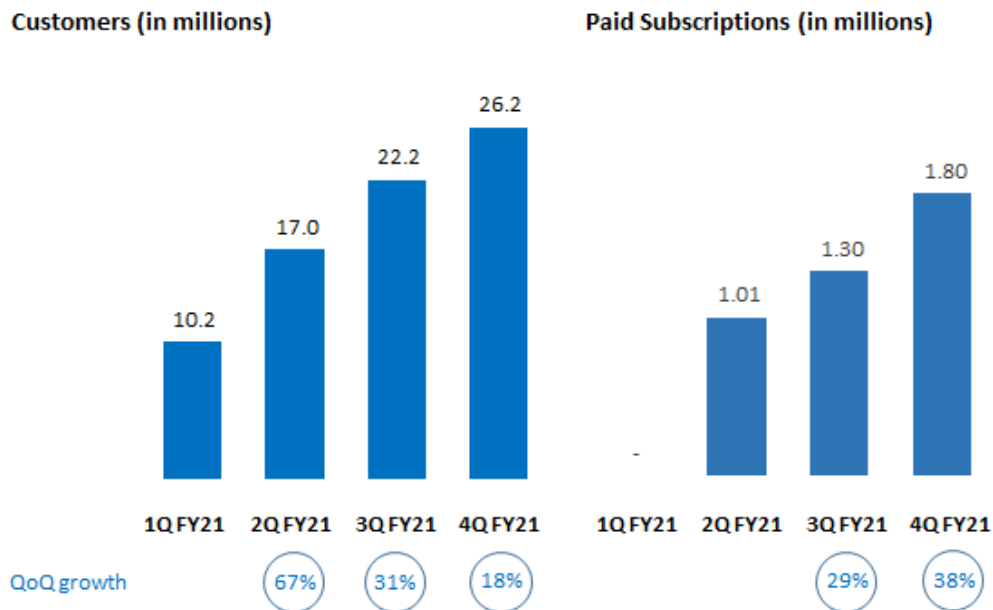
1.1 million Dhani cards were issued to customers in last quarter after full KYC. Both digital and physical card formats accepted across more than 10 million merchants gives versatility and provides high level of customer engagement with Dhani. Dhani app ranks 4th on Google Play Store in Business Category. Currently, over 50,000 unique customers use Dhani Card daily with credit limit.

Dhani cards enable seamless enablement of loyalty programs via Dhani cash and other programs, which ensures customer stickiness and longevity. Total paid subscriptions as on March 31, 2021 stood at 1.81 Mn. 56% of our paid subscriptions are from Gen Y and 31% of our paid subscriptions are from Gen Z indicating acceptance and willingness of growing younger population to pay for our subscription products. Our daily active users (DAU) have crossed 1 million and monthly active users (MAU) are at 9 million, a 100%+ increase in both DAU and MAU in last 6 months.

We also offer Dhani Health Card which provides customers exclusive benefits on pharma bills in addition to free on-demand doctor consultations. Pre-Covid an estimated 3.5 million households were using e-pharmacy in FY 20. During Covid-19, the number of households using e-pharmacy increased to 9 million and is further expected to increase.

We complement our digital delivery of healthcare with an extensive physical Dhani Health Shops network that provides greater access and convenience to our customers. As on March 31, 2021 we have physical presence in 42 cities via Dhani Health Shops.

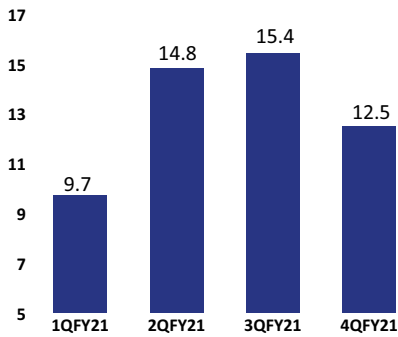
#### KEY OPERATIONAL HIGHLIGHTS: FY 2021



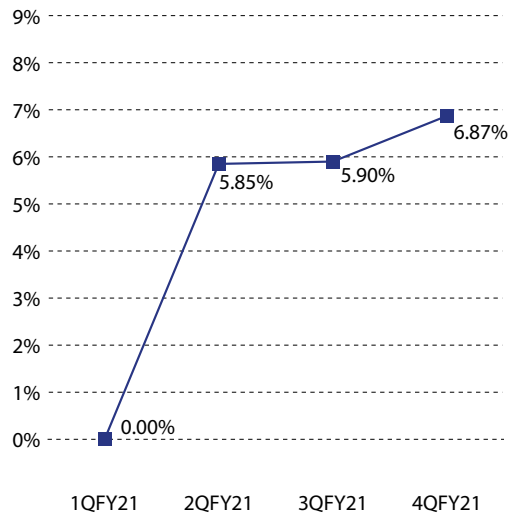


# Management Discussion and Analysis (Contd.)

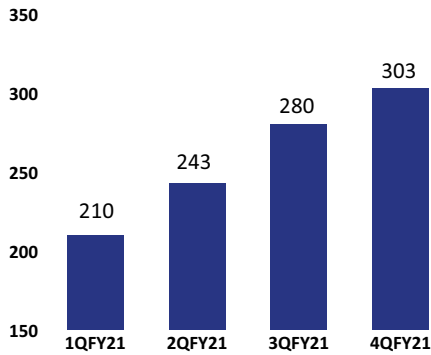
Users downloading Dhani app (in millions)



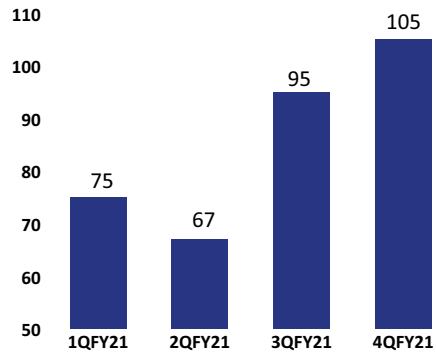
Paid Subscriptions as % of total customers



Time spent per day per user (in seconds)



Average monthly subscription price (in rupees)



QoQ growth



- Total customer franchise of 26.1 million
- Total Paid Subscriptions at the end of the year 1.81 million
- Consolidated Revenue of INR 13.63 Bn



## ASSET LIABILITY MANAGEMENT

Given the short term maturity of its loan portfolio and adequate liquidity buffers enjoyed by the company, its Asset Liability Position is comfortable. The Company's capital requirements are assessed in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

## ANALYTICS

As world is increasingly moving towards data-driven approach, data analytics play a crucial role in informed decision making to drive organizations towards better and improved efficiency and help achieving desired organization objectives.

Company has made sizable investments in developing data analytics capabilities so as to manage large customer data and help create customized offers/product for the customer for their respective needs, at the same time it also aids in risk management by monitoring the trends at customer segment level performance and help resultant proactive risk management strategies by segmenting delinquent borrowers. The Artificial Intelligence (AI) based data analysis helps predicting customer's preference and recommend proactive retention strategies to improve customer loyalty.

## RISK MANAGEMENT

The Company is exposed to a variety of risks such as credit, interest rate, liquidity, operational, business, regulatory risks among others. Company's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. The Company continues to invest in people, processes and technology to have an integrated approach towards Risk Management. The Company has a robust overall risk management framework which involves risk identification, assessment, monitoring, reporting and mitigation.

## BORROWINGS

The Company (including its subsidiaries) has raised funds through term loans as well as capital market instruments. During the year FY 2020-21, Dhani group had issued Non-convertible debentures of ₹5.25 Bn. Total borrowings of the group as on March 2021 were ₹35.74 Bn. Dhani Group has paid back ₹24.30 Bn to its lenders during the fiscal year.

## REGULATORY GUIDELINES / AMENDMENTS

Dhani Loans & Services Limited, complies with Reserve Bank of India norms for NBFCs. In accordance with this, the Company is in compliance with all regulations pertaining to Accounting Standards, Prudential norms for asset classification, income recognition, provisioning, capital adequacy and credit ratings.

## TRAINING AND HUMAN RESOURCES MANAGEMENT

Our vision is to create a cohesive work environment that encourages employees to pursue their professional and self-development goals in addition to building operational excellence and a sense of belongingness. We have re-engineered our recruitment process by development of Applicant tracking system in Recruitment process to bring more efficiency for hiring managers, reduce paper work and improve accuracy. We strongly believe that our employees play a pivotal role in the success of our Company and its initiatives. They are representatives of the Company for the customers and it is of utmost importance that our employees are skilled and well trained to attend to customer's needs in the best way possible. Our focus and belief lies in enabling and empowering our talent pool for the challenges of tomorrow by providing new learning avenues that are technology driven. Employee Stock Option Plans have been approved by the Compensation Committee in various years for retention and incentivising the employees. The company has also formed an Employee Welfare Trust which has granted Stock Appreciation Rights (SARs) to the employees of the company. The Company also undertook various health-care and general initiatives promoting well-being to enhance employee engagement. In all the areas of work, the Human Resources firmly beliefs



## Management Discussion and Analysis (Contd.)

in confidentiality, accountability and trust. Human Resource department provides internal processes and services like talent management, administration benefits and many other services that are essential for organization.

The key focus is to find a right fit between the organization and the individual. Our constant endeavour is to select people who are able to match personal aspiration with the organization's growth plans. Agility is one of the key traits that we look for, as it is required to quickly adapt to the changing needs of the dynamic external environment. As a new age company, the focus is to build a robust team which is not only geared to face today's challenges but to also be prepared for the opportunities of tomorrow. The Company provides fast track growth for key performers in every department. The Human Resource team partnered with businesses to ensure that right talent is on-boarded for all roles. The leadership is engaged with all key performers and ensures that they have a defined career path within the organization. We have a competitive reward policy to keep the team motivated and engaged to achieve every milestone we set our eyes upon.

### IT SECURITY AND CUSTOMER PRIVACY

Information has become the critical asset for our organization encompassing sensitive customer information. Shielding such information along with its supporting IT Infrastructure from rapidly evolving cyber threats is one of our top business priorities which is being catered through careful monitoring and effective implementation of risk mitigation measures. Aiming to cater the Cyber Security challenges, we have outlined and espoused the comprehensive IT Policies based on the industry best practices encompassing ISO 27001:2013 standard. Our Information Technology Policy, Information Security Management System Framework and Cyber Security Policy include detailed directions to ensure the protection of business information at all levels. Effective and adequate security controls have been in place to ensure the business resilience in case of any adversity. Backup and restoration policy supported through industry best solution has been implemented to safeguard critical information. Periodic assessment of implemented controls has been carried out to ensure its effectiveness and improve them as needed.

Our Company's "Privacy Policy" ensures the protection of customers' personal information. The Company explicitly discloses the manner in which customer information is collected, stored and used. The policy also ensures that the usage of customer information is in compliance with various statutory and regulatory authorities' requirements.

### INTERNAL CONTROL SYSTEMS

The company has adequate internal control systems, based on policies and guidelines, which ensure timely and accurate execution of responsibilities. Internal Control Systems evaluate operations, financial reporting, strategic investments and regulatory compliances to protect interests of the investors. The effectiveness and reliability of Internal Control Systems is reviewed periodically by the Audit Committee and the Board of Directors which gives its recommendations regarding improvements over existing control systems.

### SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

In compliance with the requirements of Schedule V of the SEBI LODR Amendment Regulations, 2018, significant changes (change of 25% or more from FY 2019-20 to FY 2020-21) in the key financial ratios applicable to the Company, are as under:

#### Debt Equity Ratio:

The debt equity ratio of the Company on a consolidated basis has reduced from 0.54 for FY 2019-20 to 0.42 for FY 2020-21 primarily due to decrease in borrowings in FY 2020-21.

**Return on Average Equity (Net worth):**

The return on equity of the Company on a consolidated basis as on March 31, 2021 stood at -4.10% compared to 0.69% as on March 31, 2020. The said reduction in the Company's return on equity ratio is on account of reduction in interest income from financing activities due to defocus from traditional lending business.

**Interest Coverage Ratio:**

The interest coverage ratio of the Company on a consolidated basis has reduced from 1.03 for FY 2019-20 to 0.58 for FY 2020-21. As stated above the Company has defocused traditional lending resulting in reduction in operating profits.

**Net Profit Margin (%):**

The net profit margin % of the Company on a consolidated basis has reduced from 1.43 for FY 2019-20 to -16.85 for FY 2020-21. The said reduction in the Company's net profit margin is on account of reduction in interest income from financing activities due to defocus from traditional lending business.

**Debtors Turnover Ratio:**

The Debtors turnover ratio has reduced from 13.70 in FY 2019-20 to 8.97 in FY 2020-21 due to slow down in collections. There has been no significant change in the other key financial ratios, as applicable to the Company.

**CAUTIONARY STATEMENT**

The statements that are not historical facts presented in the Annual Report about Company are forward looking statements. These statements reflect the assumptions, views and expectations based on current market dynamics and future outlook. There might be deviations in expectations from those expressed in the Annual Report. It should not be assumed that the statements will be changed if there is new information or subsequent developments.



## Business Responsibility Report

Dhani Services Limited (DSL or the Company), as an incorporated legal entity, came into existence on June 9, 1995, under the Companies Act, 1956. The name of the Company has been changed from 'Indiabulls Ventures Limited' to 'Dhani Services Limited' with effect from 6 October 2020 to align its business of providing technology enabled subscription based healthcare and transaction finance services, through its Dhani App. DSL through its various other subsidiaries, has been engaged in multifarious business activities including Asset Reconstruction, Stock Broking, etc. In addition it may venture into the business of providing bouquet of services, directly or through its various subsidiary companies, depending upon the available business opportunities in domestic and / or international markets.

The Company's equity shares are listed on The National Stock Exchange of India Limited and BSE Limited and its Global Depository Receipts are listed on the Luxembourg Stock Exchange.

DSL's key subsidiaries include Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited), Indiabulls Asset Reconstruction Company Limited, Dhani Stocks Ltd (earlier name was Indiabulls Securities), Indiabulls Investment Advisors Limited, Auxesia Soft Solutions Limited, Indiabulls Distribution Services Limited, Pushpanjali Finsolutions Limited, Devata Tradelink Limited, Arbutus Constructions Limited, Gyansagar Buildtech Limited, Savren Medicare Limited (formerly Savren Buildwell Limited), Dhani Healthcare Limited (formerly Pushpanjali Fincon Limited), Indiabulls Alternate Investments Limited, Indiabulls Infra Resources Limited, Indiabulls Consumer Products Limited, Transerv Limited, Dhani Health Middle East FZ LLC (Foreign company), Dhani Limited (Foreign company) and Dhani Ltd (Foreign company).

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

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L74110DL1995PLC069631
2. Name of the Company	Dhani Services Limited
3. Registered office address	M-62 & 63, First Floor, Connaught Place, New Delhi - 110001
4. Corporate office address	i) 'Indiabulls House', Plot No. 448-451, Udyog Vihar, Phase - V, Gurugram – 122 016, Haryana  ii) One International Centre (Formerly IFC), Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013
5. Website and E-mail id	www.dhani.com, support@dhani.com
6. Financial Year Reported	April 1, 2020 to March 31, 2021
7. Sector(s) that the Company is engaged in	Finance & Healthcare Sector
8. List three key products/services that the Company provides	Credit Line, Online Pharmacy, Payments & Stock Broking
9. Total number of locations where business activity is undertaken by the Company	Pan India
10. (a) Number of International Locations (b) Number of National Locations	1 500+ locations (Online Business)
11. Markets served by the Company – Local/State/ National/International	India & UAE (in FY22)





## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (₹)	114.54 Crore
2. Total Networth (₹)	4,996.34 Crore
3. Total Revenue (₹)	35.39 Crore
4. Total profit after taxes (₹)	16.75 Crore (Loss)
5. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% (₹ 1,59,42,000/-)
6. List of activities in which expenditure in 5 above has been incurred:-	Please refer <i>Annexure-4: Annual Report on CSR Activities</i> , to Board's Report for details on CSR initiatives undertaken by the Company.

## SECTION C: OTHER DETAILS

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

Yes, the Company had 25 subsidiaries (including 4 foreign subsidiaries), 1 employee welfare trust and 14 business trusts as on financial year ended March 31, 2021. The details of the subsidiaries are detailed in the Annual Return as on March 31, 2021, which is available on the Company's website on [www.dhani.com](http://www.dhani.com).

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

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

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

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

## SECTION D: BR INFORMATION

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

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

1	DIN	00010933
2	Name	Mr. Divyesh B. Shah
3	Designation	Whole-time Director & COO

#### b) Details of the BR head

1	DIN	00010933
2	Name	Mr. Divyesh B. Shah
3	Designation	Whole-time Director & COO
4	Telephone No.	+91- 022 – 61891805
5	E-mail ID	support@dhani.com



## Business Responsibility Report (Contd)

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

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

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

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

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



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

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

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

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

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

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

### 3. Governance related to BR

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

Our Board, at present, has 10 directors including 3 Executive Directors, 2 Non-Executive Non-Independent Director and 5 Independent Directors.

Our functional directors are highly experienced professionals in their respective areas. The Board guides the management on operational issues, adoption of systems and best practices in management, and provides oversight on compliance of various legal and other requirements.

The Company understands that its governance processes must ensure that the business activities are done in a manner that meets stakeholders' aspirations and societal expectations. The CSR Committee of the Board oversees and governs its CSR initiatives on a bi-annual basis. The set targets towards responsible business initiatives are linked to the management's remuneration which is reviewed annually by the Board. The Company's governance practices and details of the various Board committees are provided in Report on Corporate Governance forming part of this Annual Report.

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

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

Business Responsibility Report of the Company is available on the website of the company viz. [www.dhani.com](http://www.dhani.com).



## Business Responsibility Report (Contd)

### SECTION E: PRINCIPLE-WISE PERFORMANCE

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

Ethics, transparency and personal accountability are core values of the Company. It focuses on high standards of corporate governance, in the conduct of its business. It has a zero tolerance for bribery and corruption and strives to build and maintain relationships with its lenders, borrowers, shareholders and other stakeholders in a fair, transparent and professional manner. This helps promote moral behaviour, act as a guideline for ethical decision-making, enhance reputation, prevent negative legal consequences, encourage positive relationships and prevent discrimination or harassment.

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

The Company has constituted various committees such as: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Compensation Committee, Corporate Social Responsibility Committee, Management Committee, Allotment Committee, Securities Issuance Committee, Capital Raising Committee, Internal Complaints Committee and Risk Management Committee. These committees meet periodically to supervise, review and advice on the relevant/respective matters.

#### Code of Conduct

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

The Employee Code of Conduct provides the framework within which the Company expects its business operations to be carried out and lays down the standards and principles, to be followed by all its employees. Failure to comply with the Code leads to disciplinary action, including dismissal from the services of the Company.

All employees are handed over a copy of the Employee Code of Conduct on their first day of joining the Company, as a part of the employee joining kit. Additionally, the contents of the Code of Conduct are also shared in detail with the employees through a specific module that forms part of the HR session during the employee induction training program.

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

#### Stakeholder Complaints

The Company is committed to providing effective and prompt service to all its stakeholders. Various channels have been provided for customers and stakeholders to raise any concerns through a medium that is convenient for them. The customers and other stakeholders can put up a grievance from the comfort of their homes using digital channels like email, website, mobile app. Customers that are not comfortable using digital channels can call the customer care numbers provided on the Company's website or visit the nearest branch where a grievance register is provided mandatorily and designated senior personnel at individual branches are responsible for ensuring efficient and effective resolution of complaints. All grievances coming from various channels are treated with the same priority and the central operations team along with the call center records redresses grievances and feedback from customers.



Complaints and grievances are addressed in a time-bound manner. Regular analysis and audits, internal and external are in place to monitor any corrective actions that needs to be taken in case of lapse in processes and also to improve the processes.

The Company has a Grievance Redressal Policy with escalation mechanism wherein complaints are escalated to the level of Branch heads, Head Customer Care and National Head Operation/Principal Officer, Compliance Officer. Complaints forwarded by regulatory and supervisory authorities are tracked separately. Code of Conduct and Grievance redressal procedure are available on the Company website for the benefit of its customers and stakeholders.

During the financial year 2020-21, the Company had received 4 complaints from its shareholders which were resolved expeditiously.

The Company submits a periodic status of complaints received, redressed and outstanding from its stakeholders along with the nature of complaints and their mode of redressal to the Board constituted Customer Grievance Committee and Stakeholders Relationship Committee and updates the number of complaints outstanding at the beginning of the quarter, received and resolved during the quarter and outstanding at the end of quarter to BSE and NSE on quarterly basis.

### **Data Privacy and Cyber Security**

The Company treats customers' data with utmost sensitivity and accords the highest standards of privacy and security against cybercrime and data theft. IT Security and Customer Data is a valuable asset and safeguarding business information and IT Infrastructure from any kind of cyber security threat is a top priority for the Company, and this is done through effective monitoring and implementation of risk mitigation measures. The Company's Information Technology Policy, Information Security Management System Framework and Cyber Security Policy include detailed directions to ensure the protection of business information at all levels. Backup and restore policy has been implemented to safeguard critical data. We undertake vulnerability assessment and penetration testing regularly through internal resources as well as external experts to test and improve the implemented control measures. The Company's "Privacy Policy" ensures the protection of customers' personal information. The company explicitly discloses the manner in which customer information is collected, stored and used. The policy also ensures that the usage of customer information is in compliance with various statutory and regulatory authorities' requirements.

Our Business Continuity and Disaster Recovery Plan ensured that critical business functions were available to customers even when branches were not operational during the COVID-19 induced complete lockdown phase.

### **Third Party engagements**

The Company recognizes that having an association with suppliers/ distributors from diverse backgrounds but with a focus on the Company's mission of sustainability and governance, contributes to increased efficiency and innovation to provide an enhanced yet standard experience for its customers. The Company has processes and standards of conduct in line with the Company's policies on governance and data privacy and security and sustainable business practices which needs to be agreed and followed by the distributors/suppliers.

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

Given the nature of the Company's business activities, which is providing financial products and services, it consumes resources primarily for running its operations. Through varied initiatives, the company works towards reducing its resource consumption, mainly paper and grid electricity. In addition, the digitization of its internal processes has aided its efforts.



## Business Responsibility Report (Contd)

### Environmental Standards

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

In a bid to reduce the Company's carbon footprint, video conference systems have been set up at key office locations to cut down on unnecessary travel.

The Company continues to explore collaboration with partners that ensure conservation of energy and resources. On this front, the Company recognizes the need to work with real estate developers that promote the use of innovative technologies such as green buildings and other energy efficient measures for construction of their projects.

### Resource Savings

The Company has undertaken initiatives and energy efficient measures at its office premises such as use of LED light fittings, provision of centralised waste collection, etc. At most of its offices across India, the CFL light fitting have been replaced by LED light fittings to conserve energy.

In an endeavor for quick and paperless services, the Company promotes the use of electronic means of communication with its shareholders by sending electronic communication for confirmation of payments and such other purposes. The Company also encourages the use of electronic mode of payment to and from all its stakeholders. Soft copies of the annual reports along with the notice convening the General Meetings/Postal ballots and the dividend related communications/ reminder letters are being sent to all the shareholders so as to minimize the usage of paper.

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

The foundation of any sustainable business is built on a competent and satisfied workforce. It is the Company's firm belief that an engaged, productive and happy workforce leads to 'happy customers'. Employee wellness is an integral component of our value proposition.

### Equitable Employment

During the financial year 2020-2021, upon receipt of all requisite approvals from the statutory / regulatory authorities, Stock Broking Business of the Company has been transferred to its 100% subsidiary company namely Dhani Stocks Limited (formerly Indiabulls Securities Limited) ("Dhani Stocks") and all the employees of the Company related to such business were transferred on on going basis to Dhani Stocks. In view of the same the Company had 11 employees on its permanent rolls, as on March 31, 2021, out of which 2 were women. As at March 31, 2021, the male female ratio was 10:1. The Company has always advocated a business environment that favours the concept of equal employment opportunities for all without any discrimination with respect to caste, creed, gender, race, religion, disability or sexual orientation. The Company provides a workplace environment that is safe, hygienic, and humane which upholds the dignity of its employees. The Company does not use child labour directly or indirectly in any of its offices.

### Enabling a Gender Friendly & safe Workplace

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

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



Also, to ensure confidentiality, a dedicated e-mail address has been created for employees to report complaints pertaining to sexual harassment at the workplace. The complaints reported on the designated e-mail are accessible by the ICC only. Mechanisms have been established to ensure that complaints received by the ICC are dealt with promptly, sensitively, confidentially and in the most judicious and unbiased manner.

### **Policies for Employee Grievances**

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

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

### **Gender Inclusion**

The Company ensures that a gender inclusive environment is provided. To create an inclusive work culture for women, equal opportunities are provided to all women employees.

### **Work-Life Balance**

The Company's policies are structured around promoting work- life balance which ensures improved employee productivity at work. Employees have option of flexible working hours through our Flexi-time policy to enable them strike a better work-life balance. This culture permits our employees to pursue their aspirations, passions and shape their professional and personal growth.

All our female employees are entitled to paid maternity leave for up to 26 weeks, including both pre-delivery and post-delivery leaves. Commissioning mothers and adopting mothers are entitled to a maternity leave of up to 12 weeks. We provide our employees with 32 annual leaves and also have a mandatory leave policy mandating employees to avail of continuous 10 days of leave in a year, which gives them quality time off from work and help them to relax and rejuvenate.

### **Employee Engagement**

The Company firmly believes that highly engaged employees are more productive. Besides work, the Company encourages its employees to regularly participate in sports, get-togethers, milestone celebrations, festivities etc. During Covid, company has emphasized on virtual engagement programs

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

### **Corporate Social Responsibility**

The Company strives to approach its CSR activities with the goal to identify and work across a range of social initiatives that have a long-term sustainable impact. The Company has endeavoured to choose projects keeping in mind the Human Development Index norms which address human resource development in areas of Sanitation, Health, Education, Nutrition, Renewable Energy and Rural Development. The details of CSR activities undertaken by the Company are provided in the Annual Report.

### **Employee Welfare & Participation**

To encourage employees wellness, we keep on organizing medical check-up camps



## Business Responsibility Report (Contd)

### **Principle 5: Businesses should respect and promote Human Rights**

The Company upholds the principles of being an organization that respects human rights, is non-discriminatory amongst employees and provides for a redressal mechanism to the key constituents that it deals with. The Company's Code of Conduct respects and promotes human rights. The Company complies and adheres to all the human rights laws, guidelines of the Constitution of India, national laws and policies and treats all its stakeholders and customers with dignity, respect and due understanding. It strives to be just, patient and understanding while dealing with delinquent customers who have availed loans and has also put in place training modules and work ethics for employees to ensure such customers are dealt with fairness. The company does not employ child labour.

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

#### **Green Initiatives**

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

We have also started an initiative where we are planning to reduce the use of plastic in our offices to reduce our carbon footprint. We want to make our office environments plastic-free and we're confident of achieving this.

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

The Company is committed in providing innovative financial product offerings to multiple customer segments. The Company puts forwards its views on setting new industry standards or regulatory developments and tries to maintain balance interest of its stakeholders. The Company continues to make various recommendations/ representations before various regulators, forums and associations.

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

The Company is committed to its vision of inclusive growth. As a responsible corporate citizen, the Company strives to positively impact communities, and leverages its reach and resources to empower the underprivileged. During the year, the Company furthered the reach and impact of its Corporate Social Responsibility [CSR] initiatives through our social development arm - Indiabulls Foundation [IBF].

IBF time to time undertakes a wide gamut of activities in the areas of Health and Sanitation, Women's Empowerment, Education and Sustainable Livelihoods, Rural Development and Disaster Relief. The Foundation connects philanthropic opportunities with demonstrated needs, and mobilizes resources to create programs that have tangible outcomes and enable the marginalized sections of society to improve their lives.

Details of CSR activities undertaken by the Company are provided in the Annual Report.

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

#### **Transparent Communication**

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





The Company is an avid proponent of true and fair advertising and as such, discourages all kinds of means and activities that are unethical, abusive, derogatory or anti-competitive. All the communication material released by the Company adheres to the mandated regulatory requirements. The Company has formulated the Fair Practices Code. A copy of the said code is available on the Company's website and at all its offices. The Company has complied with all the advertising norms applicable to the Company.

The important product attributes, relevant information about the products and services being offered, fees and charges, benchmark interest rates and other important notifications like Most Important Terms & Conditions and KYC documents are displayed prominently in each of the Company offices. This information is available on the Company's website as well.

The Company is extending its presence to various social and digital platforms to engage and connect with existing customers and also to reach out to newer audiences through constant communication, which is in consonance with its brand values and the prescribed regulatory framework.

The performance and financials of the Company are disclosed to the stock exchanges, BSE and NSE, and is also uploaded on the Company's website.

#### **Grievance Redressal**

The Company aims to reduce the number of grievances, attain operational excellence and ensure continuous improvement by doing periodical root-cause analysis (RCA) of all the received grievances.



# Report on Corporate Governance

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

The fundamental principle of Corporate Governance is achieving sustained growth ethically and in the best interest of the Company ("Dhani") and all its stakeholders. It is not a mere compliance of laws, rules and regulations but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings to achieve the objects of the Company, enhance stakeholders value and discharge its social responsibility.

The Company is committed towards achieving the highest standards of Corporate Governance by emphasizing on a corporate culture of integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business. The Company believes that good governance brings sustained corporate growth and long-term benefits for all its stakeholders.

Dhani engages in a credible and transparent manner with all its stakeholders and clearly communicates its long-term business strategy. All its actions are governed by its values and principles, which are reinforced at all levels of the Company. This is the path to consistent, competitive, profitable and responsible growth, and for creating long-term value for its shareholders, its employees and business partners.

The Board of Directors ('the Board') is responsible for and is committed to sound principles of Corporate Governance of the Company and plays a crucial role in overseeing how the management serves the short and long-term interests of stakeholders. As you aware that the COVID-19 pandemic has caused an unprecedented health and economic crisis across the globe due to which the severity of its impact on business activity is still evolving. Your Company is nimble-footed and continuously evolving its strategies to deal with the emergent challenges with the help of depth experience of management team.

Dhani keeps its governance practices under continuous review and benchmark itself to best practices. This belief is reflected in its governance practices, under which it strives to maintain an effective, informed and independent Board.

The Company is in compliance with all the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR Regulations].

## 2. BOARD OF DIRECTORS (BOARD)

### (A) Composition and size of the Board

The Company's Board is constituted of highly experienced professionals from diverse backgrounds. The Board's constitution is in compliance with the Companies Act, 2013, SEBI LODR Regulations and Listing Agreement executed by the Company with the Stock Exchanges and is in accordance with the highest standards of Corporate Governance, which ensures an appropriate mix of Executive/Non-Executive, Woman Director and Independent Directors with demonstrated skill sets and relevant experience in diverse fields viz. finance, banking, regulatory and public policy etc., thereby bringing an enabling environment for value creation through sustainable business growth.

Presently, as on the date of this report, the Board consists of ten directors, of which three are Executive Directors including the Chairman and two are Non-Executive, Non Independent Directors. The remaining five directors, namely, Mr. Praveen Kumar Tripathi, IAS (Retd.) and Ex-Chief Secretary, Govt. of NCT Delhi (appointed as Non-Executive Independent Director w.e.f. September 16, 2019), Dr. Narendra Damodar Jadhav (former Member Planning Commission) and Mrs. Fantry Mein Jaswal, IRS (Retd.) (appointed as Non-Executive Independent Directors w.e.f. August 23, 2020), Mr. Rakesh Mohan Garg, IRS (Retd.) and Mr. Vijay Chugh, former Principal Chief General Manager and Head of Payment and Settlement Systems, Reserve Bank of India (appointed as Non-Executive Independent Directors w.e.f. November 25, 2020 and December 21, 2020 respectively). The Chairman, Mr. Sameer Gehlaut, being an Executive Director, the number of Independent Non-Executive Directors on the Board is 50% of the total Board strength.



No Director is related to any other Director on the Board. The Board comprises of individuals as Directors that bring a wide range of skills, expertise and experience which enhance overall board effectiveness.

The Board has identified skills and domain expertise required by the Directors of the Company which includes Banking & Finance, Business Strategy, Corporate Governance, Corporate Social Responsibility, Foreign Exchange, Human Resources, Information Technology, Legal, Marketing, Operations and Process Optimization, Policy Making, Recovery, Regulatory Compliances, Risk Management, Stakeholder Management, Taxation, Treasury and Value Creation. The Directors of the Company have mapped their skills based on the board skill matrix.

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 constituted Committees, including skill sets/ expertise/ competencies/practical knowledge, as on March 31, 2021, are as under:

S. No.	Name of the Director	Nature of Office	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies	Names of the other listed entities where the person is a director	Category of directorship in other listed entities where the person is a director	No. of Directorships in other Listed Companies	No. of Directorships in other Companies*	No. of Memberships/ Chairmanship in Board Committees of various companies (including the Company)**	
								Member	Chairman
1.	Mr. Sameer Gehlaut (DIN: 00060783) (refer Note 1)	Founder Chairman & CEO, Executive Non-Independent Director	Policy Making, Banking & Finance, Business Strategy, Risk Management, Corporate Governance, Value Creation	Indiabulls Real Estate Limited  Indiabulls Housing Finance Limited	Non-Executive - Non Independent Director, Chairman  Non-Executive Non-Independent Director	2	9	Nil	Nil
2.	Mr. Divyesh B. Shah (DIN: 00010933) (refer Note 2)	Whole-time Director & COO, Executive Non-Independent Director	Policy Making, Business Strategy, Risk Management, Corporate Governance, Value Creation	N.A.	N.A.	Nil	1	Nil	Nil
3.	Mr. Gagan Banga (DIN:00010894)	Non-Executive Non-Independent Director	Leadership, Banking and Finance, Business Strategy, Regulatory / legal & Risk Management, Treasury, Foreign Exchange, Recovery, Marketing, Corporate Governance, Corporate Social Responsibility, Stakeholder Management, Operations and Process Optimization	Indiabulls Housing Finance Limited  Dhani Loans and Services Limited***	Executive Director  Non-Executive Director	2	2	Nil	Nil



## Report on Corporate Governance (Contd)

S. No.	Name of the Director	Nature of Office	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies	Names of the other listed entities where the person is a director	Category of directorship in other listed entities where the person is a director	No. of Directorships in other Listed Companies	No. of Directorships in other Companies*	No. of Memberships/ Chairmanship in Board Committees of various companies (including the Company)**	
								Member	Chairman
4.	Mr. Pinank Jayant Shah (DIN:07859798)	Whole-time Director, Executive Non-Independent Director	Banking and Finance, Business Strategy, Risk Management, Treasury, Marketing, Corporate Governance, Corporate Social Responsibility, Stakeholder Management, Operations and Process Optimization	Dhani Loans and Services Limited***	Executive Director	1	1	1	Nil
5.	Mr. Anish Ernest Williams (DIN: 03314110)	Non-Executive Non-Independent Director	Banking and Finance, Business Strategy, Risk Management, Product design, Technology and data analytics Marketing, Corporate Social Responsibility, Operations and Process Optimization	N.A.	N.A.	Nil	1	Nil	Nil
6.	Mr. Praveen Kumar Tripathi (DIN:02167497)	Non-Executive Independent Director	Public Administration, Risk Management, Corporate Governance, Operations and Process Optimization	Indiabulls Real Estate Limited  Yaarii Digital Integrated Services Limited (formerly Indiabulls Integrated Services Limited) JBM Auto Limited	Non-Executive-Independent Director  Non-Executive-Independent Director  Non-Executive-Independent Director	3	1	3	2
7.	Dr. Narendra Damodar Jadhav (DIN: 02435444)	Non-Executive Independent Director	Public Administration, Social Scientist, Advisors, Corporate Governance, Operations and Process Optimization	Jain Irrigation Systems Limited  Tata Teleservices (Maharashtra) Limited Dhani Loans and Services Limited***	Non-Executive-Independent Director  Non-Executive-Independent Director  Non-Executive-Independent Director	3	2	8	2



S. No.	Name of the Director	Nature of Office	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies	Names of the other listed entities where the person is a director	Category of directorship in other listed entities where the person is a director	No. of Directorships in other Listed Companies	No. of Directorships in other Companies*	No. of Memberships/ Chairmanship in Board Committees of various companies (including the Company)**	
								Member	Chairman
8.	Mrs. Fantry Mein Jaswal (DIN: 07011247)	Non-Executive Independent Director	Public Administration, Risk Management, Corporate Governance, Operations and Process Optimization	N.A.	N.A.	Nil	1	3	Nil
9.	Mr. Vijay Chug (DIN:07112794)	Non-Executive Independent Director	Public Administration, Risk Management, Corporate Governance, Operations and Process Optimization	N.A.	N.A.	Nil	8	5	Nil
10.	Mr. Rakesh Mohan Garg (DIN:08970794)	Non-Executive Independent Director	Public Administration, Risk Management, Corporate Governance, Operations and Process Optimization	N.A.	N.A.	Nil	Nil	Nil	Nil
11	Mr. Shyam Lal Bansal(DIN:02910086) (refer Note 3)	Non-Executive Independent Director	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
12	Mr. Alok Kumar Misra (DIN:00163959) (refer Note 3)	Non-Executive Independent Director	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
13	# Mrs. Rekha Gopal Warriar (DIN:08152356)	Non-Executive Independent Director	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

*Note 1: On August 28, 2020, the Board has appointed Mr. Sameer Gehlaut, as Whole time Director & Key Managerial Personnel, designated as Chairman and Chief Executive Officer (CEO) of the Company. This appointment came into effect w.e.f. post approval of the shareholders in 25th Annual General Meeting of the Company held on September 25, 2020.*

*Note 2: W.e.f. August 28, 2020, the Board has re-designated Mr. Divyesh B. Shah as Chief Operating Officer of the Company.*

*Note 3: Mr. Alok Kumar Misra and Mr. Shyam Lal Bansal ceased to be as Independent Directors of the Company w.e.f. August 27, 2020 due to completion of their tenure.*

*# Mrs. Rekha Gopal Warriar had resigned w.e.f. May 23, 2020 due to her personal commitments.*

*\*Includes directorship(s) held in foreign companies & private limited companies and Companies registered under section 8 of the Companies Act, 2013.*

*\*\* Only memberships / chairmanships of the Audit Committee and Stakeholders' Relationship Committee in various Listed/ public limited companies are considered, as per Regulation 26 of the SEBI LODR Regulations.*

*\*\*\*Only debt securities are listed on NSE & BSE.*



## Report on Corporate Governance (Contd)

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

The Board had accepted all recommendation of the Committees of the Board which are mandatorily required, during the financial year 2020-21.

As on March 31, 2021, the shareholding of Non-Executive Directors of the Company was as under:

Mr. Gagan Banga was holding 6,88,786 Fully Paid-up Equity Shares & 1,44,382 Partly Paid-up Equity Shares and Mr. Anish Ernest Williams was holding 1,71,404 Fully Paid up Equity Shares of the Company.

The Company has familiarization programme for Independent Directors with regard to their roles, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programme along with details of the same imparted to the Independent Directors during the year are available on the website of the Company at <https://www.dhani.com/wp-content/uploads/2021/07/DSL-Board-Familiarisation-programmes.pdf>

**(B) Number and Dates of Board Meetings held, attendance record of Directors thereat and at the last AGM held.**

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 was 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 make presentations on various matters including the financial results, operations related issues, risk management, the economic and regulatory environment, compliance, investors' perceptions etc.

During the financial year 2020-21, the Board met 6 (Six) times. Meetings were held on June 25, 2020, August 28, 2020, September 9, 2020, November 11, 2020, February 12, 2021 and March 6, 2021. During the year, separate meeting of the Independent Directors was held on March 26, 2021, without the attendance of non-independent directors and the members of the management. All Independent Directors attended the said meeting. At the meeting, the independent directors assessed the quality, quantity and timeliness of the flow of information between the Company's management and the board. Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all these board / Independent Directors meetings in FY 2020-21 were held through Video Conferencing.

The last Annual General Meeting of the Company was held on September 25, 2020.



Attendance of Directors at the Board Meetings held during the FY 2020-21 and at the last Annual General Meeting are as under:

Sr. No.	Name of the Director	No. of board meetings attended during tenure	Attendance at the last AGM
1	Mr. Sameer Gehlaut (DIN: 00060783)	6	No
2	Mr. Divyesh B. Shah (DIN: 00010933)	6	Yes
3	Mr. Gagan Banga (DIN: 00010894)	3 <sup>^</sup>	Yes
4	Mr. Pinank Jayant Shah (DIN: 07859798)	6	Yes
5	Mr. Anish Ernest Williams (DIN: 03314110)	2 <sup>*</sup>	No
6	Mr. Shyam Lal Bansal (DIN: 02910086)	1 <sup>**</sup>	No
7	Mr. Alok Kumar Misra (DIN: 00163959)	1 <sup>**</sup>	No
9	Mrs. Rekha Gopal Warriar (DIN: 08152356)	0 <sup>@</sup>	No
10	Mr. Praveen Kumar Tripathi (DIN: 02167497)	6	Yes
11	Dr. Narendra Damodar Jadhav (DIN: 02435444)	5 <sup>#</sup>	Yes
12	Mrs. Fantry Mein Jaswal (DIN: 07011247)	5 <sup>#</sup>	Yes
13	Mr. Vijay Chugh (DIN: 07112794)	2 <sup>~</sup>	No
14	Mr. Rakesh Mohan Garg (DIN: 08970794)	2 <sup>~</sup>	No

<sup>^</sup> Mr. Banga could not attend the meetings, held on September 9, 2020, February 12, 2021 and March 6, 2021 due to his prior commitments.

<sup>\*</sup> Mr. Williams was appointed as Non-Executive Additional Director of the Company w.e.f. December 21, 2020.

<sup>\*\*</sup> Mr. Shyan Lal Bansal and Mr. Alok Kumar Misra ceased to be as Independent Directors of the Company w.e.f. August 27, 2020 on completion of their tenure.

<sup>@</sup> Mrs. Warriar had resigned w.e.f. May 23, 2020 due to other personal commitments.

<sup>#</sup> Dr. Narendra Damodar Jadhav and Mrs. Fantry Mein Jaswal were appointed as Independent Directors of the Company w.e.f. August 23, 2020.

<sup>~</sup> Mr. Rakesh Mohan Garg and Mr. Vijay Chugh were appointed as Additional Independent Directors of the Company w.e.f. November 25, 2020 and December 21, 2020, respectively.

The minutes of the board meetings of the unlisted subsidiary companies of the Company were placed in the board meetings of the Company on a quarterly basis.



## Report on Corporate Governance (Contd)

### 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. Further, terms of reference were revised to align with the provisions of Companies Act, 2013, SEBI LODR Regulations.

The role and the composition of these 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

Effective from August 28, 2020, the Audit Committee comprises of three members, namely, Mr. Praveen Kumar Tripathi as the Chairman and member, Dr. Narendra Damodar Jadhav and Mrs. Fantry Mein Jaswal as members. All the three members comprising the Committee are Independent Directors. Mr. Divyesh B Shah, Whole-time Director & COO is the permanent invitee to the Audit Committee meetings and Mr. Lalit Sharma, is the Secretary to the Audit Committee.

##### Terms of reference

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

- To oversee the financial reporting process and disclosure of financial information;
- To review with management, quarterly, half yearly 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/reports 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 their remuneration;
- To review and approve required provisions to be maintained as per IRAC norms and write off decisions;
- To hold discussions with the Statutory and Internal Auditors;
- Review and monitoring of the auditor's independence and performance, and effectiveness of audit process;
- Examination of 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 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.
- 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 size of the respective subsidiary companies, whichever is lower, including existing loans / advances / investment existing as on April 1, 2019.

#### Meetings and Attendance during the year

During the financial year ended March 31, 2021, the Committee met 4 (four) times i.e. on June 25, 2020, September 09, 2020, November 11, 2020 and February 12, 2021.

The attendance of the Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Praveen Kumar Tripathi	4
Mr. Alok Kumar Misra*	1
Mr. Divyesh B Shah**	4
Dr. Narendra Damodar Jadhav***	3
Mrs. Fantry Mein Jaswal***	3

\*Mr. Misra ceased to be the member of the Committee due to his cessation as Independent Director of the Company w.e.f August 27, 2020.

\*\*The Board in its meeting held on August 28, 2020, reconstituted the Audit Committee with the re-designation of Mr. Divyesh B Shah from the member of the Committee to its permanent invitee.

\*\*\* Dr. Narendra Damodar Jadhav and Mrs. Fantry Mein Jaswal were appointed as members of the Audit Committee w.e.f. August 28, 2020.

The Chief Financial Officer, Statutory and Internal Auditors also attended the meetings as invitees.

#### (B) Nomination & Remuneration Committee

##### Composition

Effective from August 28, 2020, the Nomination & Remuneration Committee of the Board comprises of three Independent Directors as its members, namely, Mr. Praveen Kumar Tripathi as its Chairman and member, Dr. Narendra Damodar Jadhav and Mrs. Fantry Mein Jaswal as the other two members.

##### Terms of reference

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

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.



## Report on Corporate Governance (Contd)

- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- to recommend to the Board all remuneration, in whatever form, payable to senior management;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
  - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995; and
- Perform such functions as are required to be performed by the Nomination & Remuneration Committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

### Meetings and Attendance during the year

During the financial year ended March 31, 2021, the Committee met six times i.e. June 22, 2020, August 23, 2020, August 26, 2020, November 25, 2020, December 21, 2020 and February 12, 2021.

The attendance of the Committee members in these meetings is as under:

Name of the Member	No. of meeting attended
Mr. Alok Kumar Misra*	3
Mr. Shyam Lal Bansal**	0
Mr. Praveen Kumar Tripathi	6
Dr. Narendra Damodar Jadhav***	3
Mrs. Fantry Mein Jaswal***	3

\*Mr. Misra ceased to be the member of the Committee due to his cessation as Independent Director of the Company w.e.f. August 27, 2020.

\*\* Mr. Bansal could not attend meetings held on June 22, 2020 and August 23, 2020, due to his ill health and later he ceased to be the member of the Committee due to his cessation as Independent Director of the Company w.e.f. August 27, 2020.

\*\*\* The Board in its meeting of August 28, 2020 re-constituted Nomination & Remuneration Committee and Dr. Narendra Damodar Jadhav and Mrs. Fantry Mein Jaswal were appointed as a Members of the Committee. They have attended all meeting held after their appointment.

### Policy for selection and appointment of Directors

The Nomination and Remuneration Committee (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 diverse fields.
- 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 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 [https://www.dhani.com/wp-content/uploads/2020/12/ivl\\_remuneration-policy-0207168001567487819\\_1569586523.pdf](https://www.dhani.com/wp-content/uploads/2020/12/ivl_remuneration-policy-0207168001567487819_1569586523.pdf)

### **Evaluation of the Board and Directors**

The Independent directors play a key role in the decision-making process of the board as they approve the overall strategy of the Company and oversee performance of the management. The independent directors are committed to act in the best interest of the Company and its stakeholders. The Independent Directors bring a wide range of experience, knowledge and judgment. Their wide knowledge of both, their field of expertise and boardroom practices brings in varied, unbiased, independent and experienced outlook. All independent directors have committed and allocated sufficient time to perform their duties effectively. All the independent directors of the Company have confirmed that they have registered themselves in the databank created for independent directors, well within the stipulated time frame.

The Nomination and 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)/Chairman 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 parameter includes Leadership, Management Skills, Vision, Knowledge, Participation in Company's management, its operations and meetings. Basis these parameters, the NRC had reviewed at length the performance of each director individually and expressed satisfaction on the process of evaluation and the performance of each Director. The performance evaluation of the Board as a whole and its committees namely Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee as well as the performance of each director individually, including the Chairman was carried out by the entire Board of Directors. The performance evaluation of the Chairman, Executive Directors and Non-Executive Director was carried out by the Independent Directors in their meeting held on March 26, 2021. The Directors expressed their satisfaction with the evaluation process.

Also the Chairman 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.

### **Policy on Board Diversity**

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

### **Director's Remuneration:**

- (i) Remuneration of Executive Directors

The Executive Director(s) are being paid remuneration as recommended by Nomination & Remuneration Committee and approved by the Board of Directors/Shareholders.



## Report on Corporate Governance (Contd)

Details of remuneration paid to the Executive directors during the year under review are provided in the Annual Return as on March 31, 2021, which is available on the Company's website on [https://www.dhani.com/wp-content/uploads/2021/08/DSL-Form\\_MGT-7\\_31.03.2021-1.pdf](https://www.dhani.com/wp-content/uploads/2021/08/DSL-Form_MGT-7_31.03.2021-1.pdf)

### (i) Remuneration of Non-Executive Directors

Though day-to-day management of the Company is delegated to its Executive Directors, the Non-Executive Directors also contribute significantly for laying down the policies and providing guidelines for conduct of Company's business. Considering the need for the enlarged role and active participation / contribution of Non-Executive Directors to achieve the growth in operations and profitability of the Company, it is appropriate that the services being rendered by them to the Company are recognized by it by way of payment of compensation, commensurate with their contributions, as permissible within the applicable regulations. The Company's non-executive directors between them have extensive entrepreneurial experience and deep experience in the fields of financial sector regulation and supervision, banking, judiciary, accounting, administration, and law enforcement etc. The non-executive directors both exercise effective oversight, and also guide the senior management team. Their experience and inputs have been invaluable. They also 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 at [https://www.dhani.com/wp-content/uploads/2020/12/ivl-criteria-for-making-payment-to-non-executive-directors\\_1564992340.pdf](https://www.dhani.com/wp-content/uploads/2020/12/ivl-criteria-for-making-payment-to-non-executive-directors_1564992340.pdf), criteria for making payment to Non- Executive Directors. During the Financial Year ended March 31, 2021, the Non- Executive Directors have been paid, sitting fees for attending the Board meetings of the Company, and profit linked incentives in term of the existing shareholders authorization, the details of which are available on [https://www.dhani.com/wp-content/uploads/2021/08/DSL-Form\\_MGT-7\\_31.03.2021-1.pdf](https://www.dhani.com/wp-content/uploads/2021/08/DSL-Form_MGT-7_31.03.2021-1.pdf).

The Non-Executive Directors of the Company do not have any pecuniary relationships or transactions with the Company or its directors, senior management, subsidiary or associate companies, other than in the normal course of business.

### (C) Stakeholders Relationship Committee

#### Composition

Effective from August 28, 2020, the Stakeholders Relationship Committee comprises of three members, namely, Mr. Praveen Kumar Tripathi as the Chairman and member, Mrs. Fantry Mein Jaswal and Mr. Pinank Jayant Shah as the other two members. Two out of the three members of the Committee, namely, Mr. Praveen Kumar Tripathi and Mrs. Fantry Mein Jaswal are Independent Directors and Mr. Pinank Jayant Shah is an Executive Director.

#### 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 financial year ended March 31, 2021, the Committee met 4 (Four) times i.e. on June 24, 2020, September 9, 2020, November 11, 2020 and February 12, 2021.

The attendance of the Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Alok Kumar Misra*	1
Mr. Praveen Kumar Tripathi	4
Mrs. Fantry Mein Jaswal**	3
Mr. Pinank Jayant Shah***	1

\*Mr. Misra ceased to be the member of the Committee due to his cessation as Independent Director of the Company w.e.f August 27, 2020.

\*\*Mrs. Jaswal has been appointed as member of the Committee w.e.f. August 28, 2020.

\*\*\* Mr. Shah could not attend the meetings held on June 24, 2020, September 9, 2020 and November 11, 2020 due to his pre occupation.

#### Name and designation of Compliance Officer

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

Details of queries / complaints received and resolved pertaining to Equity Shares of the Company during the year 2020-21:

Sl. No.	Particulars	Opening	Received	Disposed	Pending
1	Legal Cases / Cases before Consumer Forums	NIL	NIL	NIL	NIL
2	Letters from SEBI / Stock Exchange.	NIL	1	1	NIL
3	Non-receipt of dividend	NIL	3	3	NIL
4	Non-receipt of annual report	NIL	NIL	NIL	NIL
5	Non-credit/receipt of shares in demat account	NIL	NIL	NIL	NIL
6	Non receipt of securities after transfer	NIL	NIL	NIL	NIL
7	Non-receipt of Refund order	NIL	NIL	NIL	NIL
8	Non receipt of Rights Issue CAF/Call Notice	NIL	NIL	NIL	NIL
9	Non receipt of allotment/call notice and request to issue the same	NIL	1	1	NIL
	<b>Total</b>	<b>NIL</b>	<b>5</b>	<b>5</b>	<b>NIL</b>

#### (D) Risk Management Committee

##### Composition

The Risk Management Committee of the Board comprises of five members, namely, Mr. Praveen Kumar Tripathi, Independent Director as its Chairman and member, Mrs. Fantry Mein Jaswal, Independent Director, Mr. Divyesh B. Shah, Whole-time Director, Mr. Rajeev Lochan Agrawal and Mr. Pankaj Sharma as members.



## Report on Corporate Governance (Contd)

### Terms of Reference

The Terms of reference of the Risk Management Committee inter-alia, include:

- To monitor and review the Risk Management Plan of the Company;
- To approve all functional policies of the Company;
- To ensure appropriate fraud control mechanism and cyber security in the system, while dealing with the customers etc.;
- Any other matter involving Risk to the asset / business of the Company.

### Meetings and Attendance during the year

During the financial year ended March 31, 2021, the Committee met once on May 15, 2020.

The attendance of Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Alok Kumar Misra*	1
Mr. Shyam Lal Bansal*	0
Mr. Praveen Kumar Tripathi**	0
Mrs. Fantry Mein Jaswal**	0
Mr. Divyesh B. Shah***	0
Mr. Rajeev Lochan Agrawal	1
Mr. Pankaj Sharma	1

\* Mr. Misra and Mr. Bansal ceased to be the members of the Committee due to their cessation as Independent Directors of the Company w.e.f. August 27, 2020. Mr. Bansal could not attend the meeting held on May 15, 2020 due to his health issues.

\*\* Mr. Tripathi has been appointed as Chairman and member and Mrs. Jaswal appointed as member of the committee w.e.f. August 28, 2020.

\*\*\* Mr. Shah could not attend the meeting held on May 15, 2020 due to his prior commitments.

### (E) Corporate Social Responsibility (CSR) Committee

#### Composition

The Corporate Social Responsibility Committee of the Board comprises of four members, namely, Mr. Divyesh B. Shah, as the Chairman and Mr. Praveen Kumar Tripathi and Dr. Narendra Damodar Jadhav, Independent Directors and Mr. Pinank Jayant Shah as other members.

Terms of Reference of the Corporate Social Responsibility Committee

The Terms of reference of the CSR Committee inter-alia, include:

- 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 financial year ended March 31, 2021, the Committee met 2 (Two) times i.e. on February 11, 2021 and March 31, 2021.

The attendance of Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Divyesh B. Shah	2
Mr. Pinank Jayant Shah	2
Dr. Narendra Damodar Jadhav	2
Mr. Praveen Kumar Tripathi	2
Mr. Alok Kumar Misra*	NA

\*Mr. Misra ceased to be the member of the Committee due to his cessation as an Independent Director of the Company w.e.f August 27, 2020.

#### 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
2017-18	23rd	Mapple Emerald, Rajokri, NH-8, New Delhi – 110 038	September 21, 2018	10:00 A.M.	2
2018-19	24th	Mapple Emerald, Rajokri, NH-8, New Delhi – 110 038	September 28, 2019	11:00 A.M.	3
2019-20	25th	Through VC/ OAVM	September 25, 2020	2:00 P.M.	9

##### B. No Extra Ordinary General meeting was convened during FY 2020-21.

##### C. Postal Ballot during the Financial Year 2020-21

During the financial year 2020-21, in pursuance of Section 110 of the Companies Act, 2013, the Company has conducted one Postal Ballot vide notice dated March 6, 2021, for seeking approval of the shareholders by way of Special Resolutions, as under, result of which was declared on April 16, 2021:



## Report on Corporate Governance (Contd)

(i) Result Declared on April 16, 2021 through Postal Ballot is as under:

Item No.	Particulars	% of votes polled on outstanding shares	% of votes in favour on votes polled	% of votes against on votes polled
1	Approval for issuance of sponsored Level III ADRs / Depository Receipts and fresh issuance of equity shares for conversion into ADRs / Depository Receipts, and/or equity shares under a qualified institutions placement.	73.079	99.984	0.016
2	Approval of Dhani Services Limited - Employee Stock Benefit Scheme 2021 and grant of Employee Stock Options and/or Shares and/or Stock Appreciation Rights to the employees/directors of the Company.	73.079	97.699	2.301
3	Approval to extend the benefits of Dhani Services Limited - Employee Stock Benefit Scheme 2021 to the employees and directors of the subsidiary company(ies), if any, of the Company.	73.079	97.699	2.301
4	Approval for Trust to implement and administer Dhani Services Limited - Employee Stock Benefit Scheme 2021 and other Scheme(s) and secondary market acquisition.	73.079	97.704	2.296
5	Approval to amend existing Main Objects clause of the Memorandum of Association of the Company.	73.079	100.00	0.00
6	Approval for extension of time for making Third and Final Call on partly paid up equity shares allotted under the Rights Issue in terms of Letter of Offer dated February 1, 2018.	73.079	99.984	0.016

Ms. Swati Jain (Membership No. 526173), Proprietor of M/s Swati Jain & Associates, Practicing Chartered Accountants, Gurugram, was appointed as the Scrutinizer for the purpose of conducting and scrutinizing the postal ballot voting process in a fair and transparent manner.

The Company had followed-up all the applicable legal requirements as prescribed in the SEBI LODR Regulations and the Companies Act, 2013 and rules made thereunder, for conducting the aforesaid Postal Ballot which inter-alia included mailing / dispatch of Postal Ballot Notice to the shareholders, appointing scrutinizer to receive and scrutinize the completed postal ballot papers, publication of advertisement in the newspaper informing on postal ballot notice and its dispatch, opening / closing time for exercising e voting and timeline for declaration of postal ballot results.

Mr. Lalit Sharma, Company Secretary was responsible for the entire Postal Ballot / e-voting process.

### 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 normally published in the leading newspapers viz. Business Standard (English and Hindi), Financial Express (English) and Jansatta (Hindi).





- (ii) News, Release, etc.: The Company has its own website <https://www.dhani.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 presentations etc. are regularly posted on the website.
- (iii) Presentation to institutional investors or analysts: The presentations whenever made to the institutional investors or analysts, are uploaded on the website of the Company, and also sent to the Stock Exchange for dissemination.
- (iv) Management's Discussion and Analysis Report has been included in the Annual Report, which forms a part of the Annual Report.

## 6. GENERAL SHAREHOLDERS' INFORMATION

### (A) Company Registration Details

The Company is registered in the National Capital Territory (NCT) of Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L7110DL1995PLC069631.

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

The 26th AGM of the Company would be held on the day, date, time and venue as mentioned in the Notice convening the said AGM.

### (C) Financial year:

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

### (D) Dividend Payment Date

No dividend was paid during the Financial Year 2020-21.

### (E) Date of Book Closure

The dates of book closure are as mentioned in the notice convening the 26th AGM of the Company.

### (F) Listing on Stock Exchanges

The Company's fully paid up equity shares (FPS), partly paid up equity shares (PPS) and GDRs are listed at the following stock exchanges:

<b>Equity Shares (FPS &amp; PPS):</b>	<b>Global Depository Receipts (GDRs):</b>
<b>BSE Limited (BSE)</b> PhirozeJeejeebhoy Towers, Dalal Street, Mumbai – 400 001	Luxembourg Stock Exchange Societe de la Bourse de Luxembourg, Il av de la Porte – Neuve, L-2227, Luxembourg.
<b>National Stock Exchange of India Limited (NSE)</b> “Exchange Plaza”, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	



## Report on Corporate Governance (Contd)

The listing fees for the financial year 2021-22, have been paid to BSE and NSE.

### (G) Stock Code

BSE Limited	-	FPS: 532960, PPS: 890145
National Stock Exchange of India Ltd.	-	FPS: DHANI-EQ, PPS: DHANIPP
ISIN for Dematerialization	-	FPS: INE274G01010 PPS: INE274G01026 PPS:IN9274G01034

### (H) Stock Market Price at National Stock Exchange of India Ltd (NSE) and BSE Ltd (BSE)

(a) The monthly high and low market prices of fully paid up equity shares of face value of ₹ 2/- each, at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year ended March 31, 2021 are as under:

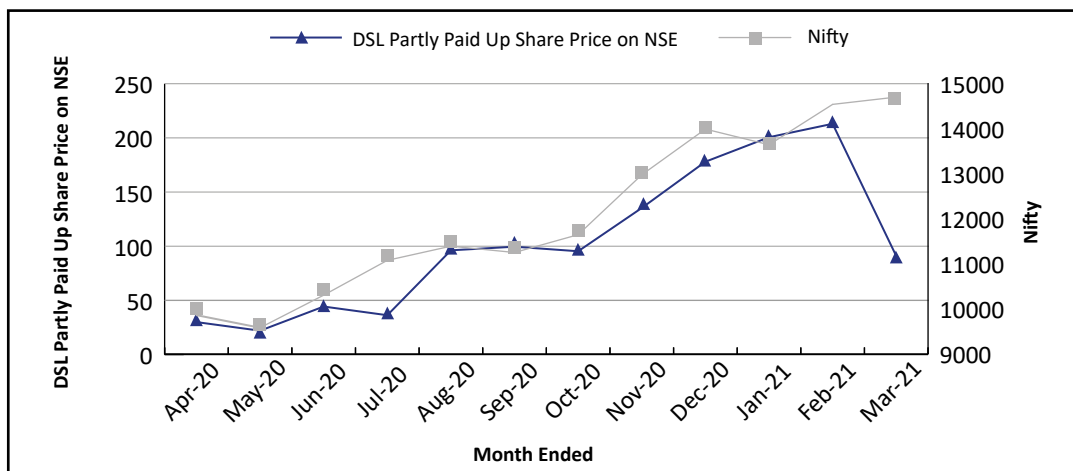
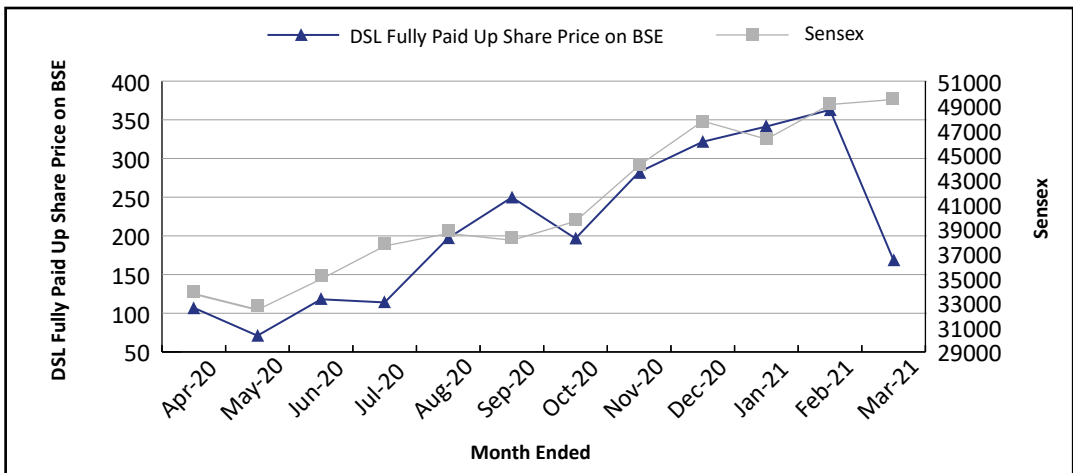
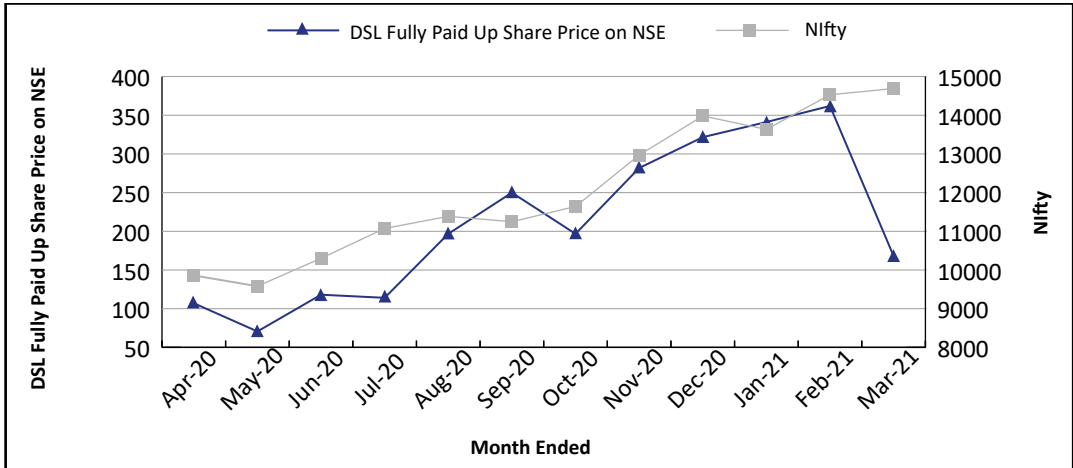
Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-20	111.40	92.55	112.40	93.10
May-20	109.90	63.50	110.00	63.60
Jun-20	121.85	69.95	121.40	70.00
Jul-20	135.80	104.85	135.60	104.70
Aug-20	240.95	112.00	218.00	112.10
Sep-20	253.50	182.35	253.00	174.90
Oct-20	277.20	178.25	277.00	178.75
Nov-20	286.80	183.10	286.90	184.20
Dec-20	345.00	246.80	344.90	245.65
Jan-21	395.95	294.15	396.00	294.05
Feb-21	376.10	328.05	375.55	327.90
Mar-21	378.90	168.10	380.00	168.35

(b) The high and low market prices of partly paid up equity shares of face value of ₹ 2/- each, at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year ended March 31, 2021 are as under:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-20	35.45	25.60	37.95	24.00
May-20	30.00	17.50	30.00	17.55
Jun-20	51.45	21.30	55.00	22.00
Jul-20	49.90	34.35	50.50	33.80
Aug-20	112.05	34.55	112.70	34.30
Sep-20	116.55	80.10	117.90	79.45
Oct-20	148.70	79.80	142.70	80.00
Nov-20	138.65	86.3	138.30	86.00
Dec-20	191.80	122.50	191.20	123.35
Jan-21	249.75	172.10	249.70	170.00
Feb-21	221.00	190.90	222.80	191.00
Mar-21	219.90	90.95	219.90	90.35

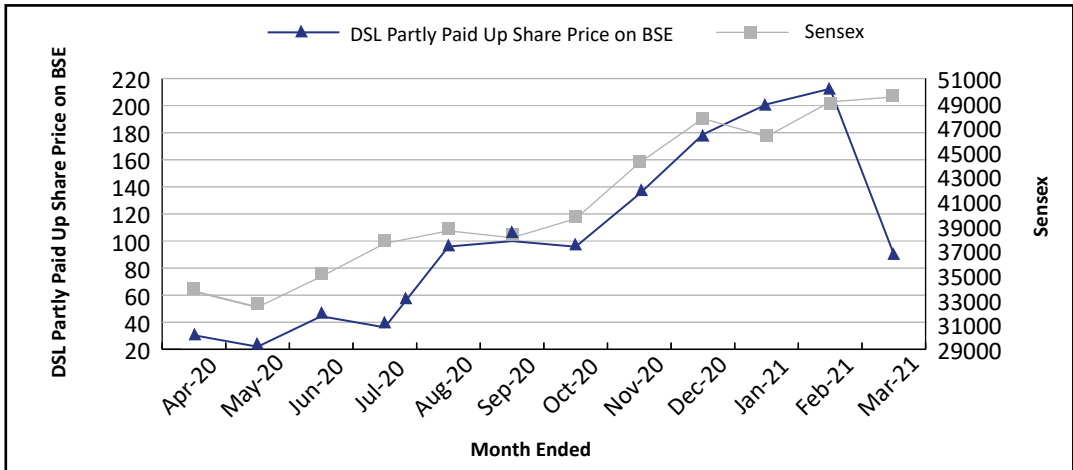


(I) Performance of the Company in comparison to broad – based indices





## Report on Corporate Governance (Contd)



### (J) Registrar and Transfer Agents

During the Financial Year ended March 31, 2021, for handling the share related matters both in physical and dematerialized mode, M/s Skyline Financial Services Private Limited, a SEBI registered Category – 1 Registrar and Transfer Agent (SEBI Registration number - INR000003241), has been appointed as Registrar and Transfer Agent of the Company (RTA) w.e.f. May 28, 2020 in place of M/s KFin Technologies Private Limited, for the reason that KFin was not able to render RTA services at reduced cost.

The contact details of RTA are as under:

#### Skyline Financial Services Pvt. Ltd

Unit: Dhani Services Limited  
D-153 A 1st Floor Okhla Industrial Area Phase-1 New Delhi-110020  
Tel: 011-40450193 TO 197, Fax: 011-26812682  
E-mails: [compliances@skylinerta.com](mailto:compliances@skylinerta.com), [info@skylinerta.com](mailto:info@skylinerta.com)  
Website: [www.skylinerta.com](http://www.skylinerta.com)

### (K) Share Transfer System

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

#### (L) (i) (a) Distribution of shareholding of fully paid up equity shares of face value of ₹ 2/- each, as on March 31, 2021:

S. No.	Category	No. of holders	% to total holders	Total Shares	Amount (face value) (₹)	% of Amount
1	1-5000	78,107	98.45	18,390,019	36,780,038.00	3.49
2	5001- 10000	504	0.64	3,717,660	7,435,320.00	0.71
3	10001- 20000	252	0.32	3,604,202	7,208,404.00	0.68
4	20001- 30000	123	0.16	3,024,692	6,049,384.00	0.57
5	30001- 40000	54	0.07	1,892,865	3,785,730.00	0.36
6	40001- 50000	36	0.05	1,605,857	3,211,714.00	0.30
7	50001- 100000	94	0.12	6,663,343	13,326,686.00	1.26
8	100001 & Above	170	0.21	488,216,254	976,432,508.00	92.63
	<b>Total:</b>	<b>79,340</b>	<b>100.00</b>	<b>527,114,892</b>	<b>1,054,229,784.00</b>	<b>100.00</b>



- (i) (b) Distribution of shareholding of partly paid up equity shares of face value of ₹ 2/- each with paid up value of ₹ 1.10 each as on March 31, 2021: (Voting Rights i.r.o these partly paid-up shares are proportionate to the amount paid up on such shares).

S. No.	Category	No. of holders	% to total holders	Total Shares	Amount (paid-up value) (₹)	% of Amount
1	1-5000	7705	95.11	2,564,919	2,821,410.90	3.09
2	5001- 10000	153	1.89	1,123,080	1,235,388.00	1.36
3	10001- 20000	90	1.11	1,275,533	1,403,086.30	1.54
4	20001- 30000	41	0.51	1,007,223	1,107,945.30	1.22
5	30001- 40000	25	0.31	884,034	972,437.40	1.07
6	40001- 50000	12	0.15	531,858	585,043.80	0.64
7	50001- 100000	30	0.37	2,132,769	2,346,045.90	2.58
8	100001& Above	45	0.56	73,304,578	80,635,035.80	88.50
	<b>Total:</b>	<b>8101</b>	<b>100.00</b>	<b>82,823,994</b>	<b>91,106,393.40</b>	<b>100.00</b>

- (i) (c) Distribution of shareholding of partly paid up equity shares of face value of ₹ 2/- each with paid up value of Re. 0.80 each, as on March 31, 2021: (Voting Rights i.r.o these partly paid-up shares are proportionate to the amount paid up on such shares).

S. No.	Category	No. of holders	% to total holders	Total Shares	Amount (paid-up value) (₹)	% of Amount
1	1-5000	298	99.33	36562	29,249.60	42.95
2	5001- 10000	0	0.00	0	0.00	0.00
3	10001- 20000	1	0.33	18750	15,000.00	22.03
4	20001- 30000	1	0.33	29812	23,849.60	35.02
	<b>Total:</b>	<b>300</b>	<b>100.00</b>	<b>85124</b>	<b>68,099.20</b>	<b>100.00</b>

- (ii) Shareholding pattern as on March 31, 2021:

Sr. No.	Category	No. of Shares			% holding
		Fully paid up equity shares	Partly Paid up equity shares*	Total No. of Shares	
1	Promoters	142,695,429	35,788,434	178,483,863	29.26
2	Banks /Mutual Funds/Indian Financial Institutions/Alternate Investment Funds	4,319,900	0	4,319,900	0.71
3	FII's/FPIs	151,365,297	13,155,583	164,520,880	26.97
4	Bodies Corporate	53,516,124	9,515,737	63,031,861	10.33
5	Indian Public (Employees/HUF/Public/Trusts/Directors)	88,198,302	12,974,312	101,172,614	16.58
6	NRIs	1,136,798	8,808	1,145,606	0.19
7	GDRs (Shares underlying)	52,038	0	52,038	0.01
8	Other foreign entities (Foreign companies)	76,747,428	11,103,288	87,850,716	14.40
9	NBFCs Registered with RBI	47,448	2,343	49,791	0.01
10	Others(Clearing Members/IEPF)	9,036,128	360,613	9,396,741	1.54
	<b>Total</b>	<b>527,114,892</b>	<b>82,909,118</b>	<b>610,024,010</b>	<b>100.00</b>

\* Voting Rights i.r.o partly paid-up shares are proportionate to the amount paid up on such shares.



## Report on Corporate Governance (Contd)

### (M) Dematerialization of shares and liquidity

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

As on March 31, 2021, 99.998% equity shares of the Company representing 61,00,09,179 out of a total of 61,00,24,010 equity shares were held in dematerialized form and the balance 14,831 equity shares representing 0.002% of the total equity capital of the Company were held in physical form.

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

### (N) Outstanding GDRs/Convertible Instruments

As on March 31, 2021, the number of outstanding GDRs was 52,038. Each GDR represents one fully paid up equity share of ₹ 2/- each in the Company. Also as on March 31, 2021, an aggregate of 99,72,800 Employees Stock options are in force. As and when these stock options are exercised, the paid-up equity share capital of the Company shall stand increased accordingly. During the financial year 2020-21, 2,79,85,452 Compulsorily Convertible Debentures (CCDs) have been converted into equivalent number of fully paid up equity shares of the Company and have been listed on the National Stock Exchange of India Limited and BSE Limited.

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

During FY 2020-21, the Company doesn't have Commodity price risk. Further, the Company has not borrowed any loans in foreign currency. The working capital of the Company doesn't comprise of any amount in foreign currency. However, the Company has long term foreign currency amount receivable through loan notes and escrow account against long-term non-trade investment sold in previous years. The same has not been hedged.

### (P) Plant Location: Not applicable

### (Q) Address for Correspondence

(i) Registered Office:  
M- 62 & 63, First Floor,  
Connaught Place, New Delhi- 110 001  
E-mail: support@dhani.com,  
Tel: 0124-6681199, Fax: 0124-6681240  
Website: www.dhani.com

(ii) Corporate Office(s):

1. Indiabulls House, 448-451, Udyog Vihar, Phase V, Gurugram – 122 016.
2. One International Center, (Formerly IFC), Senapati Bapat Marg, Elphinstone Road, Mumbai- 400 013.

### (R) Profiles of Directors seeking appointment/ re-appointment have been captured in the Notice convening the 26th Annual General Meeting of the Company.

### (S) Credit Ratings

Rating Agency	Rating assigned to Company	Instrument/Purpose
Brickwork Ratings*	BWR A1+	Commercial Paper
Infomercials Valuation and Rating*	IVR A1+	Commercial Paper
Brickwork Ratings*	BWR A1+	Short-term-Non-Fund based-Sanctioned Bank Guarantee

\*during the year under review all rating were withdrawn as the Company has not utilized the rating to raise funds.



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

During the Financial Year 2020-21, the Company has allotted 3,36,00,000 Equity Shares of face value of ₹ 2/- each by way of Preferential Issue at a price of ₹ 175/- per equity share (including a premium of ₹ 173/- per equity share) aggregating to ₹ 588.00 Crores to certain foreign investors on September 29, 2020 and October 6, 2020 respectively. As on March 31, 2021, entire money has been utilized towards the objects or purposes for which the funds were raised.

Further during the Financial Year 2020-21, the Company has received an aggregate of ₹ 5,09,292 as 2nd call money on partly paid-up rights equity shares and there is no deviation as regards the utilization of funds from the objects stated in the Letter of Offers for Rights Issue.

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

Total fees for all services paid by the listed entity and its subsidiaries (excluding GST), for FY 2020-21, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:-

Particulars	₹
Audit Fee	8,165,000
Certification Fee	950,000
Out of pocket expenses	14,000
Fee for Draft Shelf Prospectus	3,149,500
<b>Total</b>	<b>12,278,500</b>

**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 Regulations, 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:**

Number of complaints filed during the financial year 2020-21	Number of complaints disposed of during the financial year 2020-21	Number of complaints pending at the end of financial year 2020-21
0	0	0

**9. OTHER DISCLOSURES**

**(i) Subsidiary Companies**

During the year under review, the Company has incorporated/acquired 5 new subsidiary companies namely, Dhani Health Middle East FZ LLC, Euler Systems, INC, Jwala Technology Systems Private Limited, Dhani Limited (Jersey) and Dhani LTD (UK).

The Company has acquired additional 58% equity stake in "Transerv Limited" (formerly "Transerv Private Limited") through one of its wholly owned subsidiary and total holding of the Company in Transerv Limited stands at 100%. By virtue of control as per Ind AS 110 - Consolidated Financial Statements, "Transerv Limited" has become 100 % owned subsidiary of the Company. Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) was material unlisted subsidiary of the Company during the financial year 2020-21. The Company has formulated a Policy for determining material subsidiaries, pursuant to the provisions of the SEBI LODR Regulations, which is available on the website of the Company at:



## Report on Corporate Governance (Contd)

[https://www.dhani.com/wp-content/uploads/2020/12/IVL\\_Policy\\_for\\_Determining\\_Material\\_Subsiary\\_1598077992.pdf](https://www.dhani.com/wp-content/uploads/2020/12/IVL_Policy_for_Determining_Material_Subsiary_1598077992.pdf)

### (ii) MCA Inspection

During FY 2020-2021, the Company, its Directors and Key Managerial Persons had received Show Cause Notices from the Registrar of Companies, NCT of Delhi & Haryana, Ministry of Corporate Affairs, New Delhi ("ROC"), for non-compliance of certain applicable provisions / disclosure requirements, under different provisions of the Companies Act, 2013 (the Act), as observed by MCA officials during inspection of Company records under section 206(5) of the Act for the period from FY 2014-15 to FY 2016-17. The Company & its officers have filed representations under Section 123 and Section 186 of the Act with ROC and the Regional Director (NR), Ministry of Corporate Affairs, New Delhi. The Company & its officers (Executive Directors & KMPs), in order to buy peace, qua such non compliances, have filed necessary Compounding Applications/ Petitions under section 441 of the Act and application / request for Adjudication of Penalties under section 454 of the Act with ROC.

### (iii) Related Party Transactions

All the related party transactions, entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. There are no materially significant related party transactions entered by the Company with its Promoters, Key Management 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 [https://www.dhani.com/wp-content/uploads/2021/07/DSL\\_Policy\\_for\\_Dealing\\_with\\_Related\\_Party\\_Transactions.pdf](https://www.dhani.com/wp-content/uploads/2021/07/DSL_Policy_for_Dealing_with_Related_Party_Transactions.pdf).

### (iv) CEO / CFO Certification

- (a) The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued certificate pursuant to the Regulation 33(2)(a) of SEBI LODR Regulations, certifying that the financial results 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 CEO and CFO have also 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.

### (v) No Disqualification Certificate from Company Secretary in Practice

Certificate from Practising Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, Ministry of Corporate Affairs or any such other Statutory Authority, as stipulated under Regulation 34(3) of the SEBI LODR, is attached to this Report.

### (vi) Codes of the Company

#### (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 at [https://www.dhani.com/wp-content/uploads/2020/12/code-of-conduct-for-board-members-and-senior-management\\_1564991994.pdf](https://www.dhani.com/wp-content/uploads/2020/12/code-of-conduct-for-board-members-and-senior-management_1564991994.pdf)





All Board Members and Senior Management personnel have affirmed compliance with the Code. A declaration signed by the Chief Executive Officer 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 SEBI (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.

**(vii) 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 at: [www.dhani.com](http://www.dhani.com).

**(viii) Strictures and Penalties**

SEBI vide order dated May 21, 2021 imposed a penalty of ₹ 55 Lacs on the Company and its Secretary for not closing trading window in respect of one of the transaction executed in 2017 with the shareholders' approval in July 2016. SAT has granted stay on the said SEBI order subject to payment of 50% of penalty. The said penalty has been paid by the Company and Secretary of the Company. The appeal filed will be finally disposed off on September 20, 2021.

During the last three financial years including the year under review, no penalty was imposed by BSE Limited, National Stock Exchange of India Limited and SEBI.

**(ix) Details of compliance with mandatory requirements and adoption of discretionary requirements pursuant to SEBI LODR**

The Company has complied with all the mandatory requirements pursuant to SEBI LODR in letter as well as in spirit. The details of these compliances have been given in the relevant sections of this Report. The status on compliance with the discretionary requirements is given at the end of the Report.

**10. DISCRETIONARY REQUIREMENTS**

**(A) The Board**

The Company has an Executive-Chairman and hence the requirements recommended as to a Non-Executive Chairman under the Regulation 27(1) Read with Clause A Part E Schedule II of SEBI (LODR) Regulations, 2015 are not required to be adopted by the Company.



## Report on Corporate Governance (Contd)

### (B) Non-Executive Chairman

Till September 24, 2020, Mr. Sameer Gehlaut, was Non – Executive Director holding the office as Chairman of the Company. However, w.e.f. September 25, 2020, Mr. Gehlaut has been appointed as Executive Director and Chairman of the Company, hence, the requirements applicable in terms of Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015 are in compliance by the Company.

### (C) 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 website.

### (D) Unqualified Financial Statements

The Auditors' Report on the audited 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.

### (E) Reporting of Internal Auditor

The Internal Auditor of the Company reports to CFO and has direct access to the Audit Committee.

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 Regulations.

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 March 31, 2021 is in compliance with the requirements as prescribed under Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI LODR Regulations, to the extent applicable to the Company.

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

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

Date: August 6, 2021

Place: London

Sd/-  
**Sameer Gehlaut**  
Chairman & CEO



**CEO/CFO certification pursuant to regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors  
**Dhani Services Limited**

As required by Regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm to the Board that:

- A. We have reviewed financial statements including the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
- (1) There were no significant changes in internal control over financial reporting during the year;
  - (2) There were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
**Sameer Gehlaut**  
Chairman & CEO  
Date: June 18, 2021  
Place: London

Sd/-  
**Rajeev Lochan Agrawal**  
Chief Financial Officer  
Date: June 18, 2021  
Place: Gurugram



## Report on Corporate Governance (Contd)

### CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To  
The Members of  
**Dhani Services Limited**  
(formerly Indiabulls Ventures Limited)

We have examined the compliance of conditions of Corporate Governance by Dhani Services Limited ("the Company"), for the year ended March 31, 2021, 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

We state that the compliance of conditions of Corporate Governance is the responsibility of the Company's management and, our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with 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, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended March 31, 2021.

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

**For L R & Associates  
Company Secretaries**

Sd/-  
**CS Riya Luthra  
(Proprietor)  
M. No- 53802; COP- 24472**

Date: July 20, 2021

Place: New Delhi

UDIN: A053802C000659352



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**The Members of**

**Dhani Services Limited**

(Formerly known as Indiabulls Ventures Limited)

M-62 & 63, First Floor Connaught Place,

New Delhi – 110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Dhani Services Limited** having CIN L74110DL1995PLC069631 and having registered office at M-62 & 63, First Floor Connaught Place, New Delhi – 110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs (MCA) or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in the Company *
1.	Mr. Sameer Gehlaut	00060783	28/08/2017
2.	Mr. Divyesh Bharatkumar Shah	00010933	09/03/2005
3.	Mr. Gagan Banga	00010894	28/08/2017
4.	Mr. Pinank Jayant Shah	07859798	28/08/2017
5.	Mr. Praveen Kumar Tripathi	02167497	16/09/2019
6.	Dr. Narendra Damodar Jadhav	02435444	23/08/2020
7.	Mrs. Fantry Mein Jaswal	07011247	23/08/2020
8.	Mr. Rakesh Mohan Garg	08970794	25/11/2020
9.	Mr. Vijay Chugh	07112794	21/12/2020
10.	Mr. Anish Ernest Williams	03314110	21/12/2020

\*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For L R & Associates  
Company Secretaries**

Sd/-

**CS Riya Luthra  
(Proprietor)**

**M. No- 53802; COP- 24472**

Date: July 20, 2021

Place: New Delhi

UDIN: A053802C000659308



# Independent Auditors' Report

To the Members of Dhani Services Limited (formerly known as Indiabulls Ventures Limited)

Report on the Audit of the Consolidated Financial Statements

## Opinion

1. We have audited the accompanying consolidated financial statements of **Dhani Services Limited (formerly known as Indiabulls Ventures Limited)** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at **31 March 2021**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, 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 2021, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

## Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of Matter – Registration with Reserve Bank of India (RBI)

4. We draw attention to note 49 to the accompanying consolidated financial statements regarding the Holding Company's requirement of obtaining the Certificate of Registration (CoR) from Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) under the category of Core Investment Company (CIC) which is currently being evaluated by the management. The management is of the view that the possible non-compliance with such requirements is not expected to have a material impact on the accompanying consolidated financial statements. Our opinion is not modified in respect of this matter.

## Emphasis of Matter - Effects of COVID 19 pandemic

5. We draw attention to note 45 to the accompanying consolidated financial statements, which describes the uncertainties relating to COVID-19 pandemic on the Group's operation that are dependent on the future developments and the management's evaluation of the impact on the impairment assessment of financial assets outstanding as at 31 March 2021. Our opinion is not modified in respect of this matter.

## Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the



subsidiaries were of most significance in our audit of the consolidated financial statements of the current period. 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.

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

Key Audit Matters	How our audit addressed the key audit matters
<p><b>1. Expected Credit Losses on loans</b></p>	
<p>[Refer note 5(II)(I) for the accounting policy and note 10 and note 55 for the related disclosures]</p>	
<p>As at 31 March 2021, the Group has financial assets (loans) amounting to ₹ 459,885.26 lakh against which the Group has recognized an impairment loss of ₹ 62,683.86 lakh. Further, the Group has written off loan assets aggregating to ₹ 19,614.75 lakh in the current year.</p> <p>Indian Accounting Standard ('Ind AS') 109, Financial Instruments requires the Group to provide for impairment of its financial assets using expected credit losses approach.</p> <p>The expected credit loss is calculated using the percentage of probability of default, loss given default and exposure at default for each of the stages of loan portfolio based on industry data sourced from a leading credit bureau. Such estimates have then been adjusted to reflect the uncertainties relating to COVID-19 pandemic outbreak and its impact on impairment loss assessment.</p> <p>Loan assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial assets on statement of profit and loss.</p> <p>The determination of impairment provisions and write-offs is complex, and significant judgements are required around both the timing of recognition of impairment provisions and estimation of the amount of allowances required in relation to loss events.</p> <p>Considering the significance of the above matter to the consolidated financial statements, high estimation uncertainty and significant management judgments involved, this area required significant auditor's attention to test such complex accounting estimates. Therefore, we have identified this as a key audit matter for current year audit.</p>	<p>Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through the following procedures, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>(a) obtaining an understanding of the model adopted by the Group for calculation of expected credit losses on loan assets and the appropriateness of such methodology in accordance with the requirements of applicable accounting standards;</li> <li>(b) testing the design and operating effectiveness of key controls relating to calculation of expected credit loss. This includes testing performed by IT specialists to test the data flows from source systems to spreadsheet-based models to test their completeness and accuracy;</li> <li>(c) testing the modelling assumptions and inputs which are based on industry experience as collated by an expert, by benchmarking independently such inputs with data of other comparable companies to assess reasonability of such assumptions. The management overlay of additional provision recognised due to impact of COVID-19 was also reviewed for reasonableness basis our understanding of the loan portfolio risk and historical experience;</li> <li>(d) testing the ageing of loan balances on sample basis to ensure the appropriateness of loan categorisation across various stages performed by the management in accordance with the accounting policy, while considering the directions issued by the Reserve Bank of India on such classification of loans falling due during the moratorium period extended to the borrowers;</li> <li>(e) testing the arithmetical accuracy of the calculation of expected credit losses;</li> </ul>



## Independent Auditors' Report (Contd.)

Key Audit Matters	How our audit addressed the key audit matters
<p>We also draw attention to Note 45 to the accompanying consolidated financial statements which describe the uncertainties relating to the effects of COVID-19 pandemic outbreak that impact the impairment assessment of loan assets outstanding as at 31 March 2021.</p>	<p>(f) verifying the adequacy and appropriateness of the related disclosures in accordance with the requirements of relevant accounting standards;</p> <p>(g) obtaining and verifying the relevant approvals for write-off of the loan assets in accordance with the Group's policy; and</p> <p>(h) obtaining written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.</p>
<p><b>2. Use of information processing system for accounting and financial reporting</b></p>	
<p>Dhani Loans and Services Limited ('DLSL') relies upon information processing systems for recording, processing, classifying and presenting the large volume of transactions entered into by DLSL. DLSL has put in place IT General Controls and automated IT Controls to ensure that the information produced by them is reliable. Among other things, the management also uses the information produced by the entity's information processing systems for accounting and the preparation and presentation of the financial statements.</p> <p>Since our audit strategy included focus on DLSL's information processing systems relevant to our audit due to their pervasive impact on the financial statements, we have determined the use of information processing system for accounting and financial reporting as a key audit matter for the current year audit.</p>	<p>Our key audit procedures on this matter included, but were not limited, to the following:</p> <p>(a) obtaining an understanding of DLSL's information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit;</p> <p>(b) involving IT specialists (auditor's expert) for performance of the following procedures:</p> <p>(i) testing the IT General Controls around user access management, changes to IT environment and segregation of duties over key financial accounting and reporting processes; and</p> <p>(ii) testing the automated controls like interfaces, configurations and information generated by the entity's information processing systems for loans, interest income and other significant financial statement items.</p> <p>(iii) obtaining written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.</p>

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

8. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.





Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

9. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. 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 including other 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. The respective Board of Directors/management of the companies included in the Group are responsible for 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 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 the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
10. 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 the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
11. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

12. 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 Standards on Auditing 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 financial statements.
13. As part of an audit in accordance with Standards on Auditing, 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



## Independent Auditors' Report (Contd.)

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 with reference to 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; and
  - 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.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
14. 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.
  15. 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.
  16. 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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

17. We did not audit the financial statements / financial information of 19 subsidiaries, whose financial statements / financial information reflects total assets of ₹ 264,452.55 lakh and net assets of ₹ 91,226.92 lakh as at 31 March 2021, total revenues of ₹ 37,666.97 lakh and net cash outflows amounting to ₹ 505.29 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion



on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

18. We did not audit the financial statements / financial information of 4 subsidiaries, whose financial statements / financial information reflects total assets of ₹ 4,282.60 lakh and net assets of ₹ 3,456.11 lakh as at 31 March 2021, total revenues of ₹ 0.10 lakh and net cash outflows amounting to ₹ 4,179.29 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Further, these subsidiaries, are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, are based on such unreviewed / unaudited financial statements / financial information/ financial results and the conversion adjustments prepared by the management of the Holding Company.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements/financial information certified by the management.

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

19. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 17, on separate financial statements of the subsidiaries, we report that the Holding Company and 3 subsidiary companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that 18 subsidiary companies covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.
20. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, 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 purpose of our audit of the aforesaid consolidated financial statements;
  - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;



## Independent Auditors' Report (Contd.)

- c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 March 2021 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 financial statements of the Holding Company and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in Annexure A; and
- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
  - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 48 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 2021;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies covered under the Act, during the year ended 31 March 2021, and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Khushroo B. Panthaky**

Partner

Membership No. 042423

UDIN: 21042423AAAAET1408

Place: Mumbai

Date: 18 June 2021



## Annexure 1

### List of entities included in the Statement

- 1) Indiabulls Investment Advisors Limited
- 2) Auxesia Soft Solutions Limited
- 3) Dhani Stocks Limited (earlier Indiabulls Securities Limited)
- 4) Indiabulls Distribution Services Limited
- 5) Dhani Loan and Services Limited (earlier Indiabulls Consumer Finance Limited)
- 6) Pushpanjli Finsolutions Limited
- 7) Devata Tradelink Limited
- 8) Arbutus Constructions Limited
- 9) Gyansagar Buildtech Limited
- 10) Dhani Healthcare Limited (earlier Pushpanjli Fincon Limited)
- 11) Indiabulls Alternate Investments Limited
- 12) Indiabulls Consumer Products Limited
- 13) Indiabulls Asset Reconstruction Company Limited (Group)
- 14) Indiabulls Infra Resources Limited
- 15) Evinos Developers Limited
- 16) Evinos Buildwell Limited
- 17) TranServ Limited (earlier TranServ Private Limited)
- 18) Savren Buildwell Limited
- 19) Krathis Buildcon Limited
- 20) Krathis Developers Limited
- 21) Jwala Technology Systems Private Limited
- 22) Euler Systems Inc
- 23) Dhani Limited, UK
- 24) Dhani Limited, Jersey
- 25) Dhani Limited, Middle East



## Independent Auditors' Report (Contd.)

**Annexure A to the Independent Auditor's Report of even date to the members of Dhani Services Limited (formerly known as Indiabulls Ventures Limited), on the consolidated financial statements for the year ended 31 March 2021**

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

1. In conjunction with our audit of the consolidated financial statements of **Dhani Services Limited (formerly known as Indiabulls Ventures 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 2021, 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**

2. 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 financial controls with reference to 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 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**

3. 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.
4. 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.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. 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**

7. 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**

8. 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 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

#### **Other Matter**

9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to 19 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 264,452.55 lakh and net assets of ₹ 91,226.92 lakh as at 31 March 2021, total revenues of ₹ 37,666.97 lakh and net cash outflows amounting to ₹ 505.29 lakh for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Khushroo B. Panthaky**  
Partner  
Membership No. 042423  
UDIN: 21042423AAAET1408

Place: Mumbai  
Date: 18 June 2021



# Consolidated Balance Sheet

as at 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

	Notes	As at 31 March 2021	As at 31 March 2020	
<b>I. ASSETS</b>				
<b>(1) Financial assets</b>				
(a)	Cash and cash equivalents	6	123,595.03	211,941.33
(b)	Other bank balances	7	79,613.84	74,050.60
(c)	Receivables			
	Trade receivables	8	14,027.67	15,214.76
	Other receivables	9	6,969.91	6,875.11
(d)	Loans	10	459,885.26	523,096.07
(e)	Investments	11	142,031.59	63,412.25
(f)	Other financial assets	12	39,560.79	92,337.38
	<b>Total financial assets</b>		<b>865,684.09</b>	<b>986,927.50</b>
<b>(2) Non-financial assets</b>				
(a)	Inventories	13	90.45	-
(b)	Current tax assets (net)	14	18,137.97	16,036.80
(c)	Deferred tax assets (net)	15	20,877.80	17,269.39
(d)	Investment property	16A	-	27,122.50
(e)	Property, plant and equipment	16B	6,900.47	7,753.10
(f)	Capital work-in-progress	16C	123.88	-
(g)	Right-of-use assets	16D	15,159.78	24,135.20
(h)	Intangible assets under development	16E	478.08	608.12
(i)	Goodwill	16F	6,797.16	3,906.43
(j)	Other intangible assets	16G	12,065.50	12,608.41
(k)	Other non-financial assets	17	66,581.18	61,355.07
	<b>Total non-financial assets</b>		<b>147,212.27</b>	<b>170,795.02</b>
	<b>TOTAL ASSETS</b>		<b>1,012,896.36</b>	<b>1,157,722.52</b>
<b>II. LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>(1) Financial liabilities</b>				
(a)	Payables			
	Trade payables	18		
	(i) total outstanding dues of micro enterprises and small enterprises		-	2.42
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		7,517.61	8,508.62
	<b>Other payables</b>	19		
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		9,577.22	4,051.25
(b)	Debt securities	20	77,060.33	89,486.58
(c)	Borrowings (other than debt securities)	21	280,387.50	425,847.56
(d)	Lease liabilities	22	16,408.66	25,624.33
(e)	Other financial liabilities	23	52,923.32	30,174.84
	<b>Total financial liabilities</b>		<b>443,874.64</b>	<b>583,695.60</b>
<b>(2) Non-financial liabilities</b>				
(a)	Current tax liabilities (net)	24	1,095.71	284.96
(b)	Provisions	25	3,024.96	3,741.04
(c)	Deferred tax liabilities (net)	26	774.65	1,098.28
(d)	Other non-financial liabilities	27	2,880.71	10,129.08
	<b>Total non-financial liabilities</b>		<b>7,776.03</b>	<b>15,253.36</b>
<b>(3) Equity</b>				
(a)	Equity share capital	28	11,454.24	10,222.47
(b)	Other equity	29	506,775.40	492,512.96
	<b>Equity attributable to the owners of the Holding Company</b>		<b>518,229.64</b>	<b>502,735.43</b>
	Non controlling interests		43,016.05	56,038.13
	<b>Total equity</b>		<b>561,245.69</b>	<b>558,773.56</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,012,896.36</b>	<b>1,157,722.52</b>

The accompanying notes form an integral part of these consolidated financial statements.  
This is the consolidated balance sheet referred to in our report of even date

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors

**Khushroo B. Panthaky**  
Partner  
Membership No.: 042423

Place: Mumbai  
Date: 18 June 2021

**Sameer Gehlaut**  
Chairman & CEO  
DIN: 00060783  
Place: London  
Date: 18 June 2021

**Divyesh B. Shah**  
Whole Time Director &  
Chief Operating Officer  
DIN: 00010933  
Place: Mumbai  
Date: 18 June 2021

**Rajeev Lochan Agrawal**  
Chief Financial Officer  
Place: Gurugram  
Date: 18 June 2021

**Lalit Sharma**  
Company Secretary  
Place: Gurugram  
Date: 18 June 2021





# Consolidated Statement of Profit and Loss

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>I. Revenue from operations</b>			
Interest income	30	101,205.38	197,233.11
Dividend income	31	9.41	4,951.19
Fees and commission income	32	26,264.53	27,518.30
Net gain on fair value changes	33	3,622.30	-
Net gain on derecognition of financial assets	34	-	61,775.95
<b>Total revenue from operations</b>		<b>131,101.62</b>	<b>291,478.55</b>
II. Other income	35	5,244.08	406.68
<b>III. Total income (I + II)</b>		<b>136,345.70</b>	<b>291,885.23</b>
<b>IV. Expenses</b>			
Finance costs	36	49,132.11	79,969.98
Fees and commission expense	37	5,934.52	3,417.74
Net loss on fair value changes	33	-	1,512.19
Net loss on derecognition of financial assets	34	3.11	-
Impairment on financial instruments	38	27,759.20	96,023.15
Purchases of Stock-in-trade		113.52	-
Changes in Inventories of stock-in-trade and others	39	(90.45)	-
Employee benefits expenses	40	38,726.70	50,842.82
Depreciation, amortisation and impairment	41	8,395.38	11,607.23
Other expenses	42	27,243.01	45,808.18
<b>Total expenses</b>		<b>157,217.10</b>	<b>289,181.29</b>
<b>V. Profit/(loss) before tax (III + IV)</b>		<b>(20,871.40)</b>	<b>2,703.94</b>
<b>VI. Tax expense:</b>	43		
Current tax		6,028.03	1,881.82
Income-tax of earlier years		28.03	-
Deferred tax credit		(3,950.56)	(3,358.78)
		<b>2,105.50</b>	<b>(1,476.96)</b>
<b>VII. Profit/(loss) for the year (V - VI)</b>		<b>(22,976.90)</b>	<b>4,180.90</b>
<b>VIII. Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement (gain)/loss on defined benefit plans		583.21	(79.60)
(b) Fair value of equity instrument		151.83	(167.35)
(ii) Income-tax relating to items that will not be reclassified to profit or loss		(146.96)	20.85
(iii) Items that will be reclassified to profit or loss			
(a) Changes in fair valuation of financial assets		(357.00)	1,059.00
(b) Exchange differences on translation of foreign operations		(18.13)	-
(iv) Income-tax relating to items that will be reclassified to profit or loss		89.85	(266.53)
<b>Total other comprehensive income (net of taxes)</b>		<b>302.80</b>	<b>566.37</b>
<b>IX. Total comprehensive income for the year (IX + X)</b>		<b>(22,674.10)</b>	<b>4,747.27</b>
<b>Net profit after tax attributable to -</b>			
Owners of the Holding Company		(22,505.40)	432.67
Non controlling interests		(471.50)	3,748.23
		<b>(22,976.90)</b>	<b>4,180.90</b>
<b>Other comprehensive income attributable to -</b>			
Owners of the Holding Company		302.80	553.37
Non controlling interests		-	13.00
		<b>302.80</b>	<b>566.37</b>
<b>Total comprehensive income attributable to -</b>			
Owners of the Holding Company		(22,202.60)	986.04
Non controlling interests		(471.50)	3,761.23
		<b>(22,674.10)</b>	<b>4,747.27</b>
<b>X. Earnings per equity share (₹) :</b>	44		
Basic		(4.16)	0.07
Diluted		(4.16)	0.07
Face value per equity share (₹)		2.00	2.00

The accompanying notes form an integral part of these consolidated financial statements.  
This is consolidated statement of profit and loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors

**Khushroo B. Panthaky**

Partner

Membership No.: 042423

Place: Mumbai

Date: 18 June 2021

**Sameer Gehlaut**

Chairman & CEO

DIN: 00060783

Place: London

Date: 18 June 2021

**Divyesh B. Shah**

Whole Time Director &

Chief Operating Officer

DIN: 00010933

Place: Mumbai

Date: 18 June 2021

**Rajeev Lochan Agrawal**

Chief Financial Officer

Place: Gurugram

Date: 18 June 2021

**Lalit Sharma**

Company Secretary

Place: Gurugram

Date: 18 June 2021



# Consolidated Statement of Cash Flows

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from operating activities :		
Profit/(loss) before tax	(20,871.40)	2,703.94
<b>Adjustments for:</b>		
Depreciation, amortisation and impairment	8,395.38	11,607.23
Loss/(profit) on sale of property, plant and equipment (net)	744.94	(3.64)
Profit on sale of Investment Property	(3,579.20)	-
Provision for employee benefits (net)	167.96	1,340.32
Provision for capital advances	24.74	-
Impairment on financial assets	27,759.20	96,023.15
Loss/(gain) on sale of loan portfolio through assignment	(102.44)	(61,775.95)
Excess provisions for expenses no longer required written back	(724.95)	(260.47)
Liabilities written back	(790.03)	(1.57)
Unrealised loss/(gain) on foreign exchange fluctuations (net)	16.09	(106.73)
Interest expenses on leasing arrangement	1,800.84	2,774.91
Net (gain)/loss on fair value changes	(132.36)	292.80
Share based payments expense	(143.26)	2,025.83
Effective interest rate adjustment for financial instruments	2,127.03	2,517.58
<b>Operating profit before working capital changes</b>	<b>14,692.54</b>	<b>57,137.40</b>
<b>Adjustments for :</b>		
Decrease in trade receivables	3,934.62	4,073.77
Increase/(decrease) in other receivables	(94.80)	3,433.70
Decrease in loans	24,277.28	545,791.73
Increase in Inventory	(90.45)	-
Decrease in other financial assets	42,881.03	32,771.69
Decrease in non financial assets	(6,420.92)	(3,879.46)
Decrease in derivative financial instruments	-	(209.42)
Increase/(decrease) in trade payable	(993.43)	1,949.74
Increase in other payable	6,250.92	1,632.34
Increase/(decrease) in other financial liabilities	22,182.80	(28,450.41)
Decrease in provisions	(330.66)	(1,977.71)
Increase/(decrease) in non-financial liabilities	(6,469.56)	4,448.05
<b>Cash generated from operating activities</b>	<b>99,819.37</b>	<b>616,721.41</b>
Income-taxes paid (net)	(7,282.84)	(12,710.72)
<b>Net cash generated from operating activities</b> <b>A</b>	<b>92,536.53</b>	<b>604,010.69</b>
<b>Cash flows from investing activities :</b>		
Purchase of property, plant and equipment, intangible assets under development and intangible assets (including capital advances)	(3,387.92)	(80,991.10)
Proceeds from sale of property, plant and equipment	208.92	75.05
Proceeds from sale of investment property	30,700.00	-
Payment made on acquisition of subsidiary	(2,891.79)	(1,402.48)
Proceeds from investment (net)	(78,335.15)	(3,262.72)
<b>Net cash used in investing activities</b> <b>B</b>	<b>(53,705.94)</b>	<b>(85,581.25)</b>



## Consolidated Statement of Cash Flows (Contd.)

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Cash flows from financing activities :</b>			
Proceeds from issue of equity shares (including securities premium)		58,791.38	4,118.56
Dividends paid (including dividend distribution tax and amount transferred to Investor Education and Protection Fund)		(59.61)	(20,515.32)
Purchase of treasury shares		(20,759.60)	(18,305.73)
Payment of Lease Liability		(5,424.01)	(6,009.48)
Buy-back of equity shares (including buy back expenses and taxes)		-	(107,160.77)
Repayment of debt securities		(66,076.95)	(159,960.53)
Proceeds from debt securities		52,500.00	43,320.28
Repayment of borrowings other than debt securities		(176,934.82)	(1,873,454.28)
Proceeds from borrowings other than debt securities		41,123.80	1,728,642.69
<b>Net cash used in financing activities</b>	<b>C</b>	<b>(116,839.81)</b>	<b>(409,324.58)</b>
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	<b>D</b>	<b>(78,009.22)</b>	<b>109,104.86</b>
Currency translation reserve	<b>E</b>	(17.67)	-
Cash and cash equivalent of subsidiary acquired	<b>F</b>	36.36	764.67
Cash and cash equivalents at the beginning of the year	<b>G</b>	201,085.55	91,216.02
<b>Cash and cash equivalents at the end of the year (D+E+F+G)</b>		<b>123,095.03</b>	<b>201,085.55</b>

### Notes:

1. The above statement of cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 'Statement of Cash Flows' as specified under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

2. Cash and cash equivalents as at the end of the year include:	At at 31 March 2021	As at 31 March 2020
Cash and cash equivalents (as per note 6 to the financial statements) *	123,595.03	211,941.33
Less: Bank overdraft facilities (as per note - 21 to the financial statements)	(500.00)	(10,855.78)
	<b>123,095.03</b>	<b>201,085.55</b>

\*Refer note 7(i) for restriction of cash and cash equivalents

3 For disclosures relating to change in liabilities arising from financing activities refer note- 50.

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

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors

**Khushroo B. Panthaky**  
Partner  
Membership No.: 042423

Place: Mumbai  
Date: 18 June 2021

**Sameer Gehlaut**  
Chairman & CEO  
DIN: 00060783  
Place: London  
Date: 18 June 2021

**Divyesh B. Shah**  
Whole Time Director &  
Chief Operating Officer  
DIN: 00010933  
Place: Mumbai  
Date: 18 June 2021

**Rajeev Lochan Agrawal**  
Chief Financial Officer  
Place: Gurugram  
Date: 18 June 2021

**Lalit Sharma**  
Company Secretary  
Place: Gurugram  
Date: 18 June 2021



# Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Particulars	Equity share capital (refer note - 28)		Other equity (refer note - 29)		Reserves and surplus		Other comprehensive income		Total non-controlling interest	Total					
	Balance as at 1 April 2019	Changes during the year	Balance as at 1 April 2019	Changes during the year	Balance as at 31 March 2020	Changes during the year	Balance as at 31 March 2021	Changes during the year							
Equity share capital	11,348.76	(1,126.29)	10,222.47	1,231.77						11,454.24					
<b>A</b>															
<b>B. Other equity (refer note - 29)</b>															
Treasury shares															
Equity component of compulsorily convertible debentures															
Reserve fund	12,184.91	747.31	410,449.18	3,700.36	416.54	39.98	4,197.55	7,671.71	59,735.21	397.14					
Capital reserve															
Securities premium															
Capital redemption reserve															
Debiture redemption reserve															
Foreign currency monetary item translation difference account															
General reserve															
Share options outstanding account															
Retained earnings															
Equity instruments															
Change in fair value of loan assets															
Exchange differences on translating the financial statements of a foreign operation															
Attributable to equity shareholders of the Holding Company															
Total															
Balance as at 1 April 2019	131,706.14	12,184.91	747.31	410,449.18	3,700.36	416.54	39.98	4,197.55	7,671.71	59,735.21	397.14	631,248.03	14,916.00	646,164.03	
Profit for the year												432.67	419.63	4,180.86	
Other comprehensive income (net of tax)												(58.75)	(167.35)	792.47	
Issue of equity shares														548.67	
Expenses on issue of partly paid up shares														(286.11)	
Acquisition of own shares (18,305.73)														(18,305.73)	
Impact of change in income-tax rate														(988.88)	
Effect of change in foreign exchange rate														66.75	
Amortised during the year														(106.73)	
Dividend paid (i)														(17,174.35)	
Dividend distribution tax														(3,556.07)	
Dividend on treasury shares														234.00	
Transfer from retained earnings														(668.55)	
Share based options for employees of subsidiaries														(1,289.07)	
Non-controlling interests on acquisition of subsidiaries														37,360.90	
Transfer to on account of sale of equity instruments measured at fair value through other comprehensive income														(65.61)	
Amount transferred to capital redemption reserve upon Buyback (refer note - 62)														1,333.33	
Share based options lapsed														227.07	
Buy-back of shares (including buy-back expenses and taxes) (refer note - 62)														(105,827.46)	
Share based payment expense														2,025.83	
Balance as at 31 March 2020	130,719.26	13,270.00	747.31	309,822.36	5,033.69			4,197.55	8,181.40	37,890.47	1,641.18	792.47	492,512.96	56,038.13	548,551.09



# Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Particulars	Treasury shares	Equity component of convertible debentures	Reserves and surplus							Other comprehensive income			Total non-controlling interest	Total		
			Reserve fund	Capital reserve	Securities premium	Capital redemption reserve	Debiture redemption reserve	Foreign currency monetary translation difference account	General reserve	Share options outstanding account	Retained earnings	Equity instruments			Change in fair value of loan assets	Exchange differences on translating the financial statements of a foreign operation
Balance as at 1 April 2020	(18,305.73)	130,719.26	13,270.00	747.31	309,822.36	5,033.69	-	4,197.55	8,181.40	37,890.47	164.18	792.47	-	492,512.96	56,038.13	548,551.09
Loss for the year	-	-	-	-	-	-	-	-	-	(2,505.40)	-	-	-	(22,505.40)	(471.50)	(22,976.90)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	436.25	151.83	(267.15)	18.13	302.80	-	302.80
Issue of equity shares	-	(130,719.26)	-	-	188,421.55	-	-	-	-	-	-	-	-	57,702.29	-	57,702.29
Expenses on issue of partly paid up shares	-	-	-	-	(15.50)	-	-	-	-	-	-	-	-	(15.50)	-	(15.50)
Acquisition of own shares	(20,759.60)	-	-	-	-	-	-	-	-	-	-	-	-	(20,759.60)	-	(20,759.60)
Non-controlling interests on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,550.58)	(12,550.58)
Share based options lapsed	-	-	-	-	-	-	-	-	(3,541.16)	3,541.16	-	-	-	-	-	-
Addition on account of acquisition of subsidiary	-	-	-	-	-	-	-	-	-	(319.89)	-	-	-	(319.84)	-	(319.84)
Share based payment expense	-	-	-	-	-	-	-	-	(143.26)	-	-	-	-	(143.26)	-	(143.26)
<b>Balance as at 31 March 2021</b>	<b>(39,065.33)</b>	<b>0.00</b>	<b>13,270.00</b>	<b>747.31</b>	<b>498,228.41</b>	<b>5,033.69</b>	<b>-</b>	<b>4,197.55</b>	<b>4,496.98</b>	<b>19,043.59</b>	<b>316.01</b>	<b>525.32</b>	<b>(18.13)</b>	<b>506,775.40</b>	<b>43,016.05</b>	<b>549,791.45</b>

(i) Dividend paid during the year ended 31 March 2021 is nil (31 March 2020: ₹ 3.25 per share) for fully paid up share having face value ₹ 2 each, nil (31 March 2020: ₹ 1.7875 per share) for partly paid up share of ₹ 1.10 per share having face value ₹ 2 each, nil (31 March 2020: ₹ 1.30 per share) for partly paid up share of ₹ 0.80 per share having face value ₹ 2 each and nil (31 March 2020: ₹ 0.25 per share) for partly paid up share of ₹ 0.50 per share having face value ₹ 2 each.

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

For Walker Chandiook & Co LLP  
Chartered Accountants

Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors

**Khushroo B. Panthaky**  
Partner

Membership No.: 042423

Place: Mumbai

Date: 18 June 2021

**Sameer Gehlaut**  
Chairman & CEO

DIN: 00060783

Place: London

Date: 18 June 2021

**Divyesh B. Shah**

Whole Time Director &

Chief Operating Officer

DIN: 00010933

Place: Mumbai

Date: 18 June 2021

**Rajeev Lochan Agrawal**

Chief Financial Officer

Place: Gurugram

Date: 18 June 2021

**Lalit Sharma**

Company Secretary

Place: Gurugram

Date: 18 June 2021



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

### Note - 1

#### Group overview

Dhani Services Limited (formerly Indiabulls Ventures Limited) ('IBVL', 'the Holding Company', 'the Company') along with its subsidiaries and associate, collectively referred to as 'the Group' in following notes. The Group's primary businesses are "Broking and Related activities", "Financing and Related activities" and "Asset Reconstruction and Related activities". Broking and related activities include business as a stock broker on the National Stock Exchange of India Limited ('NSE') and the BSE Limited ('BSE'), business as a commodity broker on the Multi Commodity Exchange of India Limited and the National Commodity and Derivative Exchange Limited, business of cross selling of real estate and providing other ancillary services relating to broking activities. Financing and Related activities include personal loans, business installment loans etc. Asset Reconstruction and Related activities include asset reconstruction business of stressed assets.

On 2 April 2008, the equity shares of the Holding Company were listed on the NSE and the BSE after the demerger of the Holding Company from Indiabulls Financial Services Limited (erstwhile holding company) vide Scheme of Arrangement. The Holding Company is domiciled in India and its registered office is situated at M-62 & 63, First Floor, Connaught Place, New Delhi – 110001.

### Note - 2

#### General information and statement of compliance with Ind AS

These consolidated financial statements ('financial statements') have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies during the periods presented in this consolidated financial statements.

These consolidated financial statements for the year ended 31 March 2021 are the consolidated financial statements which has been prepared in accordance with Ind AS.

The consolidated financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on 18 June 2021.

### Note - 3

#### 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 as explained in relevant accounting policies. These consolidated financial statements of the Company are presented in Indian Rupees (INR) which is also the Company's functional currency.

### Note - 4

#### Basis of consolidation

##### Subsidiaries

The consolidated financial statements comprise financial statements of the Holding Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls 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 the relevant activities of the entity. The Group can



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss [including other comprehensive income ('OCI')] of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

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

### Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control those policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Interest in associates are accounted for using the equity method, after initially being recognized at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting principles and policies of the Group. The consolidated statement of profit and loss (including the other comprehensive income) includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interests in associates.

### Business combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group. Acquisition costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values. Goodwill is measured as excess of the aggregate of the fair value of the consideration transferred, the amount recognized for non-controlling interests and fair value of any previous interest held, over the fair value of the net of identifiable assets acquired and liabilities assumed. If the fair value of the net of identifiable assets acquired and liabilities assumed is in excess of the aggregate mentioned above, the resulting gain on bargain purchase is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

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

### Note - 5

#### I Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

##### Significant management judgements

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

**Business model assessment** - The Group determines the business model at a level that reflects how groups 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 derecognised 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.

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

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

**Expected credit loss ('ECL')** – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Group makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

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





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

### Significant estimates

**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 utility of assets.

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

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

## II 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, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

### a. Property, plant and equipment

#### Recognition and initial measurement

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

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortised over the duration of the lease.

Asset class	Useful life
Furniture and fixtures	10 years
Vehicles	8-10 years
Office equipment	5 years
Computer equipment	3 years
Server and Networks	6 years
Leasehold improvements	Lower of useful life of the asset or lease term

Property, plant and equipment individually costing up to INR 5,000 are fully depreciated in the year of acquisition. Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

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



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

### De-recognition

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

### b. Intangible assets

#### Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation method, useful lives and residual value)

Asset class	Useful life
Software	3 - 10 years
Licences	Over the period of license

Intangible assets are amortised from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

The Company had developed a software that is used to enhance the company's business in e-wallet segment. Useful life of that software were estimated 4 year basis the expected economic benefit from the software . However, pursuant to the policy of assessing the economic benefits at the end of each reporting period, the company has reassessed the expected pattern of consumption of economic benefit basis technical estimate of the software and expect benefits will flow to the Company till 10 years.

### c. Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Group can demonstrate following recognition requirements:

- The development costs can be measured reliably;
- The project is technically and commercially feasible;
- The Group intends to and has sufficient resources to complete the project;
- The Group has the ability to use or sell the such intangible asset; and
- The asset will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

### d. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

**The Group recognises revenue from the following sources:**

#### Interest income

Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. Interest income are recognised using the effective interest method ('EIR'). Calculation of the EIR includes all fees received or cost incurred that are incremental and directly attributable to the acquisition of a financial asset. Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets.

#### Income from assignment

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss. EIS evaluated and adjusted for ECL and expected prepayment.

#### Interest on investments and deposits

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

#### Brokerage income

Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

### Management fee

Management fee is recognised as revenue on accrual basis based on contractual arrangement, when there is no uncertainty in the ultimate realisation/collection.

### Recovery/incentive fee

Recovery/incentive fee is recognised as revenue on accrual basis based on contractual arrangement, when there is no uncertainty in the ultimate realisation/collection.

### Commission income

Commissions / brokerage from distribution of financial products are recognised on accrual basis upon allotment of the securities to the applicant.

### Revenue from Digital Wallet Service & Merchant Fee

Revenue from digital services is recognized for providing payment gateway aggregation services and as a platform for merchant transactions executed through the wallets provided to customers through payment gateways, on a periodic basis as and when transactions are settled. Wallet maintenance fees in relation to facilitating wallet transactions and maintenance of related technical platforms is recognized on an accrual basis. Merchant fees from wallet transaction are recognized on the basis of successful pay-out of wallet usage to the respective merchants. The settlements are done daily for such transactions with the merchants. Revenue from banking correspondence services are recognised on accrual basis in accordance with the terms and conditions of the underlying mandates entered into with bank. The Group provides card enabled prepaid payment program management and remittance services. In such contracts, revenue is recognised as and when transactions are done through cards.

### Depository account maintenance income

Depository account maintenance income is recognised on accrual basis and as at the time when the right to receive is established by the reporting date.

### Pharmaceutical Products

In respect of sale of pharmaceutical products, where the performance obligation is satisfied at a point in time, revenue is recognised when the control of goods is transferred to the customer.

### Consultation Income

Revenue from consultation, is recognised as the underlying services has performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

### Dividend income

Dividend income is recognised when the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

### Net gain on fair value changes

The Group designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Group recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

### Miscellaneous income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/ collection.

#### e. Borrowing costs

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

#### f. Taxation

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

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside consolidated profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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 consolidated 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 is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

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. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside consolidated statement of profit and loss (either in other comprehensive income or in equity).



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

### g. Employee benefits

#### Short-term employee benefits

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

#### Other long-term employee benefits

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

**Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:**

#### Defined contribution plans

The Group has a defined contribution plans namely provident fund, pension fund, labour welfare fund and employees state insurance scheme. The contribution made by the Group in respect of these plans are charged to the consolidated statement of profit and loss.

#### Defined benefit plans

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 as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

### h. Share based payments

The Holding Company has formulated various Employees Stock Option Schemes. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in consolidated statement of profit and loss, with a corresponding adjustment to equity.

### i. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

### j. Provisions, contingent assets and contingent liabilities

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



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

### Contingent liability is disclosed for:

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

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

### k. Financial instruments

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

#### Subsequent measurement

- i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:
  - a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

- ii. **Investments in equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

- iii. **Investments in mutual funds** – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

**Level 1 financial instruments:** Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

**Level 2 financial instruments:** Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

**Level 3 financial instruments:** Those that include one or more unobservable input that is significant to the measurement as whole. Based on the Group's business model for managing the investments, the Group has classified its investments and securities for trade at FVTPL. Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments.

### **De-recognition of financial assets**

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Group's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Group has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

### **Financial liabilities**

#### **Subsequent measurement**

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

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

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

#### **Convertible debentures**

Convertible debentures are separated into liability and equity components basis the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as financial liability measured at amortised cost until it is extinguished on conversion. The remainder of the proceeds is recognised in equity since conversion option meets the fixed for fixed criteria.

#### **Offsetting of financial instruments**

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





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

### I. Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Group factors historical trends and forward looking information to assess expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### Loan assets

The Group follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-60 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

**Probability of Default (PD)** - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

**Loss Given Default (LGD)** – LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

**Exposure at Default (EAD)** – EAD is based on the amounts the Group expects to be owed at the time of default. For a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

#### Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

#### Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

### **Write-offs**

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument in consolidated statement of profit and loss.

### **m. Impairment of non-financial assets**

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the consolidated statement of profit and loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

### **n. Earning per equity share**

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

For the purpose of calculating diluted earnings per equity 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.

### **o. Segment reporting**

The Group identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance.

### **p. Foreign currency**

#### **Functional and presentation currency**

Items included in the financial statement of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements have been prepared and presented in Indian Rupees (INR), which is the Holding Company's functional and presentation currency.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

### Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

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

### q. Investment property

Investment properties are land and buildings that are held for long term lease rental yields and/or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising buildings are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on buildings is provided over the estimated useful lives of 60 years. The residual values, estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the Statement of Profit and Loss when the changes arise.

An investment property is de-recognised when either the investment property has been disposed of or do not meet the criteria of investment property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

### r. Classification of leases –

The Group enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

#### Leases

Till previous year, assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

For any new contracts entered into on or after 1 April 2019, the Group considers whether a contract is, or contains a lease (the transition approach has been explained and disclosed in Note 47). A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

#### Classification of leases

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



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

### Recognition and initial measurement

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

### Subsequent measurement

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

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

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

### s. Treasury shares

The Company had created "Indiabulls Ventures Limited - Employee Welfare Trust" ('Trust') for the implementation of schemes namely employees stock options plans, employees stock purchase plan and stock appreciation rights plan. During the year ended 31 March 2021, name of the Trust has been changed to "Udaan Employee Welfare Trust" ("Udaan-EWT"). The Company treats Udaan-EWT as its extension and the Company's own shares held by Udaan-EWT are treated as treasury shares. Treasury shares are presented as a deduction from other equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

### t. Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but not distributed at the end of the reporting period, being appropriately authorised and no longer at the discretion of the Company. The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### t. Inventory

Items of Inventories are valued at lower of cost or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on Weighted Average basis. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Net Realizable Value represents the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

### u. New accounting pronouncement

On 24 March 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or noncurrent.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

#### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the standalone financial statements.
- The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

Note - 6	As at 31 March 2021	As at 31 March 2020
<b>Cash and cash equivalents</b>		
Cash on hand	7.53	9.98
Balance with banks:		
- in current accounts	58,972.39	196,888.21
- in bank deposits with original maturity of less than 3 months (refer 7(i))	64,615.11	15,043.14
	<b>123,595.03</b>	<b>211,941.33</b>
<b>Note - 7</b>	<b>As at</b>	<b>As at</b>
<b>Other bank balances</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Bank deposits with original maturity of more than 3 months (refer 7(i) below)	69,874.13	70,154.42
In earmarked accounts :		
- Earmarked accounts	9,516.23	3,613.09
- Unpaid dividend accounts	223.48	283.09
	<b>79,613.84</b>	<b>74,050.60</b>
<b>7(i) Bank deposits include:</b>		
<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
a) Deposits pledged with the National Stock Exchange of India, BSE Limited, NSE Clearing Limited, Multi Commodity Exchange of India Limited and National Commodity and Derivative Exchange Limited for the purpose of base capital and additional base capital.	36,749.25	16,995.24
b) Deposits pledged with the banks against bank guarantees for base capital and additional base capital to the National Stock Exchange of India, BSE Limited, NSE Clearing Limited, Multi Commodity Exchange of India Limited and National Commodity and Derivative Exchange Limited.	-	5,755.00
c) Deposits pledged with banks for overdraft facilities availed by the Group.	13,059.79	20,837.40
d) Deposits pledged with bank against bank guarantees issued in favour of Unique Identification Authority of India.	50.18	50.26
e) Deposits pledged with bank against bank guarantees issued in favour of National Stock Exchange of India Limited for right issue of the Holding Company.	1,700.00	1,700.00
f) Deposits pledged for arbitration matters.	46.03	210.44
g) Deposits pledged with State Commission, New Delhi for appeal filed by the Holding Company in a consumer dispute matter.	0.25	0.25
h) Deposits pledged with Value added tax/ Sales tax authorities	2.90	2.90
i) Deposits pledged for securitisations	23,350.24	23,360.17



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 8 Trade receivables	As at 31 March 2021	As at 31 March 2020
Receivables considered good (unsecured)	14,027.67	15,214.76
Receivables which have significant increase in credit risk	4,315.78	8,293.58
<b>Total - gross</b>	<b>18,343.45</b>	<b>23,508.34</b>
Less: Impairment loss allowance	(4,315.78)	(8,293.58)
<b>Total - net</b>	<b>14,027.67</b>	<b>15,214.76</b>
<b>Trade receivables includes:</b>		
Debts due by directors or other officers	-	-
Due from others	18,343.45	23,508.34

Note - 9 Other receivables	As at 31 March 2021	As at 31 March 2020
Receivables considered good (unsecured)	6,969.91	6,875.11
Receivables which have significant increase in credit risk	4,207.65	4,749.17
<b>Total - gross</b>	<b>11,177.56</b>	<b>11,624.28</b>
Less: Impairment loss allowance	(4,207.65)	(4,749.17)
<b>Total - net</b>	<b>6,969.91</b>	<b>6,875.11</b>
<b>Other receivables includes:</b>		
Debts due by directors or other officers	-	-
Due from others	11,177.56	11,624.28

Note - 10 Loans	As at 31 March 2021		
	At amortised cost	At fair value through other comprehensive income	Total
(a) Loans			
- Secured	176,434.32	1,633.14	178,067.46
- Unsecured	328,242.73	16,151.17	344,393.90
(b) Margin funding loan receivables (secured, considered good)*	123.85	-	123.85
Less: Margin received	(16.09)	-	(16.09)
<b>Total gross</b>	<b>504,784.81</b>	<b>17,784.31</b>	<b>522,569.12</b>
<b>Total Gross</b>	<b>504,784.81</b>	<b>17,784.31</b>	<b>522,569.12</b>
Less: Impairment loss allowance	(62,449.77)	(234.09)	(62,683.86)
<b>Total net</b>	<b>442,335.04</b>	<b>17,550.22</b>	<b>459,885.26</b>
(i) Secured by tangible assets	176,542.08	1,633.14	178,175.22
(ii) Secured by other	-	-	-
(iii) Unsecured	328,242.73	16,151.17	344,393.90
<b>Total gross</b>	<b>504,784.81</b>	<b>17,784.31</b>	<b>522,569.12</b>
Less: Impairment loss allowance	(62,449.77)	(234.09)	(62,683.86)
<b>Total net</b>	<b>442,335.04</b>	<b>17,550.22</b>	<b>459,885.26</b>
<b>Loans in India</b>			
(i) Public sector	-	-	-
(ii) Others	504,784.81	17,784.31	522,569.12
<b>Total gross</b>	<b>504,784.81</b>	<b>17,784.31</b>	<b>522,569.12</b>
Less: Impairment loss allowance	(62,449.77)	(234.09)	(62,683.86)
<b>Total net</b>	<b>442,335.04</b>	<b>17,550.22</b>	<b>459,885.26</b>

\*Margin funding loans are given to customers as per SEBI guidelines and are secured by pledge of shares/mutual funds/bonds etc.

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

	As at 31 March 2020		
	At amortised cost	At fair value through other comprehensive income	Total
(a) Loans			
- Secured	227,372.66	3,133.48	230,506.14
- Unsecured	305,952.78	45,923.70	351,876.48
(b) Margin funding loan receivables (secured, considered good)	1,820.70	-	1,820.70
Less: Margin received	(478.84)	-	(478.84)
<b>Total gross</b>	<b>534,667.30</b>	<b>49,057.18</b>	<b>583,724.48</b>
<b>Total Gross</b>	<b>534,667.30</b>	<b>49,057.18</b>	<b>583,724.48</b>
Less: Impairment loss allowance	(60,344.86)	(283.55)	(60,628.41)
<b>Total net</b>	<b>474,322.44</b>	<b>48,773.63</b>	<b>523,096.07</b>
(i) Secured by tangible assets	226,486.61	3,133.48	229,620.09
(ii) Secured by other assets	2,503.74	-	2,503.74
(iii) Unsecured	305,676.95	45,923.70	351,600.65
<b>Total gross</b>	<b>534,667.30</b>	<b>49,057.18</b>	<b>583,724.48</b>
Less: Impairment loss allowance	(60,344.86)	(283.55)	(60,628.41)
<b>Total net</b>	<b>474,322.44</b>	<b>48,773.63</b>	<b>523,096.07</b>
<b>Loans in India</b>			
(i) Public sector	-	-	-
(ii) Others	534,667.30	49,057.18	583,724.48
<b>Total gross</b>	<b>534,667.30</b>	<b>49,057.18</b>	<b>583,724.48</b>
Less: Impairment loss allowance	(60,344.86)	(283.55)	(60,628.41)
<b>Total net</b>	<b>474,322.44</b>	<b>48,773.63</b>	<b>523,096.07</b>

\* During the year ended 31 March 2020, one of the wholly owned subsidiary of the Group has entered into series of bilateral assignment transactions against outstanding loan portfolio. In the light of this, the Group has concluded that the business model for loan against property, business installments loan and personal loan has changed from "hold to collect" to "hold to collect and sell". Accordingly, the Group had reclassified its eligible portfolio from amortised category to fair value through other comprehensive income (FVOCI) category and hence recorded a fair value gain in other comprehensive income.

Note - 11 Investments	As at 31 March 2021			
	At fair value through other comprehensive income	At fair value through profit or loss	At cost	Total
Mutual funds	-	137,776.30	-	137,776.30
Security Receipts	-	3,939.19	-	3,939.19
Equity instruments	316.10	-	-	316.10
<b>Total (A)</b>	<b>316.10</b>	<b>141,715.49</b>	<b>-</b>	<b>142,031.59</b>
(i) Investments in India	316.10	141,715.49	-	142,031.59
(ii) Investments outside India	-	-	-	-
<b>Total (B)</b>	<b>316.10</b>	<b>141,715.49</b>	<b>-</b>	<b>142,031.59</b>
Less: Allowance for Impairment loss (C)	-	-	-	-
<b>Total (D) = (A)-(C)</b>	<b>316.10</b>	<b>141,715.49</b>	<b>-</b>	<b>142,031.59</b>





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Investments	As at 31 March 2020			
	At fair value through other comprehensive income	At fair value through profit or loss	At cost	Total
Mutual funds	-	8,155.07	-	8,155.07
Security receipts	-	4,494.02	-	4,494.02
Debt securities	-	50,598.88	-	50,598.88
Equity instruments	164.28	-	-	164.28
<b>Total (A)</b>	<b>164.28</b>	<b>63,247.97</b>	-	<b>63,412.25</b>
(i) Investments in India	164.28	63,247.97	-	63,412.25
(ii) Investments outside India	-	-	-	-
<b>Total (B)</b>	<b>164.28</b>	<b>63,247.97</b>	-	<b>63,412.25</b>
Less: Allowance for Impairment loss (C)	-	-	-	-
<b>Total (D) = (A)-(C)</b>	<b>164.28</b>	<b>63,247.97</b>	-	<b>63,412.25</b>

Note - 12	As at 31 March 2021	As at 31 March 2020
Other financial assets		
(a) Loan notes and escrow receivable (refer footnote 1 below)		
Considered good	779.17	760.42
(b) Loan to employees	241.16	680.70
(c) Security deposits		
<b>Secured</b> (refer footnote 2 below)		
(i) Deposits for underwriting/distribution of real estate projects	12,538.20	16,806.98
<b>Unsecured, considered good</b>		
(i) Deposits (including margin money) with stock exchanges	2,422.12	6,290.41
(ii) Deposits for underwriting/distribution of real estate projects	15,062.22	16,456.47
(iii) Deposits with others	570.85	907.43
<b>Unsecured, considered doubtful</b>		
(i) Deposits with others	33.42	20.10
	<b>30,606.71</b>	<b>40,481.39</b>
Less: Impairment loss allowance	(33.42)	(20.10)
	<b>30,593.39</b>	<b>40,461.29</b>
(d) Advances for purchase of shares (refer footnote 3 below)	-	7,606.48
(e) Receivable on assigned loans	8,479.86	44,517.66
Less: Impairment loss allowance	(1,635.59)	(1,915.71)
(f) Others recoverable	1,102.80	226.54
	<b>39,560.79</b>	<b>92,337.38</b>

### Footnotes:

- (1) During the year ended 31 March 2021, the Group had sold 586,193 shares held by it in Copal Partners Limited to Moody's Group UK LTD for the consideration of ₹ 2,319.93 lakh vide the share purchase deed. Out of the total consideration of ₹ 2,319.93 lakh receivable from Moody's Group UK LTD, ₹ 779.17 lakh (including foreign exchange gain) [31 March 2020: ₹ 760.42 lakh (including foreign exchange gain)] is outstanding as at 31 March 2021 in the form of Loan Notes of the Moody's Group UK LTD and Escrow account.
- (2) Secured by way of mortgage/pledge/hypothecation of residential real estate properties of the respective parties in favour of the group.
- (3) During the year ended 31 March 2020, Dhani Loans and Services Limited (formerly, Indiabulls Consumer Finance Limited), a wholly owned subsidiary, has given advance to the shareholders of Transerv Limited, for acquisition of remaining share holding of Transerv Limited.

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

Note - 13 Inventories	As at 31 March 2021	As at 31 March 2020
(a) Stock-in-Trade	90.45	-
	<b>90.45</b>	<b>-</b>
<b>Note - 14 Current tax assets (net)</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Advance Income-tax (including tax deducted at source) (Net of Provision for Income Tax)	18,137.97	16,036.80
	<b>18,137.97</b>	<b>16,036.80</b>
<b>Note - 15 Deferred tax assets (net)</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Deferred tax assets:</b>		
Provision for doubtful debts, advances and security deposits	366.06	339.39
Provision for contingencies	382.41	535.18
Impairment loss allowance	13,061.87	15,397.76
Disallowances under section 40A(7) of the Income-tax Act, 1961	521.91	596.01
Disallowances under section 43B of the Income-tax Act, 1961	234.51	290.50
Financial liabilities measured at amortised cost	-	322.71
Depreciation and amortisation	157.83	130.46
Tax losses carried forward	5,224.40	4,803.62
Financial assets measured at amortised cost	1,200.83	1,918.41
Share based payments	1,145.40	2,070.03
Compulsorily convertible debentures	-	1,012.89
Minimum alternate tax credit entitlement	1,568.46	1,666.05
Lease liabilities	19.03	19.50
Effect of reversal of financing component from revenue	34.13	-
Others	253.35	409.75
<b>Deferred tax assets (A):</b>	<b>24,170.19</b>	<b>29,512.26</b>
<b>Deferred tax liability:</b>		
Financial assets measured at fair value through other comprehensive income	176.68	266.53
Depreciation and amortisation	838.84	752.19
Derecognition of financial instruments measured under amortised cost category	2,231.70	11,224.15
Financial liabilities measured at amortised cost	41.55	-
Others	3.62	-
<b>Deferred tax liability (B):</b>	<b>3,292.39</b>	<b>12,242.87</b>
<b>Deferred tax assets (net) C = (A) - (B)</b>	<b>20,877.80</b>	<b>17,269.39</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Movement in deferred tax assets (net) for the year ended 31 March 2021	As at 1 April 2020	Recognised in profit and loss	Recognised in other comprehensive income	Recognised in other equity	As at 31 March 2021
<b>Deferred tax assets:</b>					
Provision for doubtful debts, advances and security deposits	339.39	26.67	-	-	366.06
Provision for contingencies	535.18	(152.77)	-	-	382.41
Impairment loss allowance	15,397.76	(2,335.89)	-	-	13,061.87
Disallowances under section 40A(7) of the Income-tax Act, 1961	596.01	(74.10)	-	-	521.91
Disallowances under section 43B of the Income-tax Act, 1961	290.50	90.97	(146.96)	-	234.51
Depreciation and amortisation	130.46	27.37	-	-	157.83
Tax losses carried forward	4,803.62	420.78	-	-	5,224.40
Financial assets measured at amortised cost	1,918.41	(717.58)	-	-	1,200.83
Financial liabilities measured at amortised cost	322.71	(322.71)	-	-	-
Share based payments	2,070.03	(924.63)	-	-	1,145.40
Compulsorily convertible debentures	1,012.89	(1,012.89)	-	-	-
Minimum alternate tax credit entitlement	1,666.05	(100.29)	-	2.70	1,568.46
Lease liabilities	19.50	(0.47)	-	-	19.03
Effect of reversal of financing component from revenue	-	34.13	-	-	34.13
Others	409.75	(282.14)	89.85	35.89	253.35
<b>Deferred tax assets (A):</b>	<b>29,512.26</b>	<b>(5,323.55)</b>	<b>(57.11)</b>	<b>38.59</b>	<b>24,170.19</b>
<b>Deferred tax liabilities:</b>					
Financial assets measured at fair value through profit and loss	-	-	-	-	-
Depreciation and amortisation	752.19	86.65	-	-	838.84
Financial assets measured at fair value through other comprehensive income	266.53	(89.85)	-	-	176.68
Derecognition of financial instruments measured under amortised cost category	11,224.15	(8,992.45)	-	-	2,231.70
Financial liabilities measured at amortised cost	-	41.55	-	-	41.55
Others	-	3.62	-	-	3.62
<b>Deferred tax liabilities (B):</b>	<b>12,242.87</b>	<b>(8,950.48)</b>	<b>-</b>	<b>-</b>	<b>3,292.39</b>
<b>Deferred tax assets (net) C = (A) - (B)</b>	<b>17,269.39</b>	<b>3,626.93</b>	<b>(57.11)</b>	<b>38.59</b>	<b>20,877.80</b>

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

Movement in deferred tax assets (net) for the year ended 31 March 2020	As at 1 April 2019	Recognised in profit and loss	Recognised in other comprehensive income	Recognised in other equity	As at 31 March 2020
<b>Deferred tax assets:</b>					
Provision for doubtful debts, advances and security deposits	-	339.39	-	-	339.39
Provision for contingencies	196.56	338.62	-	-	535.18
Impairment loss allowance	4,564.85	10,832.91	-	-	15,397.76
Disallowances under section 40A(7) of the Income-tax Act, 1961	378.58	217.43	-	-	596.01
Disallowances under section 43B of the Income-tax Act, 1961	271.82	(2.17)	20.85	-	290.50
Depreciation and amortisation	217.54	(87.08)	-	-	130.46
Tax losses carried forward	480.80	4,322.82	-	-	4,803.62
Lease equalisation reserve	109.90	(109.90)	-	-	-
Financial assets measured at amortised cost	131.89	1,786.52	-	-	1,918.41
Financial liabilities measured at amortised cost	-	322.71	-	-	322.71
Share based payments	2,575.35	(505.32)	-	-	2,070.03
Compulsorily convertible debentures	7,286.46	(5,284.69)	-	(988.88)	1,012.89
Minimum alternate tax credit entitlement	1,336.00	330.05	-	-	1,666.05
Lease liabilities	-	19.50	-	-	19.50
Others	0.70	675.58	(266.53)	-	409.75
<b>Deferred tax assets (A):</b>	<b>17,550.45</b>	<b>13,196.37</b>	<b>(245.68)</b>	<b>(988.88)</b>	<b>29,512.26</b>
<b>Deferred tax liabilities:</b>					
Financial assets measured at fair value through profit and loss	8.02	(8.02)	-	-	-
Depreciation and amortisation	550.82	201.37	-	-	752.19
Financial assets measured at fair value through other comprehensive income	-	266.53	-	-	266.53
Derecognition of financial instruments measured under amortised cost category	1,039.83	10,184.32	-	-	11,224.15
Financial assets measured at amortised cost	174.64	(174.64)	-	-	-
Others	317.81	317.81	-	-	-
<b>Deferred tax liabilities (B):</b>	<b>2,091.13</b>	<b>10,151.74</b>	<b>-</b>	<b>-</b>	<b>12,242.87</b>
<b>Deferred tax assets (net) C = (A) - (B)</b>	<b>15,459.32</b>	<b>3,044.63</b>	<b>(245.68)</b>	<b>(988.88)</b>	<b>17,269.39</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 16A	Land	Building	Total
<b>Investment Property</b>			
<b>Gross block (at cost)</b>			
<b>As at 1 April 2019</b>	-	-	-
Additions during the year	26,919.79	205.21	27,125.00
Sales/adjustment during the year	-	-	-
<b>As at 31 March 2020</b>	<b>26,919.79</b>	<b>205.21</b>	<b>27,125.00</b>
Additions during the year	-	-	-
Sales/adjustment during the year	26,919.79	205.21	27,125.00
<b>As at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accumulated depreciation</b>			
<b>As at 1 April 2019</b>	-	-	-
Depreciation during the year	-	2.50	2.50
Sales/adjustment during the year	-	-	-
<b>As at 31 March 2020</b>	<b>-</b>	<b>2.50</b>	<b>2.50</b>
Depreciation during the year	-	1.70	1.70
Sales/adjustment during the year	-	4.20	4.20
<b>As at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Block as at 31 March 2020</b>	<b>26,919.79</b>	<b>202.71</b>	<b>27,122.50</b>
<b>Net Block as at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Notes:

#### Disclosures relating to fair valuation of investment property:

Fair value of the above investment property as at 31 March 2020 is ₹ 30,311.36 lakh based on circle rate of the area in which property is situated.

The Group has not earned any rental income on the above properties.

Note - 16B Property, plant and equipment	Furniture and fixtures	Vehicles#	Office equipment	Computers	Server and networks	Leasehold improvements	Freehold land	Total
<b>Gross block (at cost)</b>								
<b>As at 1 April 2019</b>	<b>828.92</b>	<b>589.70</b>	<b>714.70</b>	<b>3,802.19</b>	-	<b>198.71</b>	<b>12.98</b>	<b>6,147.20</b>
Addition on acquisition of subsidiary	0.35	-	1.21	19.06	-	-	-	20.62
Additions during the year	2,976.16	64.98	640.97	822.36	287.22	208.54	-	5,000.23
Sales/adjustment during the year	8.52	57.54	9.25	8.79	-	3.08	-	87.18
<b>As at 31 March 2020</b>	<b>3,796.91</b>	<b>597.14</b>	<b>1,347.63</b>	<b>4,634.82</b>	<b>287.22</b>	<b>404.17</b>	<b>12.98</b>	<b>11,080.87</b>
Addition on acquisition of subsidiary	-	-	0.40	11.23	-	-	-	11.63
Additions during the year	1,666.96	-	192.92	116.99	153.31	-	-	2,130.18
Sales/adjustment during the year	777.54	94.32	204.48	81.10	-	188.34	-	1,345.78
<b>As at 31 March 2021</b>	<b>4,686.33</b>	<b>502.82</b>	<b>1,336.47</b>	<b>4,681.94</b>	<b>440.53</b>	<b>215.83</b>	<b>12.98</b>	<b>11,876.90</b>
<b>Accumulated depreciation</b>								
<b>As at 1 April 2019</b>	<b>101.60</b>	<b>161.04</b>	<b>150.79</b>	<b>1,026.36</b>	-	<b>90.15</b>	-	<b>1,529.94</b>
Addition on acquisition of subsidiary	0.16	-	0.83	12.16	-	-	-	13.15
Depreciation during the year	246.07	93.33	233.57	1,126.29	21.44	99.73	-	1,820.43
Sales/adjustment during the year	8.63	10.90	8.78	7.44	-	-	-	35.75
<b>As at 31 March 2020</b>	<b>339.20</b>	<b>243.47</b>	<b>376.41</b>	<b>2,157.37</b>	<b>21.44</b>	<b>189.88</b>	-	<b>3,327.77</b>
Addition on acquisition of subsidiary	-	-	0.37	6.33	-	-	-	6.70
Depreciation during the year	452.68	85.57	262.15	1,096.19	60.36	64.31	-	2,021.26
Sales/adjustment during the year	123.44	54.23	75.70	51.18	-	74.75	-	379.30
<b>As at 31 March 2021</b>	<b>668.44</b>	<b>274.81</b>	<b>563.23</b>	<b>3,208.71</b>	<b>81.80</b>	<b>179.44</b>	-	<b>4,976.43</b>
<b>Net Block as at 31 March 2020</b>	<b>3,457.71</b>	<b>353.67</b>	<b>971.22</b>	<b>2,477.45</b>	<b>265.78</b>	<b>214.29</b>	<b>12.98</b>	<b>7,753.10</b>
<b>Net Block as at 31 March 2021</b>	<b>4,017.89</b>	<b>228.01</b>	<b>773.24</b>	<b>1,473.23</b>	<b>358.73</b>	<b>36.39</b>	<b>12.98</b>	<b>6,900.47</b>

# Includes vehicles having carrying value of ₹ 22.72 lakhs (31 March 2020 ₹ 99.17 lakhs which are hypothecated to banks against the respective loans.

(a) Refer note 48(ii), of notes to accounts for disclosure of capital commitments.

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

<b>Note - 16C</b>	
<b>Capital work-in-progress</b>	
<b>As at 1 April 2020</b>	-
Additions during the year	123.88
Deletion during the year	-
<b>As at 31 March 2021</b>	<b>123.88</b>
<b>Note - 16D</b>	<b>Building office premises</b>
<b>Right of use assets*</b>	
<b>Gross block (at cost)</b>	
<b>As at 1 April 2019</b>	-
Reclassified on account of adoption of Ind AS 116	22,978.81
Additions during the year	8,995.05
Deletion during the year	(2,858.67)
<b>As at 31 March 2020</b>	<b>29,115.19</b>
Additions during the year	11,886.44
Deletion during the year	(18,017.58)
<b>As at 31 March 2021</b>	<b>22,984.05</b>
<b>Accumulated depreciation</b>	
<b>As at 1 April 2019</b>	-
Additions during the year	4,979.99
Deletion during the year	-
<b>As at 31 March 2020</b>	<b>4,979.99</b>
Additions during the year	3,382.92
Deletion during the year	(538.64)
<b>As at 31 March 2021</b>	<b>7,824.27</b>
<b>Net block as at 31 March 2020</b>	<b>24,135.20</b>
<b>Net block as at 31 March 2021</b>	<b>15,159.78</b>
*Also refer note 47 for other disclosures.	
<b>Note - 16E</b>	
<b>Intangible assets under development</b>	
<b>As at 1 April 2019</b>	<b>901.20</b>
Addition on acquisition of subsidiary	10.21
Additions during the year	2,407.93
Capitalised during the year	2,711.22
<b>As at 31 March 2020</b>	<b>608.12</b>
Addition on acquisition of subsidiary	-
Additions during the year	558.40
Capitalised during the year	688.44
<b>As at 31 March 2021</b>	<b>478.08</b>
<b>As at 31 March 2020</b>	<b>608.12</b>
<b>As at 31 March 2021</b>	<b>478.08</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 16F	Goodwill		
Goodwill on consolidation			
<b>As at 1 April 2019</b>	319.77		
Add: Adjustment on acquisition	3,586.66		
Less: Adjustment on disposal of subsidiary	-		
<b>As at 31 March 2020</b>	<b>3,906.43</b>		
Add: Adjustment on acquisition/disposal of subsidiary(ies)	2,890.73		
Less: Adjustment on disposal of subsidiary	-		
<b>As at 31 March 2021</b>	<b>6,797.16</b>		

Note - 16G	Software	Licence	Total
Other intangible assets			
<b>Gross block (at cost)</b>			
<b>As at 1 April 2019</b>	9,253.37	-	9,253.37
Addition on acquisition of subsidiary	7,079.50	-	7,079.50
Additions during the year	4,344.25	-	4,344.25
Sales/adjustment during the year	-	-	-
<b>As at 31 March 2020</b>	<b>20,677.12</b>	-	<b>20,677.12</b>
<b>Addition on acquisition of subsidiary</b>	-	-	-
Additions during the year	2,429.79	16.80	2,446.59
Sales/adjustment during the year	-	-	-
<b>As at 31 March 2021</b>	<b>23,106.91</b>	<b>16.80</b>	<b>23,123.71</b>
<b>Accumulated depreciation</b>			
<b>As at 1 April 2019</b>	<b>2,358.40</b>	-	<b>2,358.40</b>
Addition on acquisition of subsidiary	906.00	-	906.00
Amortisation during the year	4,790.50	-	4,790.50
Impairment during the year	13.81	-	13.81
Sales/adjustment during the year	-	-	-
<b>As at 31 March 2020</b>	<b>8,068.71</b>	-	<b>8,068.71</b>
<b>Addition on acquisition of subsidiary</b>	-	-	-
Amortisation during the year	2,961.14	0.81	2,961.95
Impairment during the year	27.55	-	27.55
Sales/adjustment during the year	-	-	-
<b>As at 31 March 2021</b>	<b>11,057.40</b>	<b>0.81</b>	<b>11,058.21</b>
<b>Net Block as at 31 March 2020</b>	<b>12,608.41</b>	-	<b>12,608.41</b>
<b>Net Block as at 31 March 2021</b>	<b>12,049.51</b>	<b>15.99</b>	<b>12,065.50</b>

Note - 17	As at 31 March 2021	As at 31 March 2020
Other non-financial assets		
(a) Capital advances		
Considered good	45,177.48	46,372.29
Considered doubtful	24.74	-
	45,202.22	46,372.29
Less: Allowance for doubtful capital advances	(24.74)	-
Capital advances (net)	45,177.48	46,372.29
(b) Prepaid expenses	1,253.05	1,857.61
(c) Balance with government authorities	5,448.83	6,247.17
(d) Advance against assigned assets	-	2,303.08
(e) Advances to suppliers	1,441.97	3,276.56
(f) Unamortised Customer and Card acquisition cost	12,353.31	977.98
(g) Others (net)	906.54	320.38
	<b>66,581.18</b>	<b>61,355.07</b>

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

Note - 18 Trade payables	As at 31 March 2021	As at 31 March 2020
(a) Total outstanding due to micro enterprises and small enterprises (i)	-	2.42
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	7,517.61	8,508.62
	<b>7,517.61</b>	<b>8,511.04</b>

(i) Based on and to the extent of the information received by the Group from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

	As at 31 March 2021	As at 31 March 2020
(a) Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	2.42
(b) Interest due thereon	-	-
(c) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
(d) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
(e) Interest accrued and remaining unpaid as at end of the year	-	-

Note - 19 Other payables	As at 31 March 2021	As at 31 March 2020
(a) Total outstanding due to micro enterprises and small enterprises (i)	-	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	9,577.22	4,051.25
	<b>9,577.22</b>	<b>4,051.25</b>

(i) Based on and to the extent of the information received by the Group from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

	As at 31 March 2021	As at 31 March 2020
(a) Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	-
(b) Interest due thereon	-	-
(c) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
(d) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
(e) Interest accrued and remaining unpaid as at end of the year	-	-





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 20	As at 31 March 2021	As at 31 March 2020
Debt securities (at amortised cost)		
<b>Secured</b>		
Non-convertible debentures (refer 'a' below)	77,060.33	80,427.81
<b>Unsecured</b>		
Liability component of compulsorily convertible debentures (refer 'b' below)	-	9,058.77
<b>Total</b>	<b>77,060.33</b>	<b>89,486.58</b>
Debt securities in India	77,060.33	89,486.58
Debt securities outside India	-	-
<b>Total</b>	<b>77,060.33</b>	<b>89,486.58</b>

### (a) Secured redeemable non convertible debentures (payable at par unless otherwise stated) issued by subsidiary company (Dhani Loans and Services Limited):

Particulars	Redemption Date	As at 31 March 2021			
		Number of NCDs	Amount	Interest accrued and impact of EIR	Total Outstanding Amount
Interest Rate: 10.75%	Saturday, May 8, 2021	3,774,710	37,747.10	245.41	37,992.51
Face value: INR 1,000.00					
Issue Date: 08 March 2019					
Interest Rate: 10.75% (Effective yield)	Saturday, May 8, 2021	246,579	2,465.79	576.90	3,042.69
Face value: INR 1,000.00					
Issue Date: 08 March 2019					
Interest Rate: 10.4%	Sunday, May 8, 2022	324,981	3,249.81	1.80	3,251.61
Face value: INR 1,000.00					
Issue Date: 08 March 2019					
Interest Rate: 10.9%	Sunday, May 8, 2022	755,369	7,553.69	9.38	7,563.07
Face value: INR 1,000.00					
Issue Date: 08 March 2019					
Interest Rate: 10.90% (Effective yield)	Sunday, May 8, 2022	235,842	2,358.42	547.36	2,905.78
Face value: INR 1,000.00					
Issue Date: 08 March 2019					
Interest Rate: 10.5%	Friday, March 8, 2024	470,084	4,700.84	(17.15)	4,683.69
Face value: INR 1,000.00					
Issue Date: 08 March 2019					
Interest Rate: 11%	Friday, March 8, 2024	260,712	2,607.12	(7.71)	2,599.41
Face value: INR 1,000.00					
Issue Date: 08 March 2019					
Interest Rate: 11.00% (Effective yield)	Friday, March 8, 2024	193,776	1,937.76	445.94	2,383.70
Face value: INR 1,000.00					
Issue Date: 08 March 2019					
Interest Rate: 10.00% (Effective yield)	Friday, July 31, 2020	-	-	(0.00)	-0.00
Face Value: INR 1,000.00					
Issue Date: 27 June 2019					
Interest Rate: 10.27%	Sunday, June 27, 2021	71,822	718.22	52.99	771.21
Face Value: INR 1,000.00					
Issue Date: 27 June 2019					
Interest Rate: 10.25% (Effective yield)	Sunday, June 27, 2021	34,800	348.00	62.80	410.80
Face Value: INR 1,000.00					
Issue Date: 27 June 2019					



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Particulars	Redemption Date	As at 31 March 2021			
		Number of NCDs	Amount	Interest accrued and impact of EIR	Total Outstanding Amount
Interest Rate: 9.95% Face Value: INR 1,000.00 Issue Date: 27 June 2019	Monday, June 27, 2022	123,709	1,237.09	(28.45)	1,208.64
Interest Rate: 10.41% Face Value: INR 1,000.00 Issue Date: 27 June 2019	Monday, June 27, 2022	122,095	1,220.95	70.32	1,291.27
Interest Rate: 10.40% (Effective yield) Face Value: INR 1,000.00 Issue Date: 27 June 2019	Monday, June 27, 2022	42,780	427.80	71.02	498.82
Interest Rate: 10.13% Face Value: INR 1,000.00 Issue Date: 27 June 2019	Thursday, June 27, 2024	156,425	1,564.25	(57.59)	1,506.66
Interest Rate: 10.61% Face Value: INR 1,000.00 Issue Date: 27 June 2019	Thursday, June 27, 2024	128,003	1,280.03	58.00	1,338.03
Interest Rate: 10.60% (Effective yield) Face Value: INR 1,000.00 Issue Date: 27 June 2019	Thursday, June 27, 2024	43,856	438.56	68.40	506.96
Interest Rate: 10.00% (Effective yield) Face Value: INR 1,000.00 Issue Date: 6 September 2019	Saturday, October 10, 2020	-	-	(0.00)	-0.00
Interest Rate: 10.12% Face Value: INR 1,000.00 Issue Date: 6 September 2019	Monday, September 6, 2021	12,129	121.29	6.80	128.09
Interest Rate: 10.10% (Effective yield) Face Value: INR 1,000.00 Issue Date: 6 September 2019	Monday, September 6, 2021	4,810	48.10	7.67	55.77
Interest Rate: 9.81% Face Value: INR 1,000.00 Issue Date: 6 September 2019	Tuesday, September 6, 2022	29,704	297.04	(0.05)	296.99
Interest Rate: 10.27% Face Value: INR 1,000.00 Issue Date: 6 September 2019	Tuesday, September 6, 2022	22,470	224.70	11.89	236.59
Interest Rate: 10.25% (Effective yield) Face Value: INR 1,000.00 Issue Date: 6 September 2019	Tuesday, September 6, 2022	8,556	85.56	13.51	99.07
Interest Rate: 10.04% Face Value: INR 1,000.00 Issue Date: 6 September 2019	Friday, September 6, 2024	37,907	379.07	(1.22)	377.85
Interest Rate: 10.52% Face Value: INR 1,000.00 Issue Date: 6 September 2019	Friday, September 6, 2024	118,099	1,180.99	60.42	1,241.41
Interest Rate: 10.50% (Effective yield) Face Value: INR 1,000.00 Issue Date: 6 September 2019	Friday, September 6, 2024	10,362	103.62	16.45	120.07
Interest Rate: 9.5% Face Value: INR 10,00,000.00 Issue Date: 17 November 2020	Tuesday, May 17, 2022	250	2,500.00	49.64	2,549.64
<b>Total</b>			<b>74,795.80</b>	<b>2,264.53</b>	<b>77,060.33</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Interest rate/Effective yield/ Face Value (Amount in ₹)/ Issue Date	Redemption Date	As at 31 March 2020			
		Number of NCDs	Amount	Interest accrued and impact of EIR	Total Outstanding Amount
Interest Rate: 10.75% Face value: INR 1,000.00 Issue Date: 08 March 2019	Saturday, May 8, 2021	3,774,710	37,747.10	(74.09)	37,673.01
Interest Rate: 10.75% (Effective yield) Face value: INR 1,000.00 Issue Date: 08 March 2019	Saturday, May 8, 2021	246,579	2,465.79	261.07	2,726.86
Interest Rate: 10.4% Face value: INR 1,000.00 Issue Date: 08 March 2019	Sunday, May 8, 2022	324,981	3,249.81	(17.28)	3,232.53
Interest Rate: 10.9% Face value: INR 1,000.00 Issue Date: 08 March 2019	Sunday, May 8, 2022	755,369	7,553.69	(34.97)	7,518.72
Interest Rate: 10.90% (Effective yield) Face value: INR 1,000.00 Issue Date: 08 March 2019	Sunday, May 8, 2022	235,842	2,358.42	247.01	2,605.43
Interest Rate: 10.5% Face value: INR 1,000.00 Issue Date: 08 March 2019	Friday, March 8, 2024	470,084	4,700.84	(35.02)	4,665.82
Interest Rate: 11% Face value: INR 1,000.00 Issue Date: 08 March 2019	Friday, March 8, 2024	260,712	2,607.12	(17.64)	2,589.48
Interest Rate: 11.00% (Effective yield) Face value: INR 1,000.00 Issue Date: 08 March 2019	Friday, March 8, 2024	193,776	1,937.76	200.77	2,138.53
Interest Rate: 10.00% (Effective yield) Face Value: INR 1,000.00 Issue Date: 27 June 2019	Friday, July 31, 2020	-	1,241.54	71.13	1,312.67
Interest Rate: 10.27% Face Value: INR 1,000.00 Issue Date: 27 June 2019	Sunday, June 27, 2021	71,822	718.22	29.96	748.18
Interest Rate: 10.25% (Effective yield) Face Value: INR 1,000.00 Issue Date: 27 June 2019	Sunday, June 27, 2021	34,800	348.00	14.12	362.12
Interest Rate: 9.95% Face Value: INR 1,000.00 Issue Date: 27 June 2019	Monday, June 27, 2022	123,709	1,237.09	(52.82)	1,184.27
Interest Rate: 10.41% Face Value: INR 1,000.00 Issue Date: 27 June 2019	Monday, June 27, 2022	122,095	1,220.95	43.10	1,264.05
Interest Rate: 10.40% (Effective yield) Face Value: INR 1,000.00 Issue Date: 27 June 2019	Monday, June 27, 2022	42,780	427.80	14.64	442.44
Interest Rate: 10.13% Face Value: INR 1,000.00 Issue Date: 27 June 2019	Thursday, June 27, 2024	156,425	1,564.25	(76.12)	1,488.13
Interest Rate: 10.61% Face Value: INR 1,000.00 Issue Date: 27 June 2019	Thursday, June 27, 2024	128,003	1,280.03	39.47	1,319.50

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

Interest rate/Effective yield/ Face Value (Amount in ₹)/ Issue Date	Redemption Date	As at 31 March 2020			
		Number of NCDs	Amount	Interest accrued and impact of EIR	Total Outstanding Amount
Interest Rate: 10.60% (Effective yield) Face Value: INR 1,000.00 Issue Date: 27 June 2019	Thursday, June 27, 2024	43,856	438.56	13.03	451.59
Interest Rate: 10.00% (Effective yield) Face Value: INR 1,000.00 Issue Date: 6 September 2019	Saturday, October 10, 2020	-	5,903.47	283.88	6,187.35
Interest Rate: 10.12% Face Value: INR 1,000.00 Issue Date: 6 September 2019	Monday, September 6, 2021	12,129	121.29	5.63	126.92
Interest Rate: 10.10% (Effective yield) Face Value: INR 1,000.00 Issue Date: 6 September 2019	Monday, September 6, 2021	4,810	48.10	2.17	50.27
Interest Rate: 9.81% Face Value: INR 1,000.00 Issue Date: 6 September 2019	Tuesday, September 6, 2022	29,704	297.04	(1.65)	295.39
Interest Rate: 10.27% Face Value: INR 1,000.00 Issue Date: 6 September 2019	Tuesday, September 6, 2022	22,470	224.70	10.30	235.00
Interest Rate: 10.25% (Effective yield) Face Value: INR 1,000.00 Issue Date: 6 September 2019	Tuesday, September 6, 2022	8,556	85.56	3.80	89.36
Interest Rate: 10.04% Face Value: INR 1,000.00 Issue Date: 6 September 2019	Friday, September 6, 2024	37,907	379.07	(2.49)	376.58
Interest Rate: 10.52% Face Value: INR 1,000.00 Issue Date: 6 September 2019	Friday, September 6, 2024	118,099	1,180.99	54.43	1,235.42
Interest Rate: 10.50% (Effective yield) Face Value: INR 1,000.00 Issue Date: 6 September 2019	Friday, September 6, 2024	10,362	103.62	4.61	108.23
<b>Total</b>			<b>79,440.81</b>	<b>987.00</b>	<b>80,427.81</b>

These non-convertible debentures are secured by way of first ranking pari-passu charge on the current assets (including investments) of the Company, both present and future; and on present and future loan assets of the Company, including all monies receivable for the principal amount and interest thereon.

- b) During the year ended 31 March 2019, the Board of Directors had resolved to create, offer, issue and allot up to an aggregate of 27,985,455 compulsorily convertible debentures ("CCDs") of face value of ₹ 550 each, convertible into equivalent numbers of equity shares of ₹ 2 each at a conversion price of ₹ 550 per equity share (including premium of ₹ 548 per equity share) under the Non-Promoter Category by way of a preferential issue on a private placement basis to the certain foreign investors ("the CCD holders"). During the year ended 31 March 2020, these CCDs have been converted into 27,985,452 fully paid up equity shares of face value of ₹ 2 each at a premium of ₹ 548 per share.

Terms of the Issue:

- CCDs will be compulsorily converted into fully paid up equity shares of face value of ₹ 2 each at a conversion price of ₹ 550 each on or before 18 months from the date of the allotment of the CCDs.
- CCDs carry interest rate of 14.90% per annum, payable quarterly and interest is payable and calculated on the face value of CCDs, commencing from the date of its allotment and until the date of its conversion into the equity shares.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 21	As at 31 March 2021	As at 31 March 2020
<b>Borrowings (other than debt securities) (at amortised cost)</b>		
(a) Secured		
From banks		
- Term loans (refer 'i' below)	139,805.74	228,965.91
- Vehicle loans (refer 'ii' below)	30.16	59.83
From Financial institution (refer 'i' below)	57,912.89	73,809.99
Loans repayable on demand from banks		
- Bank overdraft (refer 'iii' below)	500.00	10,855.78
Other Loans		
- Liability against securitised assets (refer 'iv' below and note 58)	40,838.71	92,156.05
(b) Unsecured		
From others (unsecured)		
- Term loan (refer 'v' below)	41,300.00	20,000.00
<b>Total</b>	<b>280,387.50</b>	<b>425,847.56</b>
Borrowings in India	280,387.50	425,847.56
Borrowings outside India	-	-
<b>Total</b>	<b>280,387.50</b>	<b>425,847.56</b>

(i) Term loan from banks and financial institutions include

Particulars	Security	As at 31 March 2021		
		Amount	Interest accrued and impact of EIR	Total Outstanding Amount
<b>Canara Bank (eSyndicate Bank)</b> : This loan is repayable in 16 quarterly equated instalments with moratorium period of 12 months from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	First pari passu charge over standard receivables and current assets (including cash & cash equivalents).	5,000.00	(1.24)	4,998.76
<b>Indian Overseas Bank</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over book debts/ receivables/ loan portfolio/ all current assets (including investments in liquid mutual fund including cash & cash equivalents).	30,000.00	(6.06)	29,993.94
<b>Bank of Baroda (eVijaya Bank)</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	30,000.00	(3.64)	29,996.36

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

Particulars	Security	As at 31 March 2021		
		Amount	Interest accrued and impact of EIR	Total Outstanding Amount
<b>Punjab &amp; Sind Bank</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	50,000.00	(5.76)	49,994.24
<b>Union Bank of India</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	First pari passu charge on standard receivables and current assets.	15,000.00	(20.90)	14,979.10
<b>RBL Bank</b> : This loan is repayable in 13 equated quarterly instalments with first instalment due at the end of 3 months from the date of disbursement. Loan repayment commencing from September 2018 with last instalment falling due in year 2021-22.	Pari passu charge on loans and advances, receivables & current assets (including cash and cash equivalents & investment in debt mutual fund).	1,538.46	(0.62)	1,537.84
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in five years with instalments of ₹ 7,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 1,000.00 lakh each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year 2023-24.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	12,500.00	217.21	12,717.21
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in five years with instalments of ₹ 4,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 600.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	12,000.00	207.97	12,207.97
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in five years with instalments of ₹ 5,460.00 lakh each to be paid for the first six instalments and instalments of ₹ 728.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	14,560.00	242.83	14,802.83



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Particulars	Security	As at 31 March 2021		
		Amount	Interest accrued and impact of EIR	Total Outstanding Amount
<b>South Indian Bank</b> : This loan is repayable in 3 equated instalments of ₹ 2,500 lakh each at the end of 3rd, 4th and 5th year after a moratorium period of 24 months.	First pari passu charge over loans and advances, receivables & other current assets (including cash & cash equivalents and investments in debt mutual funds).	7,500.00	(8.85)	7,491.15
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in 20 equated quarterly instalments Loan repayment commencing from March 2021 with last instalment falling due in year 2025-26.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	19,000.00	(0.78)	18,999.22
<b>Total</b>		<b>197,098.46</b>	<b>620.17</b>	<b>197,718.63</b>

Particulars	Security	As at 31 March 2020		
		Amount	Interest accrued and impact of EIR	Total Outstanding Amount
<b>Canara Bank (eSyndicate Bank)</b> : This loan is repayable in 16 quarterly equated instalments with moratorium period of 12 months from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	First pari passu charge over standard receivables and current assets (including cash & cash equivalents).	6,250	(3.29)	6,246.71
<b>Indian Overseas Bank</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over book debts/ receivables/ loan portfolio/ all current assets (including investments in liquid mutual fund including cash & cash equivalents).	30,000	(12.10)	29,987.90
<b>Bank of Baroda (eVijaya Bank)</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	30,000	(7.26)	29,992.74
<b>Punjab &amp; Sind Bank</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	50,000	(11.81)	49,988.19

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

Particulars	Security	As at 31 March 2020		
		Amount	Interest accrued and impact of EIR	Total Outstanding Amount
<b>Union Bank of India</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	First pari passu charge on standard receivables and current assets.	15,000	(33.10)	14,966.90
<b>RBL Bank</b> : This loan is repayable in 13 equated quarterly instalments with first instalment due at the end of 3 months from the date of disbursement. Loan repayment commencing from September 2018 with last instalment falling due in year 2021-22.	Pari passu charge on loans and advances, receivables & current assets (including cash and cash equivalents & investment in debt mutual fund).	4,615	(6.73)	4,608.65
<b>IndusInd Bank</b> : This loan is repayable in 12 equated quarterly instalments which shall commence from the quarter end during which the limit is disbursed. Loan repayment commencing from December 2018 with last instalment falling due in year 2021-22.	First Pari passu charge on loans receivables, & all current assets (including cash and cash equivalents) of the company, both present and future, and on present and future loan asset of the company	10,000	(84.19)	9,915.81
<b>IndusInd Bank</b> : This loan is repaid in one instalment in September 2020.	First Pari passu charge on loans receivables, & all current assets (including cash and cash equivalents) of the company, both present and future, and on present and future loan asset of the company.	30,000	(549.91)	29,450.10
<b>Yes bank</b> : This loan is repayable in 18 equated monthly instalments after moratorium of 7 months. Loan repayment commencing from May 2019 with last instalment falling due in year 2020-21.	Pari Pasu charge on all standard current and future book debts and receivables of the company with (including cash & cash equivalents).	38,889	(82.63)	38,806.26
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in five years with instalments of ₹ 7,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 1,000.00 lakh each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year 2023-24.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	27,500	485.96	27,985.96





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Particulars	Security	As at 31 March 2020		
		Amount	Interest accrued and impact of EIR	Total Outstanding Amount
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in five years with instalments of ₹ 4,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 600.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	21,000	372.82	21,372.82
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in five years with instalments of ₹ 5,460.00 lakh each to be paid for the first six instalments and instalments of ₹ 728.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	25,480	433.25	25,913.25
<b>Yes bank</b> : This working capital demand loan is repaid in one instalment in June 2020.	Pari Pasu charge on all standard current and future book debts and receivables of the company including other current assets	6,000	54.53	6,054.53
<b>South Indian Bank</b> : This loan is repayable in 3 equated instalments of ₹ 2,500 lakh each at the end of 3rd, 4th and 5th year after a moratorium period of 24 months.	First pari passu charge over loans and advances, receivables & other current assets (including cash & cash equivalents and investments in debt mutual funds).	7,500	(13.90)	7,486.10
<b>Total</b>		<b>302,234.27</b>	<b>541.63</b>	<b>302,775.90</b>

Interest rate on term loans from bank and financial institutions varies from 8.15% to 10.75% per annum (31 March 2020 - 8.70% to 10.75% per annum).

- ii) Vehicle loans are secured against hypothecation of the vehicles purchased. The rate of interest of such term loans ranges between 8.75% to 10.30% per annum (as at 31 March 2020: 8.50% to 10.30% per annum). The loans are repayable in equated monthly installments of 5 years. There is no continuing default as on the Balance Sheet date in repayment of the loans or interest amounts.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

### iii) Loans repayable on demand/Bank Overdraft from banks includes:

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Yes bank</b> : This Cash credit facility is repayable on demand by the issuer bank. Pari passu charge on loans and advances, receivables & current assets (including cash and cash equivalents & investment in debt mutual fund).	-	2,507.72
<b>RBL Bank Limited</b> : This Working capital demand loan is repayable between 7 days to 6 Months. Pari passu charge on loans and advances, receivables & current assets (including cash and cash equivalents & investment in debt mutual fund).	500.00	-
<b>HDFC Bank Limited</b> : This bank overdraft facility is repayable on demand by the issuer bank. Bank overdraft facilities are secured against bank deposits pledged with bank.	-	82.42
<b>HDFC Bank Limited</b> : This bank overdraft facility is repayable on demand by the issuer bank. Bank overdraft facilities are secured against bank deposits pledged with bank.	-	5,415.26
<b>Axis Bank Limited</b> : This bank overdraft facility is repayable on demand by the issuer bank. Bank overdraft facilities are secured against bank deposits pledged with bank.	-	2,850.38
<b>Total</b>	500.00	10,855.78

Interest rate on loans repayable on demand from banks are 9.80% per annum (31 March 2020 - 5.5 % to 11.25 % per annum).

### iv) Securitisation liabilities :

In the course of its finance activity, the Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty. Securitisation liabilities includes following arrangements:

Particulars	As at 31 March 2021	As at 31 March 2020
ICICI Bank	4,393.93	17,326.87
IDFC first bank	33,468.54	67,852.45
Axis Bank	2,976.24	6,976.73
<b>Total</b>	<b>40,838.71</b>	<b>92,156.05</b>

Interest rate on securitisation liabilities varies from 10.00% to 12.06% per annum (31 March 2020 - 10.00% to 12.06% per annum).

- v) Unsecured term loans carry rate of interest of 10% per annum (31 March 2020 : 10%) and are repayable within 36 months from the date of disbursement of respective loans.

Note - 22 Lease liabilities	As at 31 March 2021	As at 31 March 2020
Lease liabilities (refer note - 47)	16,408.66	25,624.33
	16,408.66	25,624.33



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 23 Other financial liabilities	As at 31 March 2021	As at 31 March 2020
Unpaid dividends (refer 'i' below)	223.48	283.09
<b>Others:</b>		
Margin from customers (refer 'ii' below)	13,957.74	11,674.85
Temporary overdraft (refer 'iii' below)	-	11,012.22
Interest accrued on assigned loan	3,902.04	2,810.92
Expenses payable	2,192.78	1,441.54
Amount held on behalf of agents for remittance business	11.32	-
Amount held on behalf of merchants from digital wallet business	382.91	-
Amount payable on assigned/securitised loans (refer 'iv' below)	27,998.87	-
Amounts held on behalf of customers in digital wallets	4,223.26	2,942.49
Other payable	30.92	9.73
	<b>52,923.32</b>	<b>30,174.84</b>

- (i) In respect of amounts mentioned under Section 124 (5) of the Act, the Company has Transferred ₹ 88.84 lakh (31 March 2020: ₹ 52.63 lakh) to the Investor Education and Protection Fund.
- (ii) Margin from customers represents amount received from customers for as margin for execution of orders on stock exchanges.
- (iii) Temporary overdraft as per books represent cheques issued in excess of funds in the bank
- (iv) Amount payable on assigned/securitised loans represent the amount collected on sale down portfolio where cash flows are require to pass to the counterparty either through direct assignment or pass through credit.

Note - 24 Current tax liabilities (net)	As at 31 March 2021	As at 31 March 2020
Provision for taxation (Net of advance tax and tax deducted at source)	1,095.71	284.96
	<b>1,095.71</b>	<b>284.96</b>

Note - 25 Provisions	As at 31 March 2021	As at 31 March 2020
<b>Provision for employee benefits:</b>		
Provision for gratuity (refer note - 51)	2,123.96	2,341.56
Provision for compensated absences	901.00	1,098.65
<b>Provision for others</b>		
Provision for contingencies*	-	300.83
	<b>3,024.96</b>	<b>3,741.04</b>

\* Disclosure under Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets": Movements in each class of provision during the financial year, are set out below:

Particulars	Provision for contingencies
<b>Balance as at 1 April 2019</b>	2,236.58
Additional provision recognised	290.91
Amount used during the year	(2,226.66)
<b>Balance as at 31 March 2020</b>	300.83
Additional provision recognised	-
Amount used during the year	(300.83)
<b>Balance as at 31 March 2021</b>	-



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 26	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities		
Deferred tax liabilities	774.65	1,098.28
	<b>774.65</b>	<b>1,098.28</b>

Movement in deferred tax assets (net)	Balance as at 1 April 2020	Recognised in profit and loss	Recognised in other comprehensive income	Recognised in goodwill	Balance as at 31 March 2021
Depreciation and amortisation	1,089.32	(323.11)	-	-	766.21
Fair valuation of investments	8.96	(0.52)	-	-	8.44
Deferred tax liabilities	1,098.28	(323.63)	-	-	774.65

Movement in deferred tax assets (net)	Balance as at 1 April 2019	Recognised in profit and loss	Recognised in other comprehensive income	Recognised in goodwill	Balance as at 31 March 2020
Depreciation and amortisation	-	(323.11)	-	1,412.43	1,089.32
Fair valuation of investments	-	8.96	-	-	8.96
Deferred tax liabilities	-	(314.15)	-	1,412.43	1,098.28

Note - 27	As at 31 March 2021	As at 31 March 2020
Other non-financial liabilities		
Revenue received in advance (refer note 'a' below)	63.44	688.79
Advance from customers	1,023.50	1,170.42
Statutory dues payables	1,793.77	8,269.87
	<b>2,880.71</b>	<b>10,129.08</b>
(a) Reconciliation of revenue received in advance		
Opening balance	688.79	683.50
Add: Advances received during the year	3,419.13	3,285.39
Less: Revenue recognised during the year	4,044.48	3,280.10
<b>Closing balance</b>	<b>63.44</b>	<b>688.79</b>

Note - 28	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Equity share capital				
(i) Authorised				
Equity shares of face value of ₹ 2 each	1,000,000,000	20,000.00	1,000,000,000	20,000.00
	1,000,000,000	20,000.00	1,000,000,000	20,000.00
(ii) Issued				
Equity shares of face value of ₹ 2 each	518,714,892	10,542.30	465,529,440	9,310.59
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 1.10 paid up)	82,909,118	912.00	82,909,118	912.00
	601,624,010	11,454.30	548,438,558	10,222.59
(iii) Subscribed and paid up				
Equity shares of face value of ₹ 2 each fully paid up	527,114,892	10,542.30	465,529,440	9,310.59
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 1.10 paid up)	82,823,994	911.07	82,803,864	910.85
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 0.80 paid up)	85,124	0.68	105,254	0.84
Amount paid up on shares forfeited	-	0.19	-	0.19
	<b>610,024,010</b>	<b>11,454.24</b>	<b>548,438,558</b>	<b>10,222.47</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

(iv) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year:

Equity shares, fully paid-up	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	465,529,440	9,310.59	522,030,890	10,440.62
Add: Shares issued by exercise of employee stock option plan	-	-	10,165,216	203.30
Add: Shares issued on conversion of CCDs	27,985,452	559.71	-	-
Add: Shares issued through preferential allotment	33,600,000	672.00	-	-
Less: Shares bought back and extinguished during the year (refer note - 62)	-	-	(66,666,666)	(1,333.33)
Balance at the end of the year	527,114,892	10,542.30	465,529,440	9,310.59

Equity shares, partly paid-up	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	82,909,118	911.68	82,909,118	907.97
Add: Amount received on 2nd call at ₹ 0.30 per share	-	0.06	-	3.71
Balance at the end of the year	82,909,118	911.74	82,909,118	911.68

### (v) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of equity shares having a face value of ₹ 2 per share. Each holder of fully paid up equity share is entitled to one vote per share. Voting rights of each holder of partly paid up equity share is proportionate to the paid up amount of such share. The final dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Holders of Global Depository Receipts ('GDRs') will be entitled to receive dividends, subject to the terms of the deposit agreement, to the same extent as the holders of equity shares, less the fees and expenses payable under such deposit agreement and any Indian tax applicable to such dividends. Holders of GDRs don't have voting rights with respect to the deposited shares. The GDRs can not be transferred to any person located in India including Indian residents or ineligible investors except as permitted by Indian laws and regulations.

### (vi) Shares held by shareholders each holding more than 5% shares:

	As at 31 March 2021		As at 31 March 2020	
	No. of shares held*	% of Holding	No. of shares held*	% of Holding
Sameer Gehlaut	34,252,493	5.62	31,552,493	5.75
Orthia Properties Private Limited	42,423,777	6.96	41,623,777	7.59
Orthia Constructions Private Limited	37,074,335	6.08	37,074,335	6.76
Zelkova Builders Private Limited	30,933,258	5.07	30,933,258	5.64
Tamarind Capital Pte Ltd	86,770,833	14.23	73,316,288	13.37
Jasmine Capital Investments Pte Ltd	53,029,167	8.69	58,732,443	10.71

\* Includes partly paid-up shares

### (vii) Shares reserved for issue under options:

17,313,900 equity shares (as at 31 March 2020: 17,313,900 equity shares) of face value of ₹ 2 each are reserved under various option schemes of the Company (Refer note - 52)



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

- (viii) The Group has not issued any bonus shares during the current year and five years immediately preceding current year.
- (ix) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue. During the year ended 31 March 2021, the Company has bought back Nil (previous year: 66,666,666) fully paid up equity shares of the Company at ₹ 150 per equity share through tender route.
- (x) 54,433 shares (31 March 2020: 54,433 shares) of face value of ₹ 2 per share represent the shares underlying GDR. Each GDR represents one underlying equity share.

Note - 29 Other equity	As at 30 March 2021	As at 31 March 2020
Treasury shares	(39,065.33)	(18,305.73)
Equity component of compulsorily convertible debentures	-	130,719.26
Reserve fund	13,270.00	13,270.00
Capital reserve	747.31	747.31
Securities premium	498,228.41	309,822.36
Capital redemption reserve (refer note - 62)	5,033.69	5,033.69
General reserve	4,197.55	4,197.55
Share options outstanding account	4,496.98	8,181.40
Retained earnings	19,043.59	37,890.47
Change in fair value of loan assets through other comprehensive income	525.32	792.47
Equity instruments through other comprehensive income	316.01	164.18
Currency Translation Reserve	(18.13)	-
<b>Total attributable to equity shareholders of the Holding Company</b>	<b>506,775.40</b>	<b>492,512.96</b>
Total non- controlling interest	43,016.05	56,038.13
<b>Total other equity</b>	<b>549,791.45</b>	<b>548,551.09</b>

### Nature and purpose of other reserves:

#### Treasury shares

This reserve represents Holding Company's own equity shares held by the Udaan Employee Welfare Trust (formerly Indiabulls Ventures Limited - Employees Welfare Trust) which is created under Dhani Services Limited - Employee Stock Benefit Scheme 2019 (ESBS 2019) (formerly Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2019), Dhani Services Limited - Employee Stock Benefit Scheme 2020 (ESBS 2020) (formerly Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2020) and Dhani Services Limited - Employee Stock Benefit Scheme 2021 (ESBS 2021). Treasury shares are acquired for the purpose of issuing equity shares to employees under Holding Company's ESBS 2019, ESBS 2020 and ESBS 2021.

#### Equity component of compulsorily convertible debentures

On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as financial liability measured at amortised cost until it is extinguished on conversion. The remainder of the proceeds is recognised in equity since conversion option meets the fixed for fixed criteria.

#### Statutory reserves

The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

### Capital reserve

Capital reserve represents reserves created pursuant to the business combination upto year end.

### Securities premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Act.

### Capital redemption reserve

The same had been created in accordance with provision of the Act on account of redemption of preference shares and buy-back of equity shares.

### Foreign currency monetary item translation difference account (FCMITDA)

Pursuant to the notification dated 29 December 2011 issued by the Ministry of Corporate Affairs amending Accounting Standard 11 - 'Accounting for the Effects of Changes in Foreign Exchange Rates' the Company has exercised the option as per Paragraph 46A inserted in the said Accounting Standard for amortisation of foreign exchange gain/loss on long-term monetary items over the remaining life of the concerned monetary items.

### General reserve

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

### Share option outstanding account

The reserve is used to recognise the fair value of the options issued to employees of the Group under Group's employee stock option plan.

### Retained earnings

Retained earnings represents surplus / accumulated earning of the Group and are available for distribution to shareholders

### Change in fair value of loan assets through other comprehensive income

This reserve has been created against change in business model for loan against property ("LAP"), business installments loan and personal loan from "hold to collect" to "hold to collect and sale".

### Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income. The balance of the reserve represents such changes recognised net of amounts reclassified to retained earnings on disposal of such investments.

### Currency Translation Reserve

The exchange differences arising from the translation of financial statements of foreign subsidiaries with functional currency other than the Indian rupee is recognized in other comprehensive income and is presented within equity.

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

Note - 30 Interest income	For the year ended 31 March 2021	For the year ended 31 March 2020
On financial assets measured at amortised cost -		
<b>Interest on loans</b>		
- Interest from financing activities	82,133.83	174,886.94
- Interest on margin funding/delayed payments	954.67	1,906.10
- Interest on inter-corporate loans	6,392.77	7,339.83
<b>Interest on deposits with banks</b>		
- Interest on bank deposit	4,551.54	5,136.62
<b>Other interest income</b>		
- Unwinding of interest income	6,888.37	5,728.06
- Interest on Income-tax refund	239.82	13.39
- Interest on earnest money deposit	15.20	3.70
On financial assets measured at fair value through profit or loss -		
<b>Interest income from investments</b>		
- Interest on bonds	-	638.07
- Interest on Investments in opportunity fund	29.18	34.10
- Interest on commercial paper	-	1,200.60
- Interest on commercial deposits	-	345.70
<b>Total</b>	<b>101,205.38</b>	<b>197,233.11</b>

Note - 31 Dividend income	For the year ended 31 March 2021	For the year ended 31 March 2020
Dividend income on mutual funds	-	4,934.94
Dividend income on equity shares	9.41	16.25
<b>Total</b>	<b>9.41</b>	<b>4,951.19</b>

Note - 32 Fees and commission income	For the year ended 31 March 2021	For the year ended 31 March 2020
Brokerage and other related income	17,166.19	19,643.94
Management fee	1,543.80	940.44
Income from depository services	742.66	679.11
Remittance and merchant program	3.32	128.98
Digital wallet program	6,808.56	6,125.83
<b>Total</b>	<b>26,264.53</b>	<b>27,518.30</b>





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 33 Net gain/(loss) on fair value changes	For the year ended 31 March 2021	For the year ended 31 March 2020
On financial instruments at fair value through profit and loss:		
On trading portfolio		
- (Loss) /gain on sale of investment / mutual funds	3,622.30	(1,270.80)
- (Loss) /gain on Derivatives	-	<b>(241.39)</b>
<b>Total net (loss) / gain on fair value changes</b>	<b>3,622.30</b>	<b>(1,512.19)</b>
Fair value changes		
- Realised gain / (loss)	3,492.01	(1,219.39)
- Unrealised gain / (loss)	130.31	(292.80)
<b>Total net (loss) / gain on fair value changes</b>	<b>3,622.32</b>	<b>(1,512.19)</b>

Note - 34 Net gain/(loss) on derecognition of financial instruments under amortised cost category	For the year ended 31 March 2021	For the year ended 31 March 2020
Gain/(loss) on sale of loan portfolio	(132.81)	61,669.04
Gain on derecognition of financial assets	129.70	106.91
	<b>(3.11)</b>	<b>61,775.95</b>

Note - 35 Other income	For the year ended 31 March 2021	For the year ended 31 March 2020
Excess provisions written back	724.95	260.47
Profit on sale of investment property	3,579.20	-
Profit on sale of property, plant and equipment (net)	-	4.29
Liabilities written back	790.03	1.57
Gain on foreign exchange fluctuations	-	106.73
Gain on modification/derecognition of financial assets (net)	105.55	-
Miscellaneous income	44.35	33.62
<b>Total</b>	<b>5,244.08</b>	<b>406.68</b>

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

Note - 36	For the year ended	For the year ended
Finance costs	31 March 2021	31 March 2020
<b>On financial liabilities measured at amortised cost -</b>		
<b>Interest on borrowings</b>		
- Term loans	26,857.87	41,949.77
- Inter-corporate loans	2,165.90	5,735.15
- Bank overdraft	418.78	1,318.74
- Working capital loan	-	133.02
- Vehicle loan	4.30	7.75
<b>Interest on debt securities</b>		
- Commercial papers	-	1,582.13
- Liability component of compulsorily convertible debenture	82.55	1,936.38
- Non-convertible debentures	10,044.78	12,667.39
<b>Other interest expense</b>		
- Liability against securitised assets	7,523.87	11,451.52
- Liability against leases	1,800.84	2,774.91
- Taxes	111.24	42.48
<b>Other borrowing costs</b>	121.98	370.74
<b>Total</b>	<b>49,132.11</b>	<b>79,969.98</b>
<b>Note - 37</b>	<b>For the year ended</b>	<b>For the year ended</b>
<b>Fees and commission expense</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Transaction charges	543.72	443.89
Management and collection fee	49.72	18.35
Commission expense	95.59	107.97
Membership, depository and stock exchange fee	5,245.49	2,847.53
<b>Total</b>	<b>5,934.52</b>	<b>3,417.74</b>
<b>Note - 38</b>	<b>For the year ended</b>	<b>For the year ended</b>
<b>Impairment on financial instruments</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Measured at amortised cost		
Impairment allowances on loans	11,118.53	49,239.56
Impairment allowances on trade receivables and others	(2,693.96)	8,658.46
Impairment allowances on interest spread on assigned assets	(280.12)	1,915.71
Loan, trade receivables and other assets write off (net of bad debt recovered)	19,614.75	36,209.42
<b>Total</b>	<b>27,759.20</b>	<b>96,023.15</b>
<b>Note - 39</b>	<b>For the year ended</b>	<b>For the year ended</b>
<b>Changes in Inventories of stock-in- trade and others</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Opening Inventory		
- Stock-in-trade	-	-
Closing Inventory		
- Stock-in-trade	(90.45)	-
	(90.45)	-



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 40	For the year ended 31 March 2021	For the year ended 31 March 2020
Employee benefits expense		
Salaries and wages	37,984.16	47,252.27
Contribution to provident fund and other funds	784.40	630.62
Share-based payment expenses (reversal) to employees	(143.26)	2,025.83
Staff welfare expenses	101.40	934.10
<b>Total</b>	<b>38,726.70</b>	<b>50,842.82</b>

Note - 41	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation, amortisation and impairment		
Depreciation on investment property (refer note 16A)	1.70	2.50
Depreciation on property, plant and equipment (refer note 16B)	2,021.26	1,820.43
Amortisation of other intangible assets (refer note 16G)	2,961.95	4,790.50
Impairment of intangible assets (refer note 16G)	27.55	13.81
Depreciation on right of use assets (refer note 16D)	3,382.92	4,979.99
<b>Total</b>	<b>8,395.38</b>	<b>11,607.23</b>

Note - 42	For the year ended 31 March 2021	For the year ended 31 March 2020
Other expenses		
Rent (refer note 47)	664.92	453.53
Rates and taxes	1,589.21	333.40
Office maintenance	964.80	1,381.58
Repairs and maintenance - others	137.72	381.46
Travelling and conveyance	1,480.81	1,445.76
Communication costs	858.37	2,105.74
Printing and stationery	111.44	384.82
Software expenses	1,916.75	1,984.47
Electricity expenses	269.55	553.63
Director's sitting fee	27.50	32.00
Legal and professional charges	7,666.16	25,386.35
Bank charges	2,677.46	2,422.11
Insurance	29.76	10.04
Stamp duty	134.00	106.69
Web hosting expenses	340.43	116.58
Leased line expenses	166.63	206.74
Content expenses	-	5.00
Recruitment expenses	182.48	37.24
Manpower hiring charges	502.71	70.76
Business promotion	5,663.37	5,574.78
Corporate social responsibility expenses (refer note i below)	867.65	750.67
Loss on modification/derecognition of financial assets	-	1,401.88
Provision for possible contracted liabilities	-	290.91
Consumables	8.62	305.24
Provision for capital advances	24.74	-
Security Charges	115.41	-
Recovery incentive expense	14.51	-
Loss on sale/scrapping of property, plant and equipment	744.94	-
Loss on fluctuation of foreign exchange	16.09	-
Miscellaneous expenses	66.98	66.80
<b>Total</b>	<b>27,243.01</b>	<b>45,808.18</b>



## Summary of significant accounting policies and other explanatory information

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### (i) Corporate social responsibility expenses

In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company (where CSR provisions are applicable) had constituted a Corporate Social Responsibility (CSR) Committee. In terms with the provisions of the said Act, the Group was to spend a sum of ₹ 867.65 lakhs (31 March 2020: ₹ 750.67 lakhs) towards CSR activities during the year ended 31 March 2021. The details of amount actually spent by the Group are as follow:

	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Gross amount required to be spent by the Group	867.65	750.67
(b) Amount spent on -		
- Construction/acquisition of any asset	-	-
- Any other purpose other than above*	867.65	750.67
- Yet to be paid	-	-
<b>Total</b>	<b>867.65</b>	<b>750.67</b>

\*Contribution towards donation/corpus fund paid to Indiabulls foundation.

Note - 43 Tax expense	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Current tax</b>		
Income-tax for current year	6,028.03	1,881.82
Income-tax for earlier years	28.03	-
<b>Deferred tax</b>		
Deferred tax charge/(credit)	(3,950.56)	(3,358.78)
<b>Income-tax expense reported in the statement of profit and loss</b>	<b>2,105.50</b>	<b>(1,476.96)</b>

The major components of Income-tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Group at 25.17% (31 March 2020: 25.17%) and the reported tax expense in profit or loss are as follows:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Reconciliation of effective tax rate		
Accounting profit / (Loss) before tax expense	(20,871.40)	2,703.94
Income-tax rate	25.17%	25.17%
Expected tax (credit)/expense	(5,252.91)	680.53
Tax effect of adjustments to reconcile expected Income-tax expense to reported Income-tax expense:		
Tax impact on items exempt under Income-tax	(636.58)	(5,408.31)
Tax impact on deductions allowed under Income-tax	318.44	(4,036.19)
Tax impact of permanent differences	1,537.26	(490.31)
Income chargeable under capital gain (difference of tax rates)	(737.94)	385.37
Earlier years tax adjustments (net)	41.78	(30.19)
Tax impact of minimum alternate tax credit entitlement	-	-
Tax losses for which no deferred tax was recognised	6,653.63	6,368.94
Tax impact of difference in tax rate on certain items	66.65	617.22
Others	115.17	435.98
Income-tax (credit)/expense	2,105.50	(1,476.96)



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

### Change in tax rate

The reduction of the Indian corporate tax rate under Section 115BAA of the Income-tax Act, 1961 from 25% to 22% is effective from 1 April 2019. As a result, the relevant deferred tax balances have been remeasured. Deferred tax expected to reverse in the year to 31 March 2020 has been measured using the effective rate that will apply in India for the period (22%).

The impact of the change in tax rate has been recognised in tax expense of statement of profit and loss, except to the extent that it relates to items previously recognised outside the statement of profit and loss.

### Note - 44

#### Earnings per equity share (EPS)

Disclosure in respect of Indian Accounting Standard – 33 'Earnings Per Share':

The basic earnings per equity share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Partly paid-up equity shares are treated as a fraction of an equity share to the extent they are entitled to participate in dividend relative to a fully paid-up equity share during the reporting period. Compulsory convertible debentures are treated as equivalent of equity share for the purpose of basic earnings per equity share. Treasury shares are adjusted for computation of weighted average equity shares. Diluted earnings per equity share is computed by considering the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential dilutive equity shares are adjusted for the potential dilutive effect of employee stock option plan and warrants as appropriate.

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(loss) available for equity shareholders	(22,505.40)	432.67
<b>Basic/diluted earnings per equity share:</b>		
Weighted average number of equity shares used for computing basic earnings per equity share	540,661,308	588,484,888
<b>Effect of dilution:</b>		
Add: Potential number of equity shares that could arise on exercise of employee stock options	6,583,434	10,594,404
Add: Potential number of equity shares that could arise on exercise of warrants	-	-
Weighted average number of equity shares used in computing diluted earnings per equity share	547,244,742	599,079,292
Face value of equity share (₹)	2.00	2.00
Earnings per equity share -		
- Basic (₹)	(4.16)	0.07
- Diluted (₹)*	(4.11)	0.07

\*Anti-dilutive for current year since decreasing loss per equity share.



## Summary of significant accounting policies and other explanatory information

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### Note - 45

#### Outbreak of the COVID-19 pandemic

Consequent to the outbreak of the COVID-19 pandemic, the Indian Government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the Government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The impact of COVID-19, including changes in customer behavior and pandemic fears, as well as restriction of business and individual activities led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. This may lead to a rise in the number of borrower defaults and consequently an increase in corresponding provisions. The extent to which COVID-19 pandemic, including the current “second wave” that has significantly increased the number of cases in India, will continue to impact the Group’s performance and will depend on ongoing as well as future developments which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

The Group has recognized provisions as on 31 March 2021 towards its loan assets, based on the information available at this point of time, in accordance with the expected credit loss method. The Group believes that it has considered all the possible impact of the known events arising out of COVID-19 pandemic in the preparation of financial statement. However, the impact assessment of COVID-19 is a continuing process given its nature and duration. The Group will continue to monitor any material changes to future economic condition.

The Group’s capital and liquidity position remains sufficient and would continue to be the focus area for the Company; accordingly, the Company does not expect a stress on its liquidity situation in the immediate future.

### Note 46

#### Acquisition of subsidiaries and non-controlling interest

##### Acquisition of Jwala Technology Systems Private Limited

On 09 September 2020, the Group acquired 100% of the voting shares of Jwala Technology Systems Private Limited, a non-listed company based in New Delhi and carry on the business of software development, portal and other IT activities. The Group acquired Jwala Technology Systems Private Limited because it enlarges the range of products that can be offered to its customer.

The fair values of the identifiable assets and liabilities of Jwala Technology Systems Private Limited as at the date of acquisition were:

Particulars	Jwala Technology Systems Private Limited
<b>Financial Assets</b>	
Cash and cash equivalents	-
Trade receivables	41.45
Loans	4.11
	45.56
<b>Non-Financial Assets</b>	
Property, plant and equipment	4.93
Deferred tax assets(net)	38.59
Current tax assets (net)	37.41
Other current assets	4.42
	<b>85.35</b>
<b>Total Assets (A)</b>	<b>130.91</b>
<b>Financial liabilities</b>	
Long term borrowings	-
Short term borrowings	64.04
Other financial liabilities	26.82
	90.86



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Particulars	Jwala Technology Systems Private Limited
<b>Non-financial liabilities</b>	
Provisions	29.83
Other non-financial liabilities	11.22
<b>Total liabilities (B)</b>	<b>41.05</b>
Fair Value of identifiable net assets (C=A-B)	(1.00)
Less: Cash paid to obtain control (D)	1.00
Goodwill (C+D)	-
	<b>131.91</b>

### Acquisition of Euler Systems Inc.

On 07 September 2020, the Group acquired 100% of the voting shares of Euler Systems Inc., a non-listed company based in Delaware and carry on the business of software development, portal and other IT activities. The Group acquired Euler Systems Inc. because it enlarges the range of products and territory that can be offered to its customer.

Particulars	Euler Systems Inc.
<b>Financial Assets</b>	
Cash and cash equivalents	12.22
Trade receivables	36.66
Loans	-
	48.88
<b>Non-Financial Assets</b>	
Property, plant and equipment	-
Deferred tax assets(net)	-
Current tax assets (net)	26.44
Other current assets	-
	26.44
<b>Total Assets (A)</b>	<b>75.32</b>
<b>Financial liabilities</b>	
Long term borrowings	-
Short term borrowings	-
Other financial liabilities	75.38
	75.38
<b>Non-financial liabilities</b>	
Provisions	-
Other non-financial liabilities	-
	-
<b>Total liabilities (B)</b>	<b>75.38</b>
<b>Fair Value of identifiable net assets (C=A-B)</b>	<b>(0.06)</b>
Less: Cash paid to obtain control (D)	0.06
<b>Goodwill (C+D)</b>	<b>(0.00)</b>

### Acquisition of additional interest in TranServ Limited

On 1 April 2020, the Group acquired remaining 58.00% interest in the voting shares of TranServ Limited, increasing its ownership interest to 100%. Cash consideration of ₹ 7,606.48 Lakh was paid to the non-controlling shareholders. Following is a schedule of additional interest acquired in TranServ Limited:



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Particulars	Amount
Cash consideration paid to non-controlling shareholders	7,606.48
Carrying value of the additional interest in TranServ Limited	4,707.33
Difference recognised as Goodwill	2,899.15

### Acquisition in financial year 2019-20

On 1 April 2019, Dhani Loans and Services Limited (formerly, Indiabulls Consumer Finance Limited) (DLSL), a wholly owned subsidiary of the Company, has further acquired 9% shareholding in "Transerv Limited" (formerly known as Transerv Private Limited) and ICFL's total shareholding in Transerv Limited stood at 42%. By virtue of control as per Ind AS 110 - Consolidated Financial Statement, "Transerv Limited" has become subsidiary of the Group and same is consolidated in the consolidated financial statements for the financial year 2019-20.

Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:

Particulars	Amount
<b>Financial assets</b>	
Other bank balance	811.39
Trade receivable	45.44
Loans	21.33
Other financial assets	896.65
	<b>1,774.81</b>
<b>Non-financial assets</b>	
Current tax assets	130.56
Property, plant and equipments	7.47
Intangible assets under development	10.21
Other intangibles	6,173.50
Other non-financial assets	37.72
	<b>6,359.46</b>
<b>Total assets (A)</b>	<b>8,134.27</b>
<b>Financial liabilities</b>	
Trade payables	130.32
Other payables	5.22
Other financial liabilities	1,491.61
	<b>1,627.15</b>
<b>Non-financial liabilities</b>	
Provisions	41.96
Other non-financial liabilities	38.57
	<b>80.53</b>
<b>Total liabilities (B)</b>	<b>1,707.68</b>
<b>Fair value of identifiable net assets (C=A-B)</b>	<b>6,426.59</b>
Less : cash paid to obtain control (D)	(1,402.49)
Less : investment in subsidiary (E)	(3,567.58)
Less : non-controlling interest (F)	(3,630.75)
Less: deferred tax on intangible assets (G)	(1,412.13)
<b>Goodwill ( C+D+E+F+G )</b>	<b>(3,586.36)</b>





## Summary of significant accounting policies and other explanatory information

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(All amounts are in Indian Rupees in lakh unless stated otherwise)

The resultant provisional goodwill amounts to ₹ 3,586.36 lakh. Goodwill paid reflects the premium for gaining immediate entry to wallet business with all the regulatory permits and clearances which will enable the Group to participate in the wallet business market.

### Note - 47

#### Leases

The Group has leases for office buildings. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset "ROU" and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the 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.

#### A Lease payments not included in measurement of lease liability

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

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Short-term leases	664.92	453.53
Leases of low value assets	-	-
Variable lease payments	-	-

B Total cash outflow for leases for the year ended 31 March 2021 was ₹ 5424.01 lakh (31 March 2020: ₹ 6,009.48 lakh).

C The Group has total commitment for short-term leases of ₹ Nil as at 31 March 2021 (as at 31 March 2020: ₹ Nil).

#### D Maturity of lease liabilities

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

31 March 2021	Minimum lease payment due						Total
	Within 1 year	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	More than 5 years	
Lease Payment	3,791.21	3,625.61	3,408.88	3,418.54	3,404.47	4,500.76	22,149.47
Interest Expense	1,542.95	1,303.52	1,086.10	846.93	571.58	389.73	5,740.81
Net Present Value	2,248.26	2,322.09	2,322.78	2,571.61	2,832.89	4,111.03	16,408.66

31 March 2020	Minimum lease payment due						Total
	Within 1 year	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	More than 5 years	
Lease Payment	6,180.45	6,299.68	5,078.38	4,284.35	4,016.21	9,503.17	35,362.24
Interest Expense	2,493.50	2,079.42	1,652.05	1,345.55	1,031.84	1,135.55	9,737.91
Net Present Value	3,686.95	4,220.26	3,426.33	2,938.80	2,984.37	8,367.62	25,624.33

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2021 is of ₹ Nil (as at 31 March 2020: ₹ Nil).

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

F The table below describe the nature of the company's lease activities by type of right of use asset recognised on balance sheet:

Year	Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
As at 31 March 2021	Office Building	298	6 Month to 108 Month	54.28 Months	-	-	298
As at 31 March 2020	Office Building	240	2.03 Month to 107.60 Month	81.02 Months	-	-	240

G The total future cash outflows as at 31 March 2021 for leases that had not yet commenced is of ₹ 95.60 lakh (31 March 2020: ₹ 543.62 lakh).

H The following is the movement in lease liabilities during the year:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Opening balance</b>	25,624.33	-
Adjustment on account of Ind AS 116	-	24,626.06
Additions	11,836.24	7,037.34
Finance cost accrued during the period	1,800.85	2,774.91
Deletion	(17,428.74)	(2,804.50)
Payment of lease liabilities	(5,424.01)	(6,009.48)
<b>Closing balance</b>	<b>16,408.66</b>	<b>25,624.33</b>

**Note - 48****A. Contingent liabilities not provided for in respect of:**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Claims against the group not acknowledged as debts in respect of -</b>		
- Cases under Arbitration and Conciliation Act, 1996 (refer note (i) below)	34.10	40.97
- Cases under Income-tax Act, 1961 (refer note (ii) to (iii) below)	4,612.22	410.99
<b>Total</b>	<b>4,646.32</b>	<b>451.96</b>

(i) The Group is involved in various legal proceedings as respondents/ defendants for various claims including those related to conduct of its business. In respect of these claims, the Group believes, these claims do not constitute material litigation matters and with its meritorious defences the ultimate disposition of these matters will not have material adverse effect on its financial statements/ position.

(ii) Demand pending u/s 143(3) read with section 153A of the Income-tax Act, 1961:-

	Financial Years	Authority	As at 31 March 2021	As at 31 March 2020
Disallowance under Income Tax Act, 1961	2010-11	CIT (Appeal)	90.97	90.97
Disallowance under Income Tax Act, 1961	2011-12	CIT (Appeal)	33.02	33.02
Disallowance under Income Tax Act, 1961	2012-13	CIT (Appeal)	4.21	4.21
Disallowance under Income Tax Act, 1961	2013-14	CIT (Appeal)	43.33	43.33
Disallowance under Income Tax Act, 1961	2014-15	CIT (Appeal)	40.66	40.66
Disallowance under Income Tax Act, 1961	2015-16	CIT (Appeal)	18.32	18.32
Disallowance under Income Tax Act, 1961	2016-17	CIT (Appeal)	67.17	67.17

The Group has deposited ₹ 60.08 lakh against the above demands.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

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### (iii) Demand pending u/s 143(3) of the Income Tax Act, 1961

	Financial Year	Authority	As at 31 March 2021	As at 31 March 2020
Disallowance under Income Tax Act, 1961	2010-11	High Court	313.58	-
Disallowance under Income Tax Act, 1961	2010-11	ITAT *	275.24	-
Disallowance under Income Tax Act, 1961	2011-12	High Court	1,032.11	-
Disallowance under Income Tax Act, 1961	2012-13	ITAT *	17.37	17.37
Disallowance under Income Tax Act, 1961	2017-18	CIT (Appeals)	56.72	-
Disallowance under Income Tax Act, 1961	2013-14	CIT (Appeals)	95.04	95.94
Disallowance under Income Tax Act, 1961	2017-18	CIT (Appeals)#	2,524.48	-

\* Income tax department has filed an appeal against the order of CIT(A).

# Subsequent to the year end, the Company has received order u/s 143(3) of the Income-tax Act, 1961 for demand of ₹ 2,524.48 lakh for financial year 2017-18. The Company has filed appeal with the CIT(A).

### B. Commitments:

Particulars	As at 31 March 2021	As at 31 March 2020
Capital commitments for purchase of property, plant and equipment (net of capital advances paid)	16,582.14	9,163.19

### Note - 49

The Holding Company was carrying on the business of stock broking which was discontinued during the financial year 2019-20. Accordingly, as at and during the year ended 31 March 2020, the financial assets of the Holding Company were more than fifty percent of its total assets and income from financial assets was more than fifty percent of the gross income. The Holding Company's present business activities consists of providing loans and making investments in group companies, consequentially, the Holding Company may be required to apply and obtain the Certificate of Registration (CoR) from Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) under the category of Core Investment Company (CIC), which is currently being evaluated by the management considering the Holding Company's business operations and group structure. The management will take necessary steps in this regard in due course and is of the view that the impact of the above matter is not material to these standalone financial statements.

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)***Note- 50****Reconciliation of liabilities arising from financing activities**

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt securities)	Lease Liabilities	Total
<b>Balance as at 1 April 2019</b>	<b>203,505.46</b>	<b>661,278.77</b>	-	<b>864,784.23</b>
Adjustment on account of Ind AS 116	-	-	24,626.06	24,626.06
<b>Cash flows:</b>				
- Repayment	(159,960.54)	(1,873,454.27)	(6,009.48)	(2,039,424.29)
- Proceeds	43,320.28	1,635,997.12 #	-	1,679,317.40
<b>Non cash:</b>				
- Amortisation of upfront fees	1,870.81	646.77	-	2,517.58
- Accrued Interest	750.57	1,379.17	-	2,129.74
- Addition during the year (net)	-	-	4,232.84	4,232.84
- Others	-	-	2,774.91	2,774.91
<b>Balance as at 31 March 2020</b>	<b>89,486.58</b>	<b>425,847.56</b>	<b>25,624.33</b>	<b>540,958.47</b>
<b>Cash flows:</b>				
- Repayment	(66,076.95)	(187,290.60)*	(5,424.01)	(258,791.56)
- Proceeds	52,500.00	41,123.80	-	93,623.80
<b>Non cash:</b>				
- Amortisation of upfront fees	1,161.65	965.38	-	2,127.03
- Accrued Interest	115.86	(710.64)	-	(594.78)
- Addition/(deletion) during the year (net)	-	-	(5,592.50)	(5,592.50)
- Others	(126.81)	452	1,800.84	2,126.03
<b>Balance as at 31 March 2021</b>	<b>77,060.33</b>	<b>280,387.50</b>	<b>16,408.66</b>	<b>373,856.48</b>

# This includes proceeds of ₹ Nil (31 March 2020: ₹ 92,645.57 lakh) from bank overdraft which is considered under cash and cash equivalents in the cash flow statement.

\* This includes repayment of 10,355.78 lakh (31 March 2020: Nil) towards bank overdraft which is considered under cash and cash equivalents in the cash flow statement.

**Note - 51****Employee benefits**

(i) Defined contribution plans:

During the year, the Group has recognized the following amounts in the statement of profit and loss in respect of defined contribution plans:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contribution made to employees' provident fund organisation	124.13	142.94
Contribution made to employees' state insurance corporation	602.53	386.83
Contribution to labour welfare fund	13.47	15.08
Contribution to employees' national pension scheme	43.35	85.77
<b>Total</b>	<b>783.48</b>	<b>630.62</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

### (ii) Defined benefit plans:

The Group operates unfunded gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Group at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the organisation, whichever is earlier. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of "The Payment of Gratuity Act, 1972".

#### Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

Based on the actuarial valuation report, the following table sets out the status of the gratuity plan and the amounts recognized in the Group's financial statements as at balance sheet date:

#### a) Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of obligation	2,123.96	2,341.56
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	2,123.96	2,341.56

#### b) Reconciliation of present value of defined benefit obligation:

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	2,341.56	1,538.01
Current service cost	606.43	705.99
Interest cost	143.43	135.16
Past service cost	-	-
Actuarial loss recognised in other comprehensive income :		
- Demographic assumptions	-	(1.18)
- Financial assumptions	0.79	264.86
- Experience adjustment	(584.00)	(184.08)
Benefits paid	(389.00)	(159.13)
Acquisition adjustments on acquisition of subsidiary/ transfer of employees	4.75	41.93
Balance at the end of the year	2,123.96	2,341.56

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

## c) Expense recognised in profit or loss:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	606.43	705.99
Interest cost	143.43	135.16
<b>Total</b>	<b>749.86</b>	<b>841.15</b>

## d.) Remeasurement recognised in other comprehensive income:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial loss on defined benefit obligations	(583.21)	79.60
<b>Total</b>	<b>(583.21)</b>	<b>79.60</b>

## e.) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting dates:

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.79%	6.80%
Salary escalation rate	5.00%	5.00%
Retirement age (years)	60	60
Withdrawal rate		
Up to 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%
Weighted average duration	15.80	15.72

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Mortality rates inclusive of provision for disability -100% of IALM (2012-14) (previous year: 100% of IALM (2006-08))

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table (previous year Indian Assured Lives Mortality (2006-08) Ultimate table).

## f.) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(158.44)	175.88	(177.71)	197.56
Salary escalation rate (0.5% movement)	178.15	(161.73)	198.60	(180.94)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.



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for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

### g.) Expected maturity analysis of the defined benefit plans in future years

Particulars	As at 31 March 2021	As at 31 March 2020
Less than 1 year	30.39	42.72
Between 1-2 years	23.58	27.82
Between 2-5 years	129.46	115.41
Over 5 years	1,940.53	2,155.61
<b>Total</b>	<b>2,123.96</b>	<b>2,341.56</b>
Expected contribution for the next annual reporting period	1,223.39	1,158.12

### (iii) Other long term employee benefit plans

The company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. A provision of ₹ 9.45 lakhs has been reversed (31 March 2020: ₹ 604.06 lakhs provision created) for the year on the basis of actuarial valuation at the year end and credit to the statement of profit and loss.

### Note - 52

#### Employee stock option schemes:

The Holding Company has issued various Employees stock options scheme (ESOP / ESOS) for the benefit of the employees of the Company and its subsidiary companies.

#### A. Grants during the year:

The Group has established the "Udaan Employee Welfare Trust" ("Udaan – EWT") (earlier known as Indiabulls Ventures Limited - Employees Welfare Trust) ("Trust") for the implementation and management of its employees benefit scheme viz. the "Dhani Services Limited - Employee Stock Benefit Scheme – 2019" (Scheme), for the benefit of the employees of the Company and its subsidiaries. Pursuant to Regulation 3(12) of the SEBI (Share Based Employee Benefits) Regulations, 2014, fully paid up equity shares of 10,400,000 lying in Trust have been appropriated towards the Scheme for grant of Share Appreciations Rights (SARs) to the employees of the Company and its subsidiaries as permitted by SEBI. The company will treat these SARs as equity and therefore they will be treated as equity settled SARs and accounting has been done accordingly.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

### B. Employees Stock Options Schemes:

#### (i) Employees Stock Option Scheme - 2008 (DSL ESOP - 2008)

Total options under the scheme (Nos.) Options granted (Nos.)	DSL ESOP - 2008			
	20,000,000			
	20,000,000	9,700,000 (Regrant)	500,000 (Regrant)	880,600 (Regrant)
Vesting period and percentage	Ten years, 1 <sup>st</sup> Year - 15% 2 <sup>nd</sup> year to 9 <sup>th</sup> year - 10% each year 10 <sup>th</sup> year - 5%	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	25 <sup>th</sup> January each year, commencing 25 January 2010	2 <sup>nd</sup> July each year, commencing 2 July 2017	2 <sup>nd</sup> September each year, commencing 2 September 2018	25 <sup>th</sup> March each year, commencing 25 March 2019
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	17.40	24.15	219.65	254.85
<b>Outstanding at the beginning of 1 April 2019 (Nos.)</b>	<b>870,916</b>	<b>9,700,000</b>	<b>500,000</b>	<b>693,600</b>
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	10,000	500,000	152,000
Exercised during the year (Nos.)	870,916	5,050,800	-	25,800
Expired during the year (Nos.)	-	-	-	-
<b>Outstanding as at 31 March 2020 (Nos.)</b>	-	<b>4,639,200</b>	-	<b>515,800</b>
Vested and exercisable as at 31 March 2020 (Nos.)	-	769,200	-	192,640
Remaining contractual life (weighted months)	-	66	-	73
<b>Outstanding at the beginning of 1 April 2020 (Nos.)</b>	-	<b>4,639,200</b>	-	<b>515,800</b>
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	14,400	-	429,000
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
<b>Outstanding as at 31 March 2021 (Nos.)</b>	-	<b>4,624,800</b>	-	<b>86,800</b>
Vested and exercisable as at 31 March 2021 (Nos.)	-	2,697,000	-	-
Remaining contractual life (weighted months)	-	54	-	73

Weighted average exercise price of share during the year ended 31 March 2021: Not applicable (31 March 2020: ₹ 198.22).





## Summary of significant accounting policies and other explanatory information

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### (ii) Employees Stock Option Scheme - 2009 (DSL - ESOP 2009)

	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009
Total options under the Scheme (Nos.)	20,000,000	20,000,000	20,000,000	20,000,000
Options granted (Nos.)	2,050,000	9,500,000	10,000,000	669,400
Vesting period and percentage	Ten years, 10% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	13 <sup>th</sup> April each year, commencing 13 April 2011	13 <sup>th</sup> May each year, commencing 13 May 2017	2 <sup>nd</sup> September each year, commencing 2 September 2018	25 <sup>th</sup> March each year, commencing 25 March 2019
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	31.35	16.00	219.65	254.85
<b>Outstanding at the beginning of 1 April 2019 (Nos.)</b>	<b>150,000</b>	<b>6,487,700</b>	<b>9,880,000</b>	<b>219,400</b>
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	165,000	195,500	-
Exercised during the year (Nos.)	100,000	3,225,100	852,600	40,000
Expired during the year (Nos.)	-	-	-	-
<b>Outstanding as at 31 March 2020 (Nos.)</b>	<b>50,000</b>	<b>3,097,600</b>	<b>8,831,900</b>	<b>179,400</b>
Vested and exercisable as at 31 March 2020 (Nos.)	50,000	-	3,034,400	47,760
Remaining contractual life (Weighted Months)	60	67	67	77
<b>Outstanding at the beginning of 1 April 2020 (Nos.)</b>	<b>50,000</b>	<b>3,097,600</b>	<b>8,831,900</b>	<b>179,400</b>
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	572,000	6,146,300	179,400
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
<b>Outstanding as at 31 March 2021 (Nos.)</b>	<b>50,000</b>	<b>2,525,600</b>	<b>2,685,600</b>	-
Vested and exercisable as at 31 March 2021 (Nos.)	50,000	1,262,800	-	-
Remaining contractual life (Weighted Months)	48	55	71	-

Weighted average exercise price of share during the year ended 31 March 2021: Nil (31 March 2020: ₹ 187.29)

### (iii) Dhani Services Limited - Employee Stock Benefit Scheme 2019 ("Scheme") ("DSL-ESBS 2019").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Company at its meeting held on 22 October 2019; and (b) a special resolution of the shareholders' of the Company passed through postal ballot on 4 December 2019, result of which were declared on 5 December 2019.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2019 (“ESOP Plan 2019”)
- Dhani Services Limited Employees Stock Purchase Plan 2019 (“ESP Plan 2019”)
- Dhani Services Limited Stock Appreciation Rights Plan 2019 (“SARs Plan 2019”)

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “SBEBS Regulations”), the Company has set up “Udaan - Employee Welfare Trust” (“Trust”) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the “SBEBS Regulations”, is authorised to purchase upto an aggregate of 10,500,000 (One Crore Five lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Company as on the date of approval of shareholders, from the secondary market. The Company has appropriated 10,400,000 fully paid up equity shares of the Company purchased by the Trust under the Scheme.

	<b>DSL-ESBS 2019</b>
Total options under the Scheme (Nos.)	10,500,000
Options granted (Nos.)	10,400,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	17 <sup>th</sup> August each year, commencing 17 August 2021
Exercisable period	5 years from each vesting date
Exercise price (₹)	250.00
<b>Outstanding at the beginning of 1 April 2020 (Nos.)</b>	-
Granted during the year (Nos.)	10,400,000
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
<b>Outstanding as at 31 March 2021 (Nos.)</b>	<b>10,400,000</b>
Vested and exercisable as at 31 March 2021 (Nos.)	-
Remaining contractual life (Weighted Months)	77

(iv) **Dhani Services Limited - Employee Stock Benefit Scheme 2020 (“Scheme”) (“DSL-ESBS 2020”).**

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Company at its meeting held on 23 January 2020; and (b) a special resolution of the shareholders’ of the Company passed through postal ballot on 20 March 2020, result of which were declared on 21 March 2020.

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2020 (“ESOP Plan 2020”)
- Dhani Services Limited Employees Stock Purchase Plan 2020 (“ESP Plan 2020”)
- Dhani Services Limited Stock Appreciation Rights Plan 2020 (“SARs Plan 2020”)



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “SBEB Regulations”), the Company has set up “Udaan - Employees Welfare Trust” (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the “SBEB Regulations”, is authorised to purchase upto an aggregate of 9,300,000 (Ninety Three lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Company as on the date of approval of shareholders, from the secondary market. The Company has not granted any options/ SARs under the said scheme as at 31 March 2021.

### C. Fair Valuation:

The details of the Fair value of the options / SARs as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-

	DSL ESOP - 2008			
	20,000,000	9,700,000	500,000	880,600
	Options	Options Regranted	Options Regranted	Options Regranted
1. Exercise price (₹)	17.40	24.15	219.65	254.85
2. Expected volatility *	79.00%	42.97%	46.70%	47.15%
3. Option Life (Weighted Average) (in years)	11	6	6	6
4. Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
5. Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
6. Fair value of the options (₹)	0.84	4.31	106.31	130.05

	DSL-ESBS 2019	DSL ESOP – 2009			
	10,400,000	2,050,000	9,500,000	10,000,000	669,400
	SARs	Options	Options Regranted	Options Regranted	Options Regranted
1. Exercise price (₹)	250.00	31.35	16.00	219.65	254.85
2. Expected volatility *	68.45%	48.96%	40.74%	46.70%	47.15%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil
4. Expected dividends yield	1.71%	6.86%	16.33%	1.27%	1.10%
5. Risk free interest rate	4.17%	8.05%	7.45%	6.54%	7.56%
6. Fair value of the options (₹)	55.49	9.39	1.38	106.31	130.05

\* The expected volatility was determined based on historical volatility data.

### D. Share based payment expense:

The Company has recognised/(reversed) Share based payments expense to employees of ₹ 143.26 lakh (31 March 2020: ₹ 2,025.83 lakh expense) in the statement of Profit and loss for the year ended 31 March 2021 as follows:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Share based payments (reversal) / expense	(143.26)	2,025.83
	<b>(143.26)</b>	<b>2,025.83</b>



**Summary of significant accounting policies and other explanatory information**  
for the year ended 31 March 2021  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note - 53**  
**Segment reporting:**

Segment information for the year ended 31 March 2021 as per Indian Accounting Standard 108 - 'Segment Reporting':

**(A) Primary segment information (by business segments):**

Particulars	For the year ended 31 March 2021					For the year ended 31 March 2020						
	Broking and related activities	Financing and related activities	Asset reconstruction and related activities	Other operations	Inter-segment revenue	Total	Broking and related activities	Financing and related activities	Asset reconstruction and related activities	Other operations	Inter-segment revenue	Total
(i) Segment revenue	15,190.16	108,505.43	16,821.17	4,960.08	(14,375.23)	131,101.62	35,219.02	257,961.01	14,630.70	555.33	(16,887.51)	291,478.55
(ii) Segment results	1,558.14	(22,112.83)	3,843.07	-	-	(16,711.62)	971.53	3,091.84	8,109.85	-	-	12,173.22
Unallocated income net of other unallocated expenditure						1,687.37						(2,123.11)
Interest expenditure						(5,847.15)						(7,346.17)
Profit/(Loss) before tax						(20,871.40)						2,703.94
Tax expense						2,105.50						1,476.96
Profit/(Loss) after tax						(22,976.90)						4,180.90
Total other comprehensive income						302.80						566.37
Total comprehensive income for the year						(22,674.10)						4,747.27
(iii) Segment assets	111,391.95	694,003.69	95,841.06	-	-	901,236.70	122,441.38	816,917.74	109,992.42	-	-	1,049,351.54
Unallocated corporate assets						111,659.66						108,370.98
Total assets						1,012,896.36						1,157,722.52
(iv) Segment liabilities	17,572.44	383,580.73	1,756.65	-	-	402,909.82	18,698.51	535,667.89	2,628.60	-	-	556,995.00
Unallocated corporate liabilities						48,740.85						41,953.96
Total liabilities						451,650.67						598,948.96
(v) Capital expenditure including capital advances given (net)						3,387.92						80,991.10
Unallocated capital expenditure including capital advances						3,387.92						80,991.10
Total capital expenditure including capital advances												
(vi) Depreciation, amortization and impairment	991.08	7,175.27	20.80	-	-	8,187.15	2,127.92	9,399.37	57.89	-	-	11,585.18
Unallocated depreciation and amortisation						208.23						22.05
Total depreciation and amortisation						8,395.38						11,607.23
(vii) Non cash expenditure other than depreciation						27,927.16						97,363.47
Unallocated non cash expenditure other than depreciation						27,927.16						97,363.47
Non cash expenditure other than depreciation						27,927.16						97,363.47



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

### (B) Geographic information

Revenue from external customers	For the year ended March 31, 2021	For the year ended March 31, 2020
India	131,102	291,479
Outside India	0.10	-
<b>Total</b>	<b>131,101.62</b>	<b>291,479</b>

Non-current operating assets	As at March 31, 2021	As at March 31, 2020
India	34,679.04	72,227.33
Outside India	48.67	-
<b>Total</b>	<b>34,727.71</b>	<b>72,227.33</b>

Non-current assets for this purpose consist of property, plant and equipment, Capital work-in-progress, right-of-use assets, Intangible assets under development, investment property and other intangible assets.

- (C) The Group's primary business segments are reflected based on principal business activities carried on by the Holding Company and its subsidiary companies. The Group's primary businesses are 'Broking and Related activities' and 'Financing and Related activities'. Broking and related activities include business as a stock broker on the National Stock Exchange of India Limited and the BSE Limited, business as a commodity broker on the Multi Commodity Exchange of India Limited and the National Commodity and Derivative Exchange Limited, brokerage on cross-selling of real estate, and other ancillary services relating to broking activities. Financing and related activities include business of financing loans and other ancillary services. Asset reconstructions and related activities include business of asset reconstruction and securitisation and other ancillary services.
- (D) Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.
- (E) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as disclosed in Note 5.

### Note - 54

#### Related party disclosures :

**Nature of relationship** : **Name of the related party**

#### (a) Detail of related parties :

**Key management personnel** :

- Mr. Sameer Gehlaut, Whole Time Director, Chairman and Chief Executive Officer (w.e.f. 25 September 2020)
- Mr. Divyesh B. Shah, Whole Time Director & Chief Operating Officer / Chief Executive Officer #
- Mr. Pinank Jayant Shah, Whole Time Director
- Mr. Gagan Banga, Non-executive Director
- Mr. Anish Ernest Williams, Non-executive Director (w.e.f. 21 December 2020)
- Mr. Praveen Kumar Tripathi (w.e.f. 16 September 2019)
- Dr. Narendra Damodar Jadhav, Independent Director (w.e.f. 23 August 2020)
- Mrs. Fantry Mein Jaswal, Independent Director (w.e.f. 23 August 2020)
- Mr. Rakesh Mohan Garg, Independent Director (w.e.f. 25 November 2020)
- Mr. Vijay Chug, Independent Director (w.e.f. 21 December 2020)
- Mr. Abhaya Prasad Hota, Independent Director (till 16 September 2019)

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

- : Mr. Alok Misra, Independent Director (till 27 August 2020)
- : Mr. Shyam Lal Bansal, Independent Director (till 27 August 2020)
- : Ms. Vijayalakshmi Rajaram Iyer, Independent Director (till 27 August 2019)
- : Mrs. Rekha Gopal Warriar (w.e.f. 27 August 2019 and till 23 May 2020)

**Person exercising significant influence** : Mr. Sameer Gehlaut, Promoter and Non executive chairman (till 24 September 2020)

# Mr. Divyesh B. Shah was designated as Chief Executive Officer till 27 August 2020 and has been redesignated as Chief Operating Officer w.e.f. 28 August 2020.

**(b) Transactions with related parties :**

Nature of transactions	Key management personnel		Person exercising significant influence		Total	
	For the year ended		For the year ended		For the year ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Income</b>						
(i) Brokerage income	0.09	0.72	-	0.40	0.09	1.12
<b>Expenses</b>						
(i) Compensation to key management personnels:						
- Short term employee benefits	216.84	667.70	-	-	216.84	667.70
- Post employment benefits-gratuity	4.43	3.52	-	-	4.43	3.52
- Other long-term employee benefits-compensated absences	(33.54)	10.11	-	-	(33.54)	10.11
- Share based expenses	(203.61)	937.40	-	-	(203.61)	937.40
- Others (Director sitting fees)	24.50	32.50	-	-	24.50	32.50
<b>Finance</b>						
(i) Issue of Equity Shares under ESOP Schemes (based on the Exercise price)	-	1,622.56	-	-	-	1,622.56
(ii) Buy back of fully paid up equity shares	-	5,546.91	-	29,018.27	-	34,565.18
(iii) Call money received against right issue	-	51.98	-	-	-	51.98
(iv) Dividend paid *		366.04		1,081.31	-	1,447.35

\* paid to related parties in their capacity of shareholders.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

### (c) Balance outstanding at the end of the period :

Nature of transactions	Key management personnel		Person exercising significant influence		Total	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
(i) Margin funding loan receivable	-	68.83	-	-	-	68.83
(ii) Margin from customers	92.94	-	-	-	92.94	-

Amount presented in brackets represents liabilities

Note: Related party relationships as given above are as identified by the Group.

### Note - 55

#### Financial instruments

##### A. Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at 31 March 2021	As at 31 March 2020
<b>Financial assets measured at fair value</b>			
Investments measured at -			
- Fair value through profit and loss	Note - 11	141,715.49	63,247.97
- Fair value through other comprehensive income	Note - 11	316.10	164.28
<b>Loans measured at -</b>			
- Fair value through other comprehensive income	Note - 10	17,550.22	48,773.63
<b>Financial assets measured at amortised cost</b>			
Cash and cash equivalents	Note - 6	123,595.03	211,941.33
Other bank balances	Note - 7	79,613.84	74,050.60
<b>Receivables -</b>			
(i) Trade receivables	Note - 8	14,027.67	15,214.76
(ii) Other receivables	Note - 9	6,969.91	6,875.11
Loans	Note - 10	442,335.04	474,322.44
Other financial assets	Note - 12	39,560.79	92,337.38
<b>Total</b>		<b>865,684.09</b>	<b>986,927.50</b>
<b>Financial liabilities measured at amortised cost</b>			
Trade payables	Note - 18	7,517.61	8,511.04
Other payables	Note - 19	9,577.22	4,051.25
Debt securities (including interest accrued)	Note - 20	77,060.33	89,486.58
Borrowings (other than debt securities) (including interest accrued)	Note - 21	280,387.50	425,847.56
Lease liabilities	Note - 22	16,408.66	25,624.33
Other financial liabilities	Note - 23	52,923.32	30,174.84
<b>Total</b>		<b>443,874.64</b>	<b>583,695.60</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

### B. Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

**Level 1:** Quoted prices (unadjusted) for identical instruments in an active market;

**Level 2:** Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data (unobservable inputs).

#### B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2021	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Investments at fair value through profit and loss</b>				
Mutual funds	137,776.30	-	-	137,776.30
Unquoted security receipts	-	-	3,939.19	3,939.19
<b>Investments at fair value through other comprehensive income</b>				
Quoted equity instruments	316.10	-	-	316.10
Loans	-	-	17,550.22	17,550.22

As at 31 March 2020	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Investments at fair value through profit and loss</b>				
Debt securities	50,598.88	-	-	50,598.88
Mutual funds	8,155.07	-	-	8,155.07
Unquoted security receipts	-	-	4,494.02	4,494.02
<b>Investments at fair value through other comprehensive income</b>				
Quoted equity instruments	164.28	-	-	164.28
Loans	-	-	48,773.63	48,773.63

#### Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for quoted equity instruments and debt securities.
- for unquoted security receipts, adjusted discounted cash flow method (income approach) has been used.
- the use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value		Significant unobservable inputs
	As at 31 March 2021	As at 31 March 2020	
Unquoted security receipts	3,939.19	4,494.02	Estimated cash flows and discount rate
Loans	17,784.31	49,057.18	Estimated cash flows and discount rate





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

### Sensitivity analysis

Description	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Impact on fair value if change in internal rate of return - 'Unquoted security receipts'</b>		
- Impact due to increase of 0.5%	(13.52)	(14.61)
- Impact due to decrease of 0.5%	13.52	14.61
<b>Impact of change in rates on total comprehensive income statement - Loans</b>		
- Impact due to increase of 1.0%	151.12	404.75
- Impact due to decrease of 1.0%	(146.06)	(390.95)

The following table presents the changes in level 3 items for the periods ended 31 March 2021 and 31 March 2020:

Particulars	Loans	Unquoted security receipts
<b>As at 31 March 2019</b>	-	<b>1,933.94</b>
Add: Addition during the year	569,686.09	3,150.00
Less: Disposal/ redeemed during the year	(521,687.91)	(589.92)
Add: Gain recognised in statement of profit and loss	1,059.00	-
<b>As at 31 March 2020</b>	<b>49,057.18</b>	<b>4,494.02</b>
Add: Addition during the year	44,150.97	-
Less: Disposal/ redeemed during the year	(76,125.84)	(554.83)
Add: Gain recognised in statement of profit and loss	702.00	-
<b>As at 31 March 2021</b>	<b>17,784.31</b>	<b>3,939.19</b>

The amounts shown above are gross of ECL allowances.

### B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	123,595.03	123,595.03	211,941.33	211,941.33
Other bank balances	79,613.84	79,613.84	74,050.60	74,050.60
Receivables -				
(i) Trade receivables	14,027.67	14,027.67	15,214.76	15,214.76
(ii) Other receivables	6,969.91	6,969.91	6,875.11	6,875.11
Loans	442,335.04	441,633.04	474,322.44	474,381.00
Other financial assets	39,560.79	39,068.17	92,337.38	95,688.95
<b>Total</b>	<b>706,102.28</b>	<b>704,907.66</b>	<b>874,741.62</b>	<b>878,151.75</b>
<b>Financial liabilities</b>				
Trade payables	7,517.61	7,517.61	8,511.04	8,511.04
Other payables	9,577.22	9,577.22	4,051.25	4,051.25
Debt securities	77,060.33	80,141.20	89,486.58	94,521.24
Borrowings (other than debt securities)	280,387.50	280,797.81	425,847.56	425,969.48
Lease Liabilities	16,408.66	16,382.74	25,624.33	26,353.33
Other financial liabilities	52,923.32	52,923.32	30,174.84	30,174.84
<b>Total</b>	<b>443,874.64</b>	<b>447,339.90</b>	<b>583,695.60</b>	<b>589,581.18</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

The management assessed that fair values of cash and cash equivalents, other financial assets and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Financial instruments measured at fair value and fair value of financial instruments carried at amortized cost

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value and sensitivity
Financial assets and liabilities measured at amortized cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates	Not applicable	Not applicable
Financial assets measured at FVTPL	NAV based method.	Not applicable	Not applicable
Financial assets measured at FVOCI	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates	The discount rate is the average lending rate at which the loans are disbursed	There is an inverse correlation. Higher the discount rate i.e average lending rate for the disbursed loans, lower the fair value of the assets

### Note - 56

#### Financial risk management

##### i. Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's board of directors has overall responsibility for the establishment and oversight of the Group risk management framework. The Group's risk are managed by a treasury department under policies approved by the board of directors. The board of directors provides written principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, Other bank balances, investments, loans, trade receivables and other financial assets	Ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, debt securities, trade payables, other payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required)
Market risk - foreign exchange	Financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Forward contract/hedging, if required
Market risk - interest rate	Variable rates borrowings and debt securities	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity and debt securities, mutual funds	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

### A) Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the company. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

#### a) Credit risk management

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

The Group provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables, security deposits and other financial assets	Life time expected credit loss or 12 month expected credit loss
Moderate credit risk	Trade receivables, other receivables and loans	Life time expected credit loss
High credit risk	Loans, other receivables and security deposits	Life time expected credit loss or fully provided for

Assets are written off when there is no reasonable expectation of recovery. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

### Financial assets that expose the entity to credit risk\*

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(i) Low credit risk</b>		
Cash and cash equivalents	123,595.03	211,941.33
Other bank balances	79,613.84	74,050.60
Trade receivables	14,027.67	15,214.76
Other receivables	6,969.91	6,875.11
Loans	2,85,813.30	4,41,245.93
Investments	1,42,031.59	63,412.25
Other financial assets	37,891.78	90,401.57
<b>(ii) Moderate credit risk</b>		
Trade receivables	1,198.90	1,198.90
Loans	77,794.67	22,201.47
<b>(iii) High credit risk</b>		
Loans	1,58,961.15	1,20,277.08
Other receivables	4,207.64	4,749.17
Trade receivables	3,116.88	7,094.68
Other financial assets	1,669.01	1,935.81

\* These represent gross carrying values of financial assets, without deduction for expected credit losses

#### Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

#### Trade and other receivables

Credit risk related to trade and other receivables are managed by monitoring the recoverability of such amounts continuously.

#### Loans

The Group closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process (wherever applicable) to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Group assesses increase in credit risk on an ongoing basis for amounts loan assets that become past due and default is considered to have occurred when amounts receivable become one year past due.

The major guidelines for selection of the client includes:

- The client's income and indebtedness levels
- The client must possess the required KYC documents
- Client must agree to follow the rules and regulations of the Group
- Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the Group undertakes credit bureau checks for every client. The credit bureau check helps the Group in identifying clients with poor repayment histories and multiple loans.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Category*	Inputs	Assumptions
Corporate borrowers	1. Historical data as per Industry trends	1. Recoverability assumptions for stage 3 loan assets and related assessment with value of collateral
Retail borrowers	2. Supplemental external information that could affect the borrowers behaviour	2. Management judgement is applied to determine the economic scenarios and the application of probability weights
	3. Discount rate is based on internal rate of return on the loan	

\* The Group has used forward looking information in form of GDP growth rate and unemployment rate specific to the sector.

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

### Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits, interest spread on assigned assets and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

#### b) Credit risk exposure

##### i) Expected credit losses for financial assets other than loans

As at 31 March 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	123,595.03	-	123,595.03
Other bank balances	79,613.84	-	79,613.84
Investments	1,42,031.59	-	1,42,031.59
Trade receivables	18,343.45	(4,315.78)	14,027.67
Other receivables	11,177.56	(4,207.65)	6,969.91
Margin funding loans	107.76	-	107.76
Other financial assets	41,229.80	(1,669.01)	39,560.79

As at 31 March 2020	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	211,941.33	-	211,941.33
Other bank balances	74,050.60	-	74,050.60
Investments	63,412.25	-	63,412.25
Trade receivables	23,508.34	(8,293.58)	15,214.76
Other receivables	11,624.28	(4,749.17)	6,875.11
Margin funding loans	1,341.86	-	1,341.86
Other financial assets	94,273.19	(1,935.81)	92,337.38



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables	Other receivables	Other financial assets
<b>Loss allowance on 31 March 2019</b>	<b>3,071.71</b>	<b>1,434.50</b>	<b>23.00</b>
Impairment loss recognised during the year	6,686.98	3,314.67	1,915.71
Loss allowance written back	(536.40)	-	(2.90)
Write - offs	(928.71)	-	-
<b>Total Loss allowance on 31 March 2020</b>	<b>8,293.58</b>	<b>4,749.17</b>	<b>1,935.81</b>
Impairment loss recognised during the year	300.00	-	-
Loss allowance written back	(1,385.55)	(541.52)	(266.80)
Write - offs	(2,892.25)	-	-
<b>Loss allowance on 31 March 2021</b>	<b>4,315.78</b>	<b>4,207.65</b>	<b>1,669.01</b>

### Concentration of financial assets excluding loans

The Group carries on the business as stock broker on the National Stock Exchange of India Limited (“NSE”) and the BSE Limited (“BSE”), commodities broker on Multi Commodity Exchange of India Limited (“MCX”) and National Commodity & Derivatives Exchange Limited (“NCDEX”), depository participants, broking of underwriting/distribution of real estate projects on behalf of developers and renders other related ancillary services. The Group’s outstanding receivables are for stock broking on stock exchange’s, broking of underwriting/distribution of real estate projects and depository participants. Other financial assets majorly represents margin funding loans and deposits given for business purposes.

### ii) Expected credit losses for loans

Definition of default:

The Group considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of default, Exposure at default and Loss given default.

Changes in the gross carrying amount in relation to loans given from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
<b>Gross carrying amount as at 1 April 2019</b>	<b>10,86,630.68</b>	<b>7,338.49</b>	<b>40,411.52</b>
Assets originated and acquired	1,170,887.04	-	79,183.57
Net transfer between stages and derecognised	(1,24,691.75)	48,003.89	73,021.46
Assets write offs	(1,691,580.03)	(33,140.91)	(72,339.47)
<b>Gross carrying amount as at 31 March 2020</b>	<b>4,41,245.94</b>	<b>22,201.47</b>	<b>120,277.08</b>
Assets originated and acquired	4,35,045.91	-	5,077.57
Net transfer between stages and derecognised	(5,90,478.55)	55,593.20	52,021.88
Assets write offs	-	-	(18,415.38)
<b>Gross carrying amount as at 31 March 2021</b>	<b>285,813.30</b>	<b>77,794.67</b>	<b>1,58,961.15</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Stage 1	Stage 2	Stage 3
<b>Loss allowance on 1 April 2019</b>	4,407.73	2,298.06	8,010.68
Increase of provision due to assets originated and purchased during the year	43,699.20	-	-
Net transfer between stages and write back	(7,115.83)	4,045.80	(20,984.98)
Loss allowance written back	-	-	26,267.75
<b>Loss allowance on 31 March 2020</b>	<b>40,991.10</b>	<b>6,343.86</b>	<b>13,293.45</b>
Increase of provision due to assets originated and purchased during the year	2,443.43	-	-
Net transfer between stages and write back	(41,314.47)	2,343.38	53,514.70
Loss allowance written back	-	-	(14,931.59)
<b>Loss allowance on 31 March 2021</b>	<b>2,120.06</b>	<b>8,687.24</b>	<b>51,876.56</b>

### c) Concentration of loans

Prudent risk management involves the minimisation of concentration risk by diversifying the loan portfolio. Setting up exposure limit for particular industry, sector, geographical area, product, etc. is essential to reduce the concentration of the loan portfolio.

Particulars	As at 31 March 2021	As at 31 March 2020
Retail borrowers	298,726.53	401,333.53
Borrowers other than retail borrowers	223,734.83	181,049.09
<b>Total</b>	<b>522,461.36</b>	<b>582,382.62</b>

### Loans secured against collateral

Group's secured portfolio has security base as follows:

Particulars	Value of loans	
	As at 31 March 2021	As at 31 March 2020
Secured by tangible assets	178,175.22	229,620.09
Secured by other assets	-	2,503.74

Wherever required, the Group holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, pledge of securities, guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts, etc.

The Group does not physically possess properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are more than 90 days past due, possession of property may be initiated. Possessed property is disposed of in the manner prescribed under the regulatory guidance to recover outstanding debt.

### B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Group maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Group's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Group also takes into account liquidity of the market in which the entity operates.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

### i) Financing arrangements

The Group had access to the following funding facilities:

As at 31 March 2021	Total facility	Drawn	Undrawn
- Expiring within one year	41,630.00	500.00	41,130.00
- Expiring beyond one year	110,000.00	41,300.00	68,700.00
<b>Total</b>	<b>151,630.00</b>	<b>41,800.00</b>	<b>109,830.00</b>

As at 31 March 2020	Total facility	Drawn	Undrawn
- Expiring within one year	126,930.00	10,855.78	116,074.22
- Expiring beyond one year	60,000.00	20,000.00	40,000.00
<b>Total</b>	<b>186,930.00</b>	<b>30,855.78</b>	<b>156,074.22</b>

### ii) Maturities of financial assets and liabilities

The tables below analyse the Group financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2021	Less than 1 year	1-3 years	More than 3 years	Total
Cash and cash equivalent	123,596.24	-	-	123,596.24
Other bank balances	79,409.37	310.98	1.00	79,721.35
Trade receivables	12,707.08	5,146.84	628.91	18,482.83
Other receivable	851.48	8,790.93	1,535.14	11,177.55
Loans	248,285.45	226,888.38	231,334.98	706,508.81
Investments	134,328.77	5,006.83	2,695.99	142,031.59
Other financial assets	32,355.79	6,747.21	5,820.20	44,923.20
<b>Total undiscounted financial assets</b>	<b>631,534.20</b>	<b>252,891.17</b>	<b>242,016.22</b>	<b>1,126,441.59</b>
Debt securities	46,714.21	33,805.68	5,620.73	86,140.62
Borrowings (other than debt securities)	146,423.76	159,107.97	9,055.66	314,587.39
Trade payables	7,517.61	-	-	7,517.61
Other payables	9,577.22	-	-	9,577.22
Lease Liabilities	3,562.47	6,705.28	11,187.30	21,455.05
Other financial liabilities	52,923.32	-	-	52,923.32
<b>Total undiscounted financial liabilities</b>	<b>266,718.59</b>	<b>199,618.93</b>	<b>25,863.69</b>	<b>492,201.21</b>
<b>Net undiscounted financial assets/(liabilities)</b>	<b>364,815.61</b>	<b>53,272.24</b>	<b>216,152.53</b>	<b>634,240.38</b>

As at 31 March 2020	Less than 1 year	1-3 years	More than 3 years	Total
Cash and cash equivalent	211,970.77	-	-	211,970.77
Other bank balances	73,567.67	1,536.47	1.00	75,105.14
Trade receivables	12,575.58	8,254.21	2,872.62	23,702.41
Other receivable	819.97	4,071.37	6,740.28	11,631.62
Loans	390,881.55	187,581.13	319,425.59	897,888.27
Investments	64,476.32	-	5,422.77	69,899.09
Other financial assets	77,297.03	21,235.93	2,433.01	100,965.97
<b>Total undiscounted financial assets</b>	<b>831,588.88</b>	<b>222,679.11</b>	<b>336,895.27</b>	<b>1,391,163.27</b>
Debt securities	25,334.70	65,020.59	17,397.66	107,752.95
Borrowings (other than debt securities)	222,630.98	242,986.96	18,259.07	483,877.01
Trade payables	8,511.18	-	-	8,511.18
Other payables	4,051.11	-	-	4,051.11
Lease Liabilities	6,180.45	11,378.06	17,803.73	35,362.24
Other financial liabilities	30,174.84	-	-	30,174.84
<b>Total undiscounted financial liabilities</b>	<b>296,883.25</b>	<b>319,385.61</b>	<b>53,460.46</b>	<b>669,729.32</b>
<b>Net undiscounted financial assets/(liabilities)</b>	<b>534,705.63</b>	<b>(96,706.50)</b>	<b>283,434.81</b>	<b>721,433.95</b>





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

### C) Market risk

#### a) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. To mitigate the Group's exposure to foreign currency risk, non-rupee cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies. The Group has not hedged its foreign currency receivables and payables.

#### (i) Foreign currency risk exposure in USD:

Particulars	As at	Foreign currency	Exchange rate	Amount in Foreign Currency	Amount
<b>Financial assets</b>					
Loan notes and escrow receivable	31 March 2021	USD	73.50	10.74	789.24
Loan	31 March 2021	USD	73.50	10.08	740.88
Loan notes and escrow receivable	31 March 2020	USD	75.39	10.74	809.49

#### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
USD sensitivity		
INR/USD- increase by 6.70% (31 March 2020: 6.70%)*	102.52	54.24
INR/USD- decrease by 6.70% (31 March 2020: 6.70%)*	(102.52)	(54.24)

\* Holding all other variables constant

#### b) Interest rate risk

#### i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2020, the Group is exposed to changes in market interest rates through debt securities and other borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Variable rate liabilities</b>		
Borrowings (other than debt securities)	139,373.24	238,190.08
<b>Fixed rate liabilities</b>		
Debt securities	76,193.89	88,736.01
Borrowings (other than debt securities)	140,081.76	186,278.31

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)***Sensitivity**

Below is the sensitivity of profit or loss in interest rates.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest sensitivity on borrowings (other than debt securities)*		
Interest rates – increase by 1.0% (31 March 2020: 1.0%)	1,393.74	2,309.81
Interest rates – decrease by 1.0% (31 March 2020: 1.0%)	(1,393.74)	(2,309.81)

\* Holding all other variables constant

**ii) Assets**

The Group's term deposit, commercial paper/deposits and bank deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**c) Price risk****i) Exposure**

The Group's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

**ii) Sensitivity**

The table below summarises the impact of increases/decreases of the index on the Group's equity:

**Impact on profit after tax**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Mutual funds		
Net assets value – increase by 5%	6,888.82	407.75
Net assets value – decrease by 5%	(6,888.82)	(407.75)
Quoted debt securities		
Market price – increase by 5%	-	2,529.94
Market price – decrease by 5%	-	(2,529.94)

**Impact on other comprehensive income**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Quoted equity instruments		
Value per share – increase by 26% (31 March 2020: 26%)	82.19	42.71
Value per share – decrease by 26% (31 March 2020: 26%)	(82.19)	(42.71)

**Note - 57****Capital Management**

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

- to provide an adequate return to shareholders

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at 31 March 2021	As at 31 March 2020
Debt securities (including interest accrued)	77,060.33	89,486.58
Borrowings (other than debt securities) (including interest accrued)	2,80,387.50	4,25,847.56
Total debt	3,57,447.83	5,15,334.14
Less : Cash and cash equivalents	(1,23,595.03)	(2,11,941.33)
Net debt	2,33,852.80	3,03,392.81
Total equity	561,245.69	558,773.56
<b>Net debt to equity ratio</b>	<b>0.42</b>	<b>0.54</b>

### Note - 58

#### Transferred financial assets

##### A) Securitisation

In the course of its finance activity, the Group makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Group retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The Group has securitized its loan assets to an unrelated and unconsolidated entities. As per the terms of the agreements, the Group is exposed to first loss default guarantee and cash collateral amounting in range of 14% to 16% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying receivables. Hence, these loan assets are not derecognised and proceeds received are presented as other financial liability.

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitisations	As at 31 March 2021	As at 31 March 2020
Gross carrying amount of securitised assets	31,721.65	89,112.47
Gross carrying amount of associated liabilities	40,838.71	92,156.05
Carrying value and fair value of securitised assets	48,935.05	92,567.91
Carrying value and fair value of associated liabilities	40,838.71	92,156.05
Net position	8,096.34	411.86

##### B) Assignment

During the year ended March 31, 2020, the Group has sold certain loans by way of direct bilateral assignment, as a source of finance. As per the terms of such deals, since the derecognition criteria as per Ind AS 109 are met, (including transfer of substantial risks and rewards) relating to assets being transferred to the buyer, the assets have been derecognised from the books of the Group.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition.

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

Particulars	As at 31 March 2021	As at 31 March 2020
Carrying amount of de-recognised financial asset	36,711.03	588,837.88
Gain/(Loss) on sale of the de-recognised financial asset	(132.81)	61,669.04

Since the Group has derecognized the above loan assets in entirety, the whole of the interest spread at the present value (discounted over the expected life of the assets) is recognised on the date of derecognition itself as interest-only strip receivable and corresponding profit on derecognition of financial assets is recognized in the Statement of Profit and Loss.

**Note - 59****Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	As at 31 March 2021		As at 31 March 2020	
	Within 12 months	After 12 months	Within 12 months	After 12 months
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	123,595.03	-	211,941.33	-
Other bank balances	79,089.79	524.05	72,208.51	1,842.09
Receivables				
Trade receivables	10,052.37	3,975.30	8,162.42	7,052.34
Other receivables	357.69	6,612.22	619.61	6,255.50
Loans	225,195.89	2,34,689.37	280,621.03	242,475.04
Investments	138,467.63	3,563.96	59,591.87	3,820.38
Other financial assets	29,329.10	10,231.69	72,206.85	20,130.53
<b>Total Financial Assets</b>	<b>6,06,087.50</b>	<b>2,59,596.59</b>	<b>705,351.62</b>	<b>281,575.88</b>
<b>Non-financial assets</b>				
Inventories	90.45	-	-	-
Current tax assets (net)	16,155.66	1,982.31	13,641.39	2,395.41
Deferred tax assets	-	20,877.80	-	17,269.39
Investment property	-	-	-	27,122.50
Property, plant and equipment	-	6,900.47	-	7,753.10
Capital work-in-progress	-	123.88	-	-
Right-of-use assets	2,490.91	12,668.87	4,158.11	19,977.09
Intangible assets under development	-	478.08	-	608.12
Goodwill	-	6,797.16	-	3,906.43
Other intangible assets	-	12,065.50	-	12,608.41
Other non-financial assets	7,450.21	59,130.97	14,939.79	46,415.28
<b>Total non-financial Asset</b>	<b>26,187.23</b>	<b>1,21,025.04</b>	<b>32,739.29</b>	<b>138,055.73</b>
<b>TOTAL ASSETS (A)</b>	<b>6,32,274.73</b>	<b>3,80,621.63</b>	<b>738,090.91</b>	<b>419,631.61</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

	As at 31 March 2021		As at 31 March 2020	
	Within 12 months	After 12 months	Within 12 months	After 12 months
<b>LIABILITIES</b>				
<b>Financial liabilities</b>				
Payables			-	
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	2.42	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7,517.61	-	8,508.62	-
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9,577.22	-	4,051.25	-
Debt securities	42,924.47	34,135.86	16,558.78	72,177.23
Borrowings (other than debt securities)	131,927.80	148,459.70	188,435.24	236,033.15
Lease liabilities	2,248.26	14,160.39	3,686.95	21,937.38
Other financial liabilities	52,923.32	-	32,304.58	-
<b>Total Financial Liabilities</b>	<b>247,118.68</b>	<b>196,755.95</b>	<b>253,547.84</b>	<b>330,147.76</b>
<b>Non-financial Liabilities</b>				
Current tax liabilities (net)	1,095.71	-	284.96	-
Provisions	53.69	2,971.27	82.03	3,659.01
Deferred tax liabilities (net)	-	774.65	-	1,098.28
Other non-financial liabilities	2,776.85	103.86	9,946.55	182.53
	<b>3,926.25</b>	<b>3,849.78</b>	<b>10,313.54</b>	<b>4,939.82</b>
<b>TOTAL LIABILITIES (B)</b>	<b>251,044.93</b>	<b>200,605.74</b>	<b>263,861.38</b>	<b>335,087.58</b>
<b>NET (A-B)</b>	<b>3,81,229.80</b>	<b>1,80,015.90</b>	<b>474,229.53</b>	<b>84,544.03</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

### Note - 60

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	As at 31 March 2021							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent Company</b>								
Dhani Services Limited (Formerly Indiabulls Ventures Limited)	(3.55%)	(19,917.07)	11.84%	(2,720.82)	50.29%	152.28	11.33%	(2,568.55)
<b>Subsidiaries</b>								
Dhani Loans and Services Limited (Formerly Indiabulls Consumer Finance Limited)	56.58%	317,551.60	88.99%	(20,444.29)	50.06%	151.57	89.50%	(20,292.73)
Indiabulls Investment Advisors Limited	4.74%	26,610.23	1.94%	(445.08)	14.21%	43.04	1.77%	(402.04)
Indiabulls Distribution Services Limited	6.43%	36,077.59	13.17%	(3,025.91)	0.00%	-	13.35%	(3,025.93)
Dhani Stock Limited (Formerly Indiabulls Securities Limited)	6.77%	37,987.96	(11.51%)	2,644.88	1.03%	3.11	(11.68%)	2,647.99
Devata Tradelink Limited	0.00%	23.17	0.00%	(1.02)	0.00%	-	0.00%	(1.02)
Indiabulls Alternate Investments Limited	0.17%	945.07	(0.56%)	130.88	0.00%	-	(0.58%)	130.88
Indiabulls Consumer Products Limited	0.00%	3.78	0.04%	(8.34)	0.00%	-	0.04%	(8.34)
Indiabulls Asset Reconstruction Company Limited	1.25%	7,001.59	0.39%	(90.00)	0.09%	0.29	0.40%	(89.71)
Indiabulls Infra Resources Limited	0.07%	373.06	0.06%	(12.83)	0.00%	-	0.06%	(12.83)
Auxesia Soft Solutions Limited	0.00%	(2.46)	0.01%	(0.48)	0.00%	-	0.00%	(0.48)
Pushpanjli Finsolutions Limited	0.17%	980.02	(23.09%)	5,305.97	0.00%	-	(23.40%)	5,305.97
Arbutus Constructions Limited	0.00%	-	0.00%	(1.06)	0.00%	-	0.00%	(1.06)
Gyansagar Buildtech Limited	0.05%	255.79	0.03%	(7.36)	0.00%	-	0.03%	(7.36)
Dhani Healthcare Limited (Formerly Pushpanjli Fincon Limited)	0.50%	2,832.21	28.38%	(6,520.50)	(7.41%)	(22.45)	28.86%	(6,542.94)
Evinos Buildwell Limited	5.78%	32,435.54	(0.03%)	6.12	0.00%	-	(0.03%)	6.12
Evinos Developers Limited	0.00%	4.14	0.00%	(0.51)	0.00%	-	0.00%	(0.51)
Krathis Buildcon Limited	0.00%	4.23	0.00%	(0.52)	0.00%	-	0.00%	(0.52)
Savren Medicare Limited (Formerly Savren Buildwell Limited)	0.00%	4.45	0.00%	(0.31)	0.00%	-	0.00%	(0.31)
Krathis Developers Limited	0.00%	4.24	0.00%	(0.52)	0.00%	-	0.00%	(0.52)
Transerv Limited (Formerly Transerv Private Limited)	5.66%	31,762.13	1.90%	(435.92)	(2.28%)	(6.91)	1.96%	(442.82)
Jwala Technology Systems Private Limited	0.04%	217.54	(0.09%)	20.28	0.00%	-	(0.08%)	20.28
Euler Systems, Inc (USA)	0.09%	507.54	0.01%	(1.42)	0.15%	0.46	0.01%	(0.95)
Dhani Health Middle East FZ LLC (Dubai)	0.01%	44.26	0.06%	(14.79)	(0.12%)	(0.35)	0.08%	(15.14)
Dhani Limited, Jersey	0.66%	3,691.77	0.02%	(5.67)	(5.93%)	(17.97)	0.11%	(23.63)
Dhani Limited, UK	0.00%	(1.91)	0.03%	(7.21)	(0.09%)	(0.27)	0.04%	(7.48)
Indiabulls ARC - III Trust	0.00%	4.50	(4.54%)	1,043.79	0.00%	-	(4.65%)	1,043.79
Indiabulls ARC - IV Trust	0.95%	5,348.15	(1.89%)	433.91	0.00%	-	(1.91%)	433.91
Indiabulls ARC - V Trust	0.02%	115.53	0.18%	(40.69)	0.00%	-	0.18%	(40.69)



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Name of the entity	As at 31 March 2021									
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income			
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount		
Indiabulls ARC - VI Trust	0.38%	2,145.62	1.79%	(410.79)	0.00%	-	1.81%	(410.79)		
Indiabulls ARC - VII Trust	0.27%	1,542.66	1.09%	(250.45)	0.00%	-	1.10%	(250.45)		
Indiabulls ARC - VIII Trust	0.44%	2,444.08	0.25%	(62.82)	0.00%	-	0.28%	(62.82)		
Indiabulls ARC - X Trust	2.41%	13,545.37	(3.13%)	719.75	0.00%	-	(3.17%)	719.75		
Indiabulls ARC - XI Trust	0.00%	0.09	(2.51%)	576.95	0.00%	-	(2.54%)	576.95		
Indiabulls ARC - XII Trust	1.46%	8,187.15	(2.03%)	466.00	0.00%	-	(2.06%)	466.00		
Indiabulls ARC - XIII Trust	0.19%	1,046.01	(0.02%)	5.20	0.00%	-	(0.02%)	5.20		
Indiabulls ARC - XVI Trust	0.18%	998.27	(0.16%)	36.31	0.00%	-	(0.16%)	36.31		
Indiabulls ARC - XVII Trust	0.69%	3,852.90	(0.85%)	195.96	0.00%	-	(0.86%)	195.96		
Indiabulls ARC - XVIII Trust	1.86%	10,432.99	(1.82%)	418.56	0.00%	-	(1.85%)	418.56		
Indiabulls ARC - XVIII Trust	0.91%	5,098.74	0.00%	(0.65)	0.00%	-	0.00%	(0.65)		
Non controlling interest in all subsidiaries	4.83%	27,087.16	2.05%	(471.50)	0.00%	-	2.08%	(471.50)		
<b>Total</b>	<b>100.00%</b>	<b>561,245.69</b>	<b>100.00%</b>	<b>(22,976.90)</b>	<b>100.00%</b>	<b>302.80</b>	<b>100.00%</b>	<b>(22,674.10)</b>		



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

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	As at 31 March 2020									
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income			
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount	Amount	
<b>Parent Company</b>										
Indiabulls Ventures Limited	(4.05%)	(22,629.08)	(86.37%)	(3,610.98)	(26.82%)	(151.92)	(79.26%)	(3,762.91)		
<b>Subsidiaries</b>										
Indiabulls Consumer Finance Limited	52.19%	291,610.68	41.09%	1,717.69	128.58%	728.26	51.52%	2,445.95		
(Formerly IVL Finance Limited)										
Indiabulls Investment Advisors Limited	4.82%	26,957.17	(90.19%)	(3,770.73)	(1.24%)	(7.04)	(79.58%)	(3,777.77)		
Indiabulls Distribution Services Limited	8.14%	45,486.58	37.65%	1,574.14	0.00%	-	33.16%	1,574.14		
Indiabulls Securities Limited	7.43%	41,533.56	(26.49%)	(1,107.52)	(5.52%)	(31.25)	(23.99%)	(1,138.77)		
(Formerly Indiabulls Commodities Limited)										
Devata Tradelink Limited	0.01%	28.51	(0.01%)	(0.50)	0.00%	-	(0.01%)	(0.50)		
Indiabulls Alternite Investments Limited	0.15%	814.19	3.35%	139.85	0.00%	-	2.95%	139.85		
Indiabulls Consumer Products Limited	0.00%	12.11	(0.06%)	(2.38)	0.00%	-	(0.05%)	(2.38)		
Indiabulls Asset Reconstruction Company Limited	0.58%	3,251.88	12.34%	515.93	1.04%	5.92	10.99%	521.85		
Indiabulls Infra Resources Limited	0.02%	119.18	(0.23%)	(9.53)	0.00%	-	(0.20%)	(9.53)		
Auxesia Soft Solutions Limited	0.00%	(1.20)	0.00%	(0.22)	0.00%	-	0.00%	(0.22)		
Pushpanjali Finsolutions Limited	4.84%	27,019.59	(18.04%)	(754.09)	0.00%	-	(15.88%)	(754.09)		
Arbutus Constructions Limited	0.02%	95.03	0.00%	(0.10)	0.00%	-	0.00%	(0.10)		
Gransagar Buildtech Limited	0.06%	345.68	(0.01%)	(0.33)	0.00%	-	(0.01%)	(0.33)		
Pushpanjali Fincon Limited	0.00%	3.72	(0.21%)	(8.87)	0.00%	-	(0.19%)	(8.87)		
Evinos Buildwell Limited	5.83%	32,572.05	(0.14%)	(6.05)	0.00%	-	(0.13%)	(6.05)		
Evinos Developers Limited	0.00%	4.65	(0.01%)	(0.35)	0.00%	-	(0.01%)	(0.35)		
Krathis Buildcon Limited	0.00%	4.75	(0.01%)	(0.25)	0.00%	-	(0.01%)	(0.25)		
Savren Buildwell Limited	0.00%	4.75	(0.01%)	(0.25)	0.00%	-	(0.01%)	(0.25)		
Krathis Developers Limited	0.00%	4.75	(0.01%)	(0.25)	0.00%	-	(0.01%)	(0.25)		
Transerv Limited (formerly Transerv Private Limited)	0.62%	3,474.37	17.31%	723.68	1.66%	9.40	15.45%	733.09		
Indiabulls ARC - III Trust	0.49%	2,744.27	(10.95%)	(458.04)	0.00%	-	(9.65%)	(458.04)		
Indiabulls ARC - IV Trust	0.66%	3,691.86	21.78%	910.57	0.00%	-	19.18%	910.57		
Indiabulls ARC - V Trust	0.04%	240.21	6.23%	260.49	0.00%	-	5.49%	260.49		
Indiabulls ARC - VI Trust	0.47%	2,643.76	14.42%	602.92	0.00%	-	12.70%	602.92		
Indiabulls ARC - VII Trust	0.33%	1,847.41	18.01%	755.06	0.00%	-	15.86%	753.06		
Indiabulls ARC - VIII Trust	0.47%	2,603.84	6.14%	256.47	0.00%	-	5.40%	256.47		
Indiabulls ARC - X Trust	3.24%	19,106.76	30.60%	1,279.36	0.00%	-	26.95%	1,279.36		
Indiabulls ARC - XI Trust	1.99%	11,128.84	24.38%	1,019.51	0.00%	-	21.48%	1,019.51		
Indiabulls ARC - XII Trust	1.69%	9,447.24	8.15%	340.76	0.00%	-	7.18%	340.76		
Indiabulls ARC - XIII Trust	0.20%	1,093.22	1.64%	68.68	0.00%	-	1.45%	68.68		
Non controlling interest in all subsidiaries	9.76%	54,513.23	89.65%	3,748.23	2.30%	13.00	79.23%	3,761.23		
<b>Total</b>	<b>100.00%</b>	<b>558,773.56</b>	<b>100.00%</b>	<b>4,180.90</b>	<b>100.00%</b>	<b>566.37</b>	<b>100.00%</b>	<b>4,747.27</b>		





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

### Note - 61

#### Group information

- A. The consolidated financial statements include the financial statements of Group and its subsidiaries. Dhani Services Limited (formerly known as Indiabulls Ventures Limited) is the ultimate holding of the Group.

Name of subsidiaries	Country of incorporation	% of holding and voting power either directly or indirectly through subsidiary	
		As at 31 March 2021	As at 31 March 2020
Dhani Loans and Services Limited	India	100.00%	100.00%
(Formerly Indiabulls Consumer Finance Limited)			
Indiabulls Investment Advisors Limited	India	100.00%	100.00%
(Subsidiary of Dhani Loans and Services Limited, formerly Indiabulls Consumer Finance Limited)			
Indiabulls Distribution Services Limited	India	100.00%	100.00%
(Subsidiary of Dhani Loans and Services Limited, formerly Indiabulls Consumer Finance Limited)			
Dhani Stock Limited	India	100.00%	100.00%
(Formerly Indiabulls Securities Limited)			
Devata Tradelink Limited	India	100.00%	100.00%
Indiabulls Alternate Investments Limited	India	100.00%	100.00%
Indiabulls Consumer Products Limited	India	100.00%	100.00%
Indiabulls Asset Reconstruction Company Limited	India	100.00%	100.00%
Indiabulls Infra Resources Limited	India	100.00%	100.00%
Auxesia Soft Solutions Limited	India	100.00%	100.00%
Pushpanjali Finsolutions Limited	India	100.00%	100.00%
Arbutus Constructions Limited	India	100.00%	100.00%
Gyansagar Buildtech Limited	India	100.00%	100.00%
Dhani Healthcare Limited	India	100.00%	100.00%
(Formerly Pushpanjali Fincon Limited)			
Transerv Limited	India	100.00%	42.00%
(formerly Transerv Private Limited)			
Indiabulls ARC - III Trust	India	51.00%	51.00%
Indiabulls ARC - IV Trust	India	51.00%	51.00%
Indiabulls ARC - V Trust	India	51.00%	51.00%
Indiabulls ARC - VI Trust	India	51.00%	51.00%
Indiabulls ARC - VII Trust	India	51.00%	51.00%
Indiabulls ARC - VIII Trust	India	51.00%	51.00%
Indiabulls ARC - X Trust	India	51.00%	51.00%
Indiabulls ARC - XI Trust	India	51.00%	51.00%
Indiabulls ARC - XII Trust	India	51.00%	51.00%
Indiabulls ARC - XIII Trust	India	51.00%	51.00%
Indiabulls ARC - XV Trust	India	51.00%	Not applicable
Indiabulls ARC - XVI Trust	India	51.00%	Not applicable
Indiabulls ARC - XVII Trust	India	100.00%	Not applicable
Indiabulls ARC - XVIII Trust	India	51.00%	Not applicable
Evinos Developers Limited	India	100.00%	100.00%
Evinos Buildwell Limited	India	100.00%	100.00%
Krathis Buildcon Limited	India	100.00%	100.00%
Krathis Developers Limited	India	100.00%	100.00%
Savren Medicare Limited	India	100.00%	100.00%
(Formerly Savren Buildwell Limited)			
Jwala Technology Systems Private Limited	India	100.00%	Not applicable
Euler Systems, Inc (USA)	USA	100.00%	Not applicable
Dhani Health Middle East FZ LLC (Dubai)	Dubai	100.00%	Not applicable
Dhani Limited, Jersey	Jersey	100.00%	Not applicable
Dhani Limited, UK	UK	100.00%	Not applicable



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

### B. Subsidiary with material non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Name of entity	Principal activities	Proportion of ownership interests and voting rights held by NCI	
		As at 31 March 2021	As at 31 March 2020
Indiabulls ARC - III Trust	Securitisation and Asset Reconstruction	49.00%	49.00%
Indiabulls ARC - IV Trust		49.00%	49.00%
Indiabulls ARC - V Trust		49.00%	49.00%
Indiabulls ARC - VI Trust		49.00%	49.00%
Indiabulls ARC - VII Trust		49.00%	49.00%
Indiabulls ARC - VIII Trust		49.00%	49.00%
Indiabulls ARC - X Trust		49.00%	49.00%
Indiabulls ARC - XI Trust		49.00%	49.00%
Indiabulls ARC - XII Trust		49.00%	49.00%
Indiabulls ARC - XIII Trust		49.00%	49.00%
Indiabulls ARC - XV Trust		49.00%	Not applicable
Indiabulls ARC - XVI Trust		49.00%	Not applicable
Indiabulls ARC - XVIII Trust		49.00%	Not applicable
Transerv Limited		Wallet Business	0%

Summarised financial information for Indiabulls ARC - III Trust is set out below:

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets	7,568.70	5,551.31
Non-financial assets	-	9.84
<b>Total assets</b>	<b>7,568.70</b>	<b>5,561.15</b>
Financial liabilities	465.53	359.26
Non-financial Liabilities	0.16	-
<b>Total liabilities</b>	<b>465.69</b>	<b>359.26</b>
Equity attributable to the owners of the holding company	3,622.54	2,652.97
Non-controlling interests	3,480.47	2,548.92

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Total revenue</b>	<b>498.06</b>	<b>791.48</b>
Total comprehensive income attributable to the owners of the holding company	969.57	(597.19)
Total comprehensive income attributable to non-controlling interest	931.55	(573.77)
<b>Total comprehensive income</b>	<b>1,901.13</b>	<b>(1,170.96)</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Summarised cash flow	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities	116.27	147.79
Cash flows from investing activities	-	-
Cash flows from financing activities	(115.93)	(151.77)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>0.34</b>	<b>(3.98)</b>

### Summarised financial information for Indiabulls ARC - IV Trust is set out below:

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets	4,274.33	6,857.55
Non-financial assets	156.26	415.50
Total assets	4,430.59	7,273.05
Financial liabilities	22.21	34.51
Non-financial Liabilities	6.28	0.61
Total liabilities	28.49	35.12
Equity attributable to the owners of the holding company	2,245.07	3,691.35
Non-controlling interests	2,157.03	3,546.58

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Total revenue</b>	<b>2,377.72</b>	<b>3,668.32</b>
Total comprehensive income attributable to the owners of the holding company	162.67	112.61
Total comprehensive income attributable to non-controlling interest	156.29	108.19
Total comprehensive income	318.97	220.80

Summarised cash flow	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash used in operating activities	3,888.57	6,643.91
Cash flows from investing activities	-	-
Cash flows from financing activities	(3,838.50)	(6,898.07)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>50.07</b>	<b>(254.16)</b>

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)***Summarised financial information for Indiabulls ARC - V Trust is set out below:**

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets	318.80	591.45
Non-financial assets	0.33	11.83
Total assets	319.13	603.28
Financial liabilities	93.61	133.28
Non-financial Liabilities	-	-
Total liabilities	93.61	133.28
Equity attributable to the owners of the holding company	115.03	239.71
Non-controlling interests	110.49	230.29

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total revenue	34.12	143.02
Total comprehensive income attributable to the owners of the holding company	(70.09)	213.12
Total comprehensive income attributable to non-controlling interest	(67.34)	204.76
Total comprehensive income	(137.42)	417.88

Summarised cash flow	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash used in operating activities	(28.18)	1,122.24
Cash flows from investing activities	-	-
Cash flows from financing activities	(15.96)	(984.33)
Net increase in cash and cash equivalents	(44.14)	137.91

**Summarised financial information for Indiabulls ARC - VI Trust is set out below:**

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets	4,407.43	5,286.97
Non-financial assets	-	0.24
Total assets	4,407.43	5,287.21
Financial liabilities	241.85	109.87
Non-financial Liabilities	0.02	-
Total liabilities	241.87	109.87
Equity attributable to the owners of the holding company	2,124.44	2,640.45
Non-controlling interests	2,041.12	2,536.89



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total revenue	555.51	467.28
Total comprehensive income attributable to the owners of the holding company	(516.01)	496.77
Total comprehensive income attributable to non-controlling interest	(495.77)	477.29
Total comprehensive income	(1,011.77)	974.06
<b>Summarised cash flow</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Cash used in operating activities	141.00	109.38
Cash flows from investing activities	-	-
Cash flows from financing activities	(141.13)	(108.69)
Net increase in cash and cash equivalents	(0.13)	0.69

### Summarised financial information for Indiabulls ARC - VII Trust is set out below:

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets	3,061.07	3,623.88
Non-financial assets	34.04	16.73
Total assets	3,095.11	3,640.61
Financial liabilities	82.14	18.24
Non-financial Liabilities	0.01	-
Total liabilities	82.15	18.24
Equity attributable to the owners of the holding company	1,536.61	1,847.41
Non-controlling interests	1,476.35	1,774.96

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total revenue	348.13	600.88
Total comprehensive income attributable to the owners of the holding company	(310.80)	613.88
Total comprehensive income attributable to non-controlling interest	(298.61)	589.81
Total comprehensive income	(609.41)	1,203.69

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

Summarised cash flow	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash used in operating activities	46.59	3,622.13
Cash flows from investing activities	-	-
Cash flows from financing activities	(58.66)	(3,610.03)
Net increase in cash and cash equivalents	(12.07)	12.10

**Summarised financial information for Indiabulls ARC - VIII Trust is set out below:**

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets	4,974.57	5,187.01
Non-financial assets	-	0.80
Total assets	4,974.57	5,187.81
Financial liabilities	242.17	98.79
Non-financial Liabilities	-	-
Total liabilities	242.17	98.79
Equity attributable to the owners of the holding company	2,413.52	2,595.40
Non-controlling interests	2,318.88	2,493.62

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total revenue	891.17	657.63
Total comprehensive income attributable to the owners of the holding company	(181.88)	166.53
Total comprehensive income attributable to non-controlling interest	(174.75)	159.99
Total comprehensive income	(356.63)	326.52

Summarised cash flow	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities	144.19	(4,664.51)
Cash flows from investing activities	-	-
Cash flows from financing activities	(144.61)	4,664.94
Net increase in cash and cash equivalents	(0.42)	0.43



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

### Summarised financial information for Indiabulls ARC - X Trust is set out below:

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets	26,605.28	35,556.26
Non-financial assets	0.73	3.42
Total assets	26,606.01	35,559.68
Financial liabilities	51.44	54.87
Non-financial Liabilities	2.25	1.49
Total liabilities	53.69	56.36
Equity attributable to the owners of the holding company	13,541.68	18,106.69
Non-controlling interests	13,010.64	17,396.63

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total revenue	5,604.70	3,095.41
Total comprehensive income attributable to the owners of the holding company	(284.77)	760.16
Total comprehensive income attributable to non-controlling interest	(273.61)	730.35
Total comprehensive income	(558.38)	1,490.50

Summarised cash flow	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities	9,922.48	(33,458.15)
Cash flows from investing activities	-	-
Cash flows from financing activities	(9,846.42)	33,550.01
Net increase in cash and cash equivalents	76.06	91.86

### Summarised financial information for Indiabulls ARC - XI Trust is set out below:

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets	-	22,079.70
Non-financial assets	-	0.03
Total assets	-	22,079.73
Financial liabilities	-	258.47
Non-financial Liabilities	-	-
Total liabilities	-	258.47
Equity attributable to the owners of the holding company	-	11,128.84
Non-controlling interests	-	10,692.42

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total revenue	901.36	1,701.49
Total comprehensive income attributable to the owners of the holding company	(333.13)	762.62
Total comprehensive income attributable to non-controlling interest	(320.06)	732.72
Total comprehensive income	(653.19)	1,495.34

Summarised cash flow	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities	20,010.65	(20,010.65)
Cash flows from investing activities	-	-
Cash flows from financing activities	(20,062.77)	20,062.77
Net increase in cash and cash equivalents	(52.12)	52.12

**Summarised financial information for Indiabulls ARC - XII Trust is set out below:**

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets	16,342.80	18,517.38
Non-financial assets	-	140.85
Total assets	16,342.80	18,658.23
Financial liabilities	292.45	120.59
Non-financial Liabilities	0.64	13.76
Total liabilities	293.09	134.35
Equity attributable to the owners of the holding company	8,185.35	9,447.18
Non-controlling interests	7,864.36	9,076.70

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total revenue	2,554.65	643.15
Total comprehensive income attributable to the owners of the holding company	(32.54)	209.75
Total comprehensive income attributable to non-controlling interest	(31.26)	201.52
Total comprehensive income	(63.81)	411.27

Summarised cash flow	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities	3,301.49	(17,941.78)
Cash flows from investing activities	-	-
Cash flows from financing activities	(3,113.82)	17,975.17
Net increase in cash and cash equivalents	187.67	33.39





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

### Summarised financial information for Indiabulls ARC - XIII Trust is set out below:

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets	2,099.95	2,126.62
Non-financial assets	-	14.91
Total assets	2,099.95	2,141.53
Financial liabilities	78.01	30.41
Non-financial Liabilities	0.01	1.34
Total liabilities	78.02	31.75
Equity attributable to the owners of the holding company	1,031.18	1,075.99
Non-controlling interests	990.75	1,033.79

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total revenue	268.66	61.59
Total comprehensive income attributable to the owners of the holding company	(44.80)	55.99
Total comprehensive income attributable to non-controlling interest	(43.04)	53.79
Total comprehensive income	(87.85)	109.78

Summarised cash flow	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities	61.18	(1,983.16)
Cash flows from investing activities	-	-
Cash flows from financing activities	(62.66)	1,984.70
Net increase in cash and cash equivalents	(1.48)	1.54

### Summarised financial information for Indiabulls ARC - XV Trust is set out below:

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets	1,959.41	-
Non-financial assets	-	-
Total assets	1,959.41	-
Financial liabilities	0.98	-
Non-financial Liabilities	-	-
Total liabilities	0.98	-
Equity attributable to the owners of the holding company	998.80	-
Non-controlling interests	959.63	-

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total revenue	94.75	-
Total comprehensive income attributable to the owners of the holding company	35.68	-
Total comprehensive income attributable to non-controlling interest	34.28	-
Total comprehensive income	69.97	-

Summarised cash flow	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities	(1,874.07)	-
Cash flows from investing activities	-	-
Cash flows from financing activities	1,884.13	-
Net increase in cash and cash equivalents	10.06	-

**Summarised financial information for Indiabulls ARC - XVI Trust is set out below:**

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets	7,576.79	-
Non-financial assets	-	-
Total assets	7,576.79	-
Financial liabilities	11.77	-
Non-financial Liabilities	-	-
Total liabilities	11.77	-
Equity attributable to the owners of the holding company	3,858.16	-
Non-controlling interests	3,706.86	-

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total revenue	461.93	-
Total comprehensive income attributable to the owners of the holding company	115.98	-
Total comprehensive income attributable to non-controlling interest	111.43	-
Total comprehensive income	227.41	-

Summarised cash flow	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities	(7,189.19)	-
Cash flows from investing activities	-	-
Cash flows from financing activities	7,229.84	-
Net increase in cash and cash equivalents	40.65	-



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts are in Indian Rupees in lakh unless stated otherwise)

### Summarised financial information for Indiabulls ARC - XVIII Trust is set out below:

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets	10,000.00	-
Non-financial assets	-	-
Total assets	10,000.00	-
Financial liabilities	1.27	-
Non-financial Liabilities	-	-
Total liabilities	1.27	-
Equity attributable to the owners of the holding company	5,099.35	-
Non-controlling interests	4,899.38	-

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total revenue	-	-
Total comprehensive income attributable to the owners of the holding company	(0.65)	-
Total comprehensive income attributable to non-controlling interest	(0.62)	-
Total comprehensive income	(1.27)	-

Summarised cash flow	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities	(9,998.74)	-
Cash flows from investing activities	-	-
Cash flows from financing activities	9,998.74	-
Net increase in cash and cash equivalents	-	-

### Summarised financial information for Transerv Limited is set out below:

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets	Not Applicable	1,878.67
Non-financial assets		10,238.83
Total assets		12,117.50
Financial liabilities		4,055.19
Non-financial Liabilities		2,575.39
Total liabilities		6,630.58
Equity attributable to the owners of the holding company		779.59
Non-controlling interests		4,707.33

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Total revenue		6,333.01
Total comprehensive income attributable to the owners of the holding company	Not Applicable	779.59
Total comprehensive income attributable to non-controlling interest		1,076.58
Total comprehensive income		1,856.17
<b>Summarised cash flow</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Cash flows from operating activities		1,397.37
Cash flows from investing activities	Not Applicable	14.00
Cash flows from financing activities		(53.41)
Net increase in cash and cash equivalents		1,357.96

**Note - 62****Buy-back**

During the year ended 31 March 2020, the Company pursuant to and in terms of its shareholders' and applicable regulatory approvals had bought back 66,666,666 fully paid-up equity shares having face value of ₹ 2 each at a price of ₹ 150 per share, through the 'Tender Offer' route for an aggregate amount of ₹ 100,000 lakh (excluding expenses towards buy back). The said Buy Back was completed on 4 February 2020. Consequently, the paid-up capital of the Company was reduced by ₹ 1,333.33 lakh. Of the total buyback cash outflow excluding related expenses, an amount of ₹ 98,666.67 lakh was utilized from Securities Premium Account and Capital Redemption Reserve of ₹ 1,333.33 lakh (representing the nominal value of the shares bought back and extinguished) has been created from the balance in retained earnings as per the requirements of the Act. Buy back expenses of ₹ 7,160.79 lakh have been adjusted to Securities Premium.

**In terms of our report of even date.**For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors

**Khushroo B. Panthaky**

Partner

Membership No.: 042423

Place: Mumbai

Date: 18 June 2021

**Sameer Gehlaut**

Chairman &amp; CEO

DIN: 00060783

Place: London

Date: 18 June 2021

**Divyesh B. Shah**

Whole Time Director &amp;

Chief Operating Officer

DIN: 00010933

Place: Mumbai

Date: 18 June 2021

**Rajeev Lochan Agrawal**

Chief Financial Officer

Place: Gurugram

Date: 18 June 2021

**Lalit Sharma**

Company Secretary

Place: Gurugram

Date: 18 June 2021



# Independent Auditors' Report

To the Members of Dhani Services Limited (formerly known as Indiabulls Ventures Limited)

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of **Dhani Services Limited (formerly known as Indiabulls Ventures Limited)** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 ('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 state of affairs of the Company as at 31 March 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 ('ICAI') 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 – Registration with Reserve Bank of India (RBI)

4. We draw attention to note 46 to the accompanying standalone financial statements regarding the Company's requirement of obtaining the Certificate of Registration (CoR) from Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) under the category of Core Investment Company (CIC) which is currently being evaluated by the management. The management is of the view that the possible non-compliance with such requirements is not expected to have a material impact on the accompanying standalone financial statements. Our opinion is not modified in respect of this matter.

### Emphasis of Matter - Effects of COVID 19 pandemic

5. We draw attention to note 53 to the accompanying standalone financial statements, which describes the uncertainties relating to COVID-19 pandemic and impact on the standalone financial position of the Company as at 31 March 2021, the extent of which is dependent on future developments. Our opinion is not modified in respect of this matter.

### Key Audit Matter

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.



## Independent Auditors' Report (Contd.)

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

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

### Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 including other 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.
9. 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.
10. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

11. 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 Standards on Auditing 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.



12. As part of an audit in accordance with Standards on Auditing, 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 with reference to 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 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;
13. 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.
14. 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.

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

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, 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 purpose of our audit of the accompanying standalone financial statements;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



## Independent Auditors' Report (Contd.)

- 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 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 18 June 2021 as per Annexure B expressed unmodified opinion; and
- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company, as detailed in note 40 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
  - 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 2021;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Khushroo B. Panthaky**

Partner

Membership No. 042423

UDIN: 21042423AAAAES6097

Place: Mumbai

Date: 18 June 2021





## Annexure A

### **Annexure A to the Independent Auditor's Report of even date to the members of Dhani Services Limited (formerly known as Indiabulls Ventures Limited), on the standalone financial statements for the year ended 31 March 2021**

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.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property. Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans and guarantees. Further, the Company has complied with the provision of Section 186 of the Act in respect of investments. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not undertaken any transactions in respect of security covered under section 185 and 186 of the Act.
- (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) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (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, 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.



## Independent Auditors' Report (Contd.)

- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

### Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in lakh)	Amount paid under Protest (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax Act, 1961	90.97	16.44	AY 2011-12	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax Act, 1961	33.02	6.56	AY 2012-13	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax Act, 1961	4.21	0.83	AY 2013-14	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax Act, 1961	43.33	7.58	AY 2014-15	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax Act, 1961	40.66	8.13	AY 2015-16	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax Act, 1961	18.32	3.66	AY 2016-17	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax Act, 1961	67.17	13.43	AY 2017-18	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax Act, 1961	17.36	3.43	AY 2013-14	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income-tax Act, 1961	2,524.48	NIL	AY 2018-19	Commissioner of Income-tax (Appeals)

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company did not have any dues payable to government during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has applied moneys raised by way of right issue and term loans for the purposes for which these were raised other than temporary deployment pending application of proceeds.
- (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) Managerial remuneration has been paid/ provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (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) During the year, the Company has made private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised were applied for the purposes for which these securities were issued,



though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand. During the year, the Company did not make preferential allotment of shares/ fully/partly convertible debentures.

- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, however such registration has not been obtained by the company. The Company was carrying on the business of stock broking which was demerged during the financial year 2019 -2020. Accordingly, as at and during the year ended 31 March 2020, the financial assets of the Company were more than fifty percent of its total assets and income from financial assets was more than fifty percent of the gross income. The Company's present business activities consists of providing loans and making investments in group companies, consequentially, the Company may be required to apply and obtain the Certificate of Registration (CoR) from Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) under the category of Core Investment Company (CIC), which is currently being evaluated by the management considering the Company's business operations and group structure.

**For Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Khushroo B. Panthaky**  
Partner  
Membership No. 042423  
UDIN: 21042423AAAAES6097

Place: Mumbai  
Date: 18 June 2021



## Annexure B

### **Annexure B to the Independent Auditor's Report of even date to the members of Dhani Services Limited (formerly known as Indiabulls Ventures Limited), on the standalone financial statements for the year ended 31 March 2021**

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

1. In conjunction with our audit of the standalone financial statements of Dhani Services Limited (formerly known as Indiabulls Ventures Limited) ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to 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 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**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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.
4. 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.
5. 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 financial statements.

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. 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**

7. 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**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

**Khushroo B. Panthaky**  
Partner  
Membership No. 042423  
UDIN: 21042423AAAAES6097

Place: Mumbai  
Date: 18 June 2021



# Standalone Balance Sheet

as at 31 March 2021

*(All amounts in Indian Rupees in lakh unless stated otherwise)*

	Notes	As at 31 March 2021	As at 31 March 2020
<b>I. ASSETS</b>			
<b>(1) Financial assets</b>			
(a) Cash and cash equivalents	5	6,089.55	1,806.14
(b) Other bank balances	6	6,860.15	5,900.08
(c) Loans	7	43,486.07	13,440.00
(d) Investments	8	481,768.05	477,982.28
(e) Other financial assets	9	1,085.32	1,073.75
		<b>539,289.14</b>	<b>500,202.25</b>
<b>(2) Non-financial assets</b>			
(a) Current tax assets (net)	10	1,891.03	2,303.16
(b) Deferred tax assets (net)	11	5,238.81	6,102.34
(c) Property, plant and equipment	12	79.60	95.23
(d) Right-of-use assets	13	-	-
(e) Intangible assets under development	14	-	-
(f) Other intangible assets	15	12.36	-
(g) Other non-financial assets	16	114.41	349.92
		<b>7,336.21</b>	<b>8,850.65</b>
<b>TOTAL ASSETS</b>		<b>546,625.35</b>	<b>509,052.90</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial liabilities</b>			
(a) Payables			
(i) Trade payables	17		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than above		63.90	301.88
(ii) Other payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than above		89.36	79.58
(b) Debt securities	19	-	9,058.77
(c) Borrowings (other than debt securities)	20	41,315.19	28,290.39
(d) Lease liabilities	13	-	-
(e) Other financial liabilities	21	223.48	309.00
		<b>41,691.93</b>	<b>38,039.62</b>
<b>(2) Non-financial Liabilities</b>			
(a) Provisions	22	74.32	84.13
(b) Other non-financial liabilities	23	378.13	2,941.14
		<b>452.45</b>	<b>3,025.27</b>
<b>(3) Equity</b>			
(a) Equity share capital	24	11,454.24	10,222.47
(b) Other equity	25	493,026.73	457,765.54
		<b>504,480.97</b>	<b>467,988.01</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>546,625.35</b>	<b>509,052.90</b>

The accompanying notes are an integral part of these standalone financial statements.  
This is the Balance Sheet referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors

**Khushroo B. Panthaky**  
Partner  
Membership No.: 042423

**Sameer Gehlaut**  
Chairman & CEO  
DIN: 00060783

**Divyesh B. Shah**  
Whole Time Director &  
Chief Operating Officer  
DIN: 00010933

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Lalit Sharma**  
Company Secretary

Place: Mumbai  
Date: 18 June 2021

Place: London  
Date: 18 June 2021

Place: Mumbai  
Date: 18 June 2021

Place: Gurugram  
Date: 18 June 2021

Place: Gurugram  
Date: 18 June 2021



# Standalone Statement of Profit and Loss

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>I. Revenue from operations</b>			
Interest income	26	2,436.95	10,029.52
Dividend income	27	500.37	20,510.63
Net gain on fair value changes	28	97.99	36.37
<b>Total revenue from operations</b>		<b>3,035.31</b>	<b>30,576.52</b>
<b>II. Other income</b>	29	503.69	425.67
<b>III. Total income (I + II)</b>		<b>3,539.00</b>	<b>31,002.19</b>
<b>IV. Expenses</b>			
Finance costs	30	3,470.79	3,810.44
Fees and commission expense	31	20.48	17.44
Impairment on financial instruments	32	220.10	-
Employee benefits expenses	33	14.19	999.08
Depreciation and amortisation	34	19.38	16.50
Other expenses	35	577.65	456.64
<b>Total expenses</b>		<b>4,322.59</b>	<b>5,300.10</b>
<b>V. Profit/(loss) before tax (III-IV)</b>		(783.59)	25,702.09
<b>VI. Tax expense:</b>	36		
Income tax for earlier years		28.03	-
Deferred tax		863.38	1,014.46
		<b>891.41</b>	<b>1,014.46</b>
<b>VII. Profit/ (loss) for the year from continuing operations (V-VI)</b>		<b>(1,675.00)</b>	<b>24,687.63</b>
<b>VIII. Profit from discontinued operations</b>	37	-	16.62
<b>IX. Tax expense of discontinued operations</b>	36	-	99.45
<b>X. Loss from discontinued operations (after tax) (VIII-IX)</b>		-	<b>(82.83)</b>
<b>XI. Profit/ (loss) for the year (VII+X)</b>		<b>(1,675.00)</b>	<b>24,604.80</b>
<b>XII. Other comprehensive income</b>			
(i) <b>Items that will not be reclassified to profit or loss</b>			
(a) Remeasurement gain on defined benefit plans		0.60	20.61
(b) Fair value of equity instruments		151.82	(167.35)
(ii) <b>Income-tax relating to items that will not be reclassified to profit or loss</b>		(0.15)	(5.19)
<b>Total other comprehensive income (net of taxes)</b>		<b>152.27</b>	<b>(151.93)</b>
<b>XIII. Total comprehensive income for the year (XI+XII)</b>		<b>(1,522.73)</b>	<b>24,452.87</b>
<b>XIV. Earnings per equity share (for continuing operation) (in ₹):</b>	38		
Basic		(0.31)	4.20
Diluted		(0.31)	4.12
<b>XV. Earnings per equity share (for discontinued operation) (in ₹):</b>	38		
Basic		-	(0.01)
Diluted		-	(0.01)
<b>XVI. Earnings per equity share (for discontinued &amp; continuing operations) (in ₹):</b>	38		
Basic		(0.31)	4.18
Diluted		(0.31)	4.11
Face value per equity share (₹)		2.00	2.00

The accompanying notes are an integral part of these standalone financial statements.  
This is the Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandniok & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors

**Khushroo B. Panthaky**  
Partner  
Membership No.: 042423

**Sameer Gehlaut**  
Chairman & CEO  
DIN: 00060783

**Divyesh B. Shah**  
Whole Time Director &  
Chief Operating Officer  
DIN: 00010933  
Place: Mumbai  
Date: 18 June 2021

**Rajeev Lochan Agrawal**  
Chief Financial Officer  
Place: Gurugram  
Date: 18 June 2021

**Lalit Sharma**  
Company Secretary  
Place: Gurugram  
Date: 18 June 2021

Place: Mumbai  
Date: 18 June 2021

Place: London  
Date: 18 June 2021



# Standalone Statement of Cash Flows

for the year ended 31 March 2021

*(All amounts in Indian Rupees in lakh unless stated otherwise)*

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A Cash flows from operating activities :</b>		
Profit/ (loss) before tax from continuing operations	(783.59)	25,702.09
Profit before tax from discontinued operations	-	16.62
Adjustments for :		
Depreciation and amortisation	19.38	1,147.77
Profit on sale of property, plant and equipment (net)	(1.45)	(3.28)
Provision for employee benefits (net)	(9.21)	(7.06)
Impairment on financial assets	220.10	306.34
Sundry credit balances written back	(176.51)	(57.61)
Unrealised loss/(gain) on foreign exchange fluctuations	15.99	(106.73)
Gain on fair valuation of financial assets	(97.99)	(205.27)
Share based payment expense	(186.92)	519.82
Income from financial guarantees	(270.02)	(318.94)
Loss on sale of discontinued operations	-	820.69
Interest expense for leasing arrangement	-	102.28
	(486.63)	2,198.01
Operating profit/(loss) before working capital changes	(1,270.22)	27,916.72
Adjustments for:		
Decrease in trade receivables	-	4,213.23
Increase in loans	(6.07)	(671.68)
Increase in other financial assets	(991.89)	(11,432.34)
Decrease in other non-financial assets	235.51	80.43
Increase/(decrease) in trade payables	(70.98)	71.24
Increase/(decrease) in other payables	19.29	(80.86)
Decrease in other financial liabilities	(25.91)	(5,297.16)
Increase/(decrease) in other non financial liabilities	(2,386.82)	1,750.61
	(3,226.87)	(11,366.53)
Cash generated from /(used in) operating activities	(4,497.09)	16,550.19
Income-tax refund received/ (paid) (net)	384.10	(1,661.06)
<b>Net cash generated from /(used in) operating activities</b>	<b>(4,112.99)</b>	<b>14,889.13</b>
<b>B Cash flows from investing activities :</b>		
Purchase of property, plant and equipment and other intangible assets (including intangible assets under development and capital advances)	(16.11)	(1,332.64)
Proceeds from sale of property, plant and equipment	1.45	4.92
Proceeds from redemption of investment (net)	97.99	205.27
Proceeds from sale of discontinued operations (net of cash given)	-	33,594.07
Proceeds from sale of investments	-	615.62
Investment in equity shares of subsidiaries	(3,716.57)	(36,816.62)
Inter-corporate deposits received back from / (given) to subsidiaries (net)	(30,035.74)	51,030.00
<b>Net cash generated from/(used in) investing activities.</b>	<b>(33,668.98)</b>	<b>47,300.62</b>





## Standalone Statement of Cash Flows (Contd.)

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>C Cash flows from financing activities</b>		
Dividends paid (including dividend distribution tax)	29.23	(16,909.58)
Amount transferred to investor education and protection fund	(88.84)	(52.63)
Proceeds from debt securities	-	1,500.00
Repayment of debt securities	(8,931.96)	(22,460.54)
Proceeds from borrowings (other than debt securities)	21,300.00	250,005.00
Repayment of borrowings (other than debt securities)	(9.56)	(246,513.85)
Purchase of treasury shares	(20,759.60)	(18,305.73)
Lease payments	-	(476.38)
Buy-back of shares (including buy-back expenses and taxes)	-	(107,160.77)
Proceeds from issue of equity shares (including securities premium) (net of share issue expenses)	58,791.75	4,399.84
<b>Net cash generated from/(used in) financing activities</b>	<b>50,331.02</b>	<b>(155,974.64)</b>
	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	12,549.05	(93,784.89)
E Cash and cash equivalents at the beginning of the year	(6,459.50)	87,325.39
F Cash and cash equivalents at the end of the year (D+E) (Refer Note - 2 below)	<b>6,089.55</b>	<b>(6,459.50)</b>

### Notes:

- The above Statement of cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) -7 "Statement of Cash Flows" as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
- Cash and cash equivalents at the end of the year include:

	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents (as per note - 5 to the financial statements)	6,089.55	1,806.14
Less: Bank overdraft (as per note - 20 to the financial statements)	-	(8,265.64)
<b>Total cash and cash equivalents for statement of cash flows (refer accounting policies for cash and cash equivalents)</b>	<b>6,089.55</b>	<b>(6,459.50)</b>

- For disclosures relating to changes in liabilities arising from financing activities, refer note 41.

The accompanying notes are an integral part of these standalone financial statements.  
This is the Statement of Cash Flows referred to in our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors

**Khushroo B. Panthaky**  
Partner  
Membership No.: 042423

**Sameer Gehlaut**  
Chairman & CEO  
DIN: 00060783

**Divyesh B. Shah**  
Whole Time Director &  
Chief Operating Officer  
DIN: 00010933

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Lalit Sharma**  
Company Secretary

Place: Mumbai  
Date: 18 June 2021

Place: London  
Date: 18 June 2021

Place: Mumbai  
Date: 18 June 2021

Place: Gurugram  
Date: 18 June 2021

Place: Gurugram  
Date: 18 June 2021



# Standalone Statement of Changes in Equity

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

Particulars	Equity share capital (refer note - 24)		Other equity (refer note - 25)					Total				
	Opening balance as at 1 April 2019	Changes during the year	Treasury shares	Equity component of compulsory convertible debentures	Capital redemption reserve	Securities premium	Foreign currency monetary item translation difference account	General reserve	Share options outstanding account	Retained earnings	Equity instruments through other comprehensive income	Balance as at 31 March 2021
Equity share capital	11,348.76	(1,126.29)										11,454.24
<b>Balance as at 1 April 2019</b>	<b>11,348.76</b>	<b>(1,126.29)</b>	<b>131,708.14</b>	<b>3,600.36</b>	<b>410,449.16</b>	<b>39.98</b>	<b>3,381.78</b>	<b>7,665.60</b>	<b>11,916.95</b>	<b>397.14</b>	<b>569,159.11</b>	<b>24,604.80</b>
Profit for the year	-	-	-	-	-	-	-	-	24,604.80	-	-	(151.93)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	15.42	(167.35)	-	4,197.68
Issue of equity shares	-	-	-	-	5,486.75	-	-	(1,289.07)	-	-	-	(4.87)
Expenses on issue of partly paid-up shares	-	-	-	-	(4.87)	-	-	-	-	-	-	(18,305.73)
Acquisition of own shares	-	-	(18,305.73)	-	-	-	-	-	-	-	-	(988.88)
Impact of change in income-tax rate	-	-	-	-	-	-	-	-	-	-	-	66.75
Effect of change in foreign exchange rate	-	-	-	-	-	66.75	-	-	-	-	-	(106.73)
Amortised during the year	-	-	-	-	-	(106.73)	-	-	-	-	-	(17,174.35)
Dividend paid (i)	-	-	-	-	-	-	-	-	(17,174.35)	-	-	(2.96)
Dividend distribution tax	-	-	-	-	-	(2.96)	-	-	-	-	-	234.00
Dividend on treasury shares	-	-	-	-	-	-	-	-	234.00	-	-	1,546.29
Share based options for employees of subsidiaries	-	-	-	-	-	-	-	1,546.29	-	-	-	(105,827.46)
Buy-back of shares (including buy-back expenses and taxes) (refer note 50)	-	-	-	-	(105,827.46)	-	-	-	-	-	-	-
Amount transferred to capital redemption reserve upon buy-back (refer note 50)	-	-	-	1,333.33	-	-	-	-	(1,333.33)	-	-	-
Transfer to on account of sale of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	65.60	(65.60)	-	-
Share based options lapsed	-	-	-	-	-	-	-	(227.07)	227.07	-	-	519.82
Share based payment expense	-	-	-	-	-	-	-	519.82	-	-	-	164.19
<b>Balance as at 31 March 2020</b>	<b>(18,305.73)</b>	<b>130,719.26</b>	<b>4,933.69</b>	<b>310,103.58</b>	<b>3,381.78</b>	<b>8,215.57</b>	<b>18,553.20</b>	<b>164.19</b>	<b>457,765.54</b>	<b>164.19</b>	<b>457,765.54</b>	



# Standalone Statement of Changes in Equity

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

(All amounts in Indian Rupees in lakh unless stated otherwise)

Particulars	Treasury shares	Equity component of compulsory convertible debentures	Reserves and surplus					Equity instruments through other comprehensive income	Total	
			Capital redemption reserve	Securities premium	Foreign currency monetary item translation difference account	General reserve	Share options outstanding account			Retained earnings
<b>Balance as at 1 April 2020</b>	<b>(18,305.73)</b>	<b>130,719.26</b>	<b>4,933.69</b>	<b>310,103.58</b>	-	<b>3,381.78</b>	<b>8,215.57</b>	<b>18,553.20</b>	<b>164.19</b>	<b>457,765.54</b>
Loss for the year	-	-	-	-	-	-	-	(1,675.00)	-	(1,675.00)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	0.45	151.82	152.27
Issue of equity shares	-	(130,719.26)	-	188,421.55	-	-	-	-	-	57,702.29
Expenses on issue of shares	-	-	-	(15.50)	-	-	-	-	-	(15.50)
Acquisition of own shares	(20,759.60)	-	-	-	-	-	-	-	-	(20,759.60)
Share based options for employees of subsidiaries	-	-	-	-	-	-	43.65	-	-	43.65
Share based options lapsed	-	-	-	-	-	-	(3,541.16)	3,541.16	-	-
Share based payment expense	-	-	-	-	-	-	(186.92)	-	-	(186.92)
<b>Balance as at 31 March 2021</b>	<b>(39,065.33)</b>	-	<b>4,933.69</b>	<b>498,509.63</b>	-	<b>3,381.78</b>	<b>4,531.14</b>	<b>20,419.81</b>	<b>316.01</b>	<b>493,026.73</b>

(i) Dividend paid during the year ended 31 March 2021 is ₹ Nil per share (31 March 2020: ₹ 3.25 per share (face value ₹ 2 each, fully paid up) ₹ 1.7875 per share (face value ₹ 2 each, partly paid up ₹ 1.10 per share) and ₹ 1.30 per share (face value ₹ 2 each, partly paid up ₹ 0.80 per share))

The accompanying notes are an integral part of these standalone financial statements.

This is Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors

**Khushroo B. Panthaky**  
Partner  
Membership No.: 042423  
Place: Mumbai  
Date: 18 June 2021

**Sameer Gehlaut**  
Chairman & CEO  
DIN: 00060783  
Place: London  
Date: 18 June 2021

**Divyesh B. Shah**  
Whole Time Director &  
Chief Operating Officer  
DIN: 00010933  
Place: Mumbai  
Date: 18 June 2021

**Rajeev Lochan Agrawal**  
Chief Financial Officer  
Place: Gurugram  
Date: 18 June 2021

**Lalit Sharma**  
Company Secretary  
Place: Gurugram  
Date: 18 June 2021



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

### Note - 1

#### Nature of principal activities

Dhani Services Limited ('DSL' or 'the Company', CIN: L74999DL1995PLC069631) (formerly Indiabulls Ventures Limited) had carried business as stock broker on the National Stock Exchange of India Limited ('NSE') and the BSE Limited ('BSE'); depository participants and renders other related ancillary services until 20th February 2020. The Company has transferred its stock broking business, including depository and other related ancillary services, through slump sale on going concern basis to its wholly owned subsidiary company Dhani Stocks Limited (formerly Indiabulls Securities Limited) w.e.f. 21st February 2020. Post slump sale, the Company has assets in the form of loans given to subsidiary companies and investments made in subsidiary companies. Further, since the Company was a Non-Banking Financial Company as defined under Rule 2(g) of the Companies (Indian Accounting Standards) Rules, 2015 issued under Section 133 of the Companies Act, 2013 till 20 February 2020 and having regard to the nature of the continuing operations of the Group, the Management has continued to present the standalone financial statements using Division III of Schedule III to the Companies Act, 2013.

On 2 April 2008 the Equity shares of the Company got listed on the NSE and the BSE after the demerger of the Company from Indiabulls Financial Services Limited (erstwhile holding Company) vide Scheme of Arrangement. The Company is domiciled in India and its registered office is situated at M-62 & 63, First Floor, Connaught Place, New Delhi – 110001.

The name of the Company has been changed from 'Indiabulls Ventures Limited' to 'Dhani Services Limited' with effect from 6 October 2020 in order to align Group's business of providing technology enabled subscription based healthcare and transaction finance services, through its Dhani App.

### Note - 2

#### General information and statement of compliance with Ind AS

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented in these financial statements.

The standalone financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on 18 June 2021.

### Note - 3

#### Basis of preparation

The standalone financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the standalone 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 as explained in relevant accounting policies. These standalone financial statements of the Company are presented in Indian Rupees (INR) which is also the Company's functional currency.

### Note - 4

#### I Significant management judgement in applying accounting policies and estimation uncertainty

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

##### Significant management judgements

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



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

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

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

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

### Significant estimates

**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 utility of assets.

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

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

## II Summary of significant accounting policies

The standalone financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the standalone financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

### a) Property, plant and equipment

#### Recognition and initial measurement

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

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

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives prescribed in Schedule II to the Act. Leasehold Improvements are amortised over the duration of the lease.

Asset class	Useful life
Furniture and fixtures	10 years
Vehicles	8-10 years
Office equipment	3-5 years
Computers	3 years

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



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

### De-recognition

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

### b) Intangible assets

#### Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

#### Subsequent measurement (amortisation)

Intangible assets consisting of software are amortised on a straight line basis over a period of 4 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

### c) Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Company can demonstrate following recognition requirements:

- The development costs can be measured reliably;
- The project is technically and commercially feasible;
- The Company intends to and has sufficient resources to complete the project;
- The Company has the ability to use or sell the such intangible asset; and
- The software will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

### d) Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company recognises revenue from the following sources:

### *Interest income*

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

### *Brokerage income*

Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract.

### *Commission income*

Commissions / brokerage from distribution of financial products are recognised upon allotment of the securities to the applicant.

### *Depository account maintenance income*

Depository account maintenance income is recognised on accrual basis and as at the time when the right to receive is established by the reporting date.

### *Dividend income*

Dividend income is recognised when the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

## **e) Borrowing costs**

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

## **f) Taxation**

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

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current Income-tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

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. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. 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).

### g) Employee benefits

#### *Short-term employee benefits*

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

#### *Defined contribution plans*

The Company has a defined contribution plans namely provident fund, pension fund, labour welfare fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the statement of profit and loss.

#### *Defined benefit plans*

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 as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

#### *Other long-term employee benefits*

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

### h) Share based payments

The Company has formulated various Employees Stock Option Schemes. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

### i) Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but not distributed at the end of the reporting period, being appropriately authorised and no longer at the discretion of





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

the Company. The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

### k) Equity investment in subsidiaries

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment and a proportionate recognition of the fair value of shares granted to employees of subsidiary under a group share based payment arrangement.

#### *Impairment of Investments*

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

### l) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

### m) Financial instruments

#### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

#### **Financial assets**

##### *Subsequent measurement*

- i. Financial assets carried at amortised cost – a financial asset is measured at the amortised cost if both the following conditions are met:
  - a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

- ii. Investments in equity instruments – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.
- iii. Investments in mutual funds – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole. Based on the Company's business model for managing the investments, the Company has classified its investments and securities for trade at FVTPL.

Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments.

### *De-recognition of financial assets*

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

### **Financial liabilities**

#### *Subsequent measurement*

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



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

### *De-recognition of financial liabilities*

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

### *Convertible debentures*

Convertible debentures are separated into liability and equity components basis the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as financial liability measured at amortised cost until it is extinguished on conversion. The remainder of the proceeds is recognised in equity since conversion option meets the fixed for fixed criteria.

### *Offsetting of financial instruments*

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

## **n) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company factors historical trends and forward looking information to assess expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

### *Trade receivables*

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

### *Other financial assets*

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition, if the financial asset is determined to have low credit risk at the balance sheet date.

### *Write-offs*

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument in the statement of profit and loss.

## **o) Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

### p) Earnings per equity share

Basic earnings per equity 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. Partly paid-up equity shares are treated as a fraction of an equity share to the extent they are entitled to participate in dividend relative to a fully paid-up equity share during the reporting period. Compulsory convertible debentures are treated as equivalent of equity share for the purpose of basic earnings per equity share. Treasury shares are adjusted for computation of weighted average equity shares.

For the purpose of calculating diluted earnings per equity 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.

### q) Segment reporting

The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance.

### r) Foreign currency

#### *Functional and presentation currency*

Items included in the standalone financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

#### *Transactions and balances*

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

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

### s) Treasury shares

The Company had created "Indiabulls Ventures Limited - Employee Welfare Trust" ('Trust') for the implementation of schemes namely employees stock options plans, employees stock purchase plan and stock appreciation rights plan. During the year ended 31 March 2021, name of the Trust has been changed to "Udaan Employee Welfare Trust" ("UEWT"). The Company treats UEWT as its extension and the Company's own shares held by UEWT are treated as treasury shares. Treasury shares are presented as a deduction from other equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

### t) Classification of leases

The Company enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

#### *Leases*

Till previous year, assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

#### *Recognition and initial measurement*

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

#### *Subsequent measurement*

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

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

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

### u) Non-current assets held for sale and discontinued operations

The Company classifies assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

For these purposes, sale transactions include exchanges of assets for other assets when the exchange has commercial substance.

The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

The results of discontinued operations are presented separately in the Statement of Profit and Loss.

### v) New Accounting Pronouncement

On 24 March 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### *Balance Sheet*

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or noncurrent.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

#### *Statement of profit and loss:*

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 5	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
Cash on hand	0.08	0.24
Balance with banks		
- in current accounts	4,554.25	1,805.90
- in bank deposits with original maturity of less than 3 months (refer note - 6(i))	1,535.22	-
	<b>6,089.55</b>	<b>1,806.14</b>

Note - 6	As at 31 March 2021	As at 31 March 2020
Other bank balances		
Bank deposits with original maturity of more than 3 months (i)	6,636.67	5,616.99
In earmarked accounts:		
Unpaid dividend accounts	223.48	283.09
	<b>6,860.15</b>	<b>5,900.08</b>

(i) Bank deposits include:	As at 31 March 2021	As at 31 March 2020
a. Deposits pledged with banks for overdraft facilities availed by the Company.	6,358.00	3,870.00
b. Deposits pledged with bank against bank guarantees issued in favor of National Stock Exchange of India Limited for right issue of the Company.	1,700.00	1,700.00
<b>Total</b>	<b>8,058.00</b>	<b>5,570.00</b>

Note - 7	As at 31 March 2021	As at 31 March 2020
Loans (at amortised cost)		
(i) Loans		
Loan to related parties <sup>(a)</sup> (refer note - 52)	43,486.07	13,440.00
<b>Total - gross</b>	<b>43,486.07</b>	<b>13,440.00</b>
Less: Impairment loss allowance	-	-
<b>Total - net</b>	<b>43,486.07</b>	<b>13,440.00</b>
Secured by tangible assets	-	-
Secured by others	-	-
Unsecured	43,486.07	13,440.00
<b>Total - gross</b>	<b>43,486.07</b>	<b>13,440.00</b>
Less: Impairment loss allowance	-	-
<b>Total - net</b>	<b>43,486.07</b>	<b>13,440.00</b>
<b>(I) Loans in India</b>		
(i) Public sector	-	-
(ii) Others	42,745.00	13,440.00
<b>Total - gross</b>	<b>42,745.00</b>	<b>13,440.00</b>
Less: Impairment loss allowance	-	-
<b>Total (I) net</b>	<b>42,745.00</b>	<b>13,440.00</b>
<b>(II) Loans outside India</b>	741.07	-
Less: Impairment loss allowance	-	-
<b>Total (II)- Net</b>	<b>741.07</b>	-
<b>Total (I + II)</b>	<b>43,486.07</b>	<b>13,440.00</b>

(a) The inter corporate deposits given by the Company to its wholly owned subsidiaries are for the general/corporate business purpose.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 8 Investments	Face value per share	As at 31 March 2021		As at 31 March 2020	
		Number of shares	Amount	Number of shares	Amount
(At fair value through other comprehensive income)					
Investment in equity instruments (others)					
BSE Limited	₹ 2.00	55,350	316.10	55,350	164.28
<b>Total (A)</b>			<b>316.10</b>		<b>164.28</b>
(At cost)*					
Investment in subsidiary companies					
In equity instruments					
Dhani Stocks Limited (formerly known as Indiabulls Securities Limited)	₹ 10.00	13,700,000	34,195.90	13,700,000	34,130.35
Indiabulls Investment Advisors Limited	NA	-	16.97	-	11.48
Indiabulls Distribution Services Limited	₹ 10.00	50,000	66.56	50,000	68.36
Indiabulls Consumer Products Limited	₹ 10.00	50,000	5.00	50,000	5.00
Indiabulls Asset Reconstruction Company Limited	₹ 10.00	97,500,000	52,500.00	57,500,000	12,500.00
Indiabulls Infra Resources Limited	₹ 10.00	3,000,000	300.00	3,000,000	300.00
Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited)	₹ 10.00	61,188,000	387,098.51	61,188,000	388,046.19
Pushpanjali Finsolutions Limited	₹ 10.00	6,010,000	2,115.52	6,010,000	2,115.52
Dhani Healthcare Limited (formerly Pushpanjali Fincon Limited)	₹ 10.00	4,010,000	999.80	4,010,000	401.00
Gyansagar Buildtech Limited	₹ 10.00	110,000	105.05	110,000	105.05
Arbutus Constructions Limited	₹ 10.00	110,000	105.05	110,000	105.05
Auxesia Soft Solutions Limited	₹ 10.00	50,000	5.00	50,000	5.00
Evinos Developers Limited	₹ 10.00	50,000	5.00	50,000	5.00
Savren Medicare Limited (formerly Savren Buildwell Limited)	₹ 10.00	50,000	5.00	50,000	5.00
Krathis Buildcon Limited	₹ 10.00	50,000	5.00	50,000	5.00
Krathis Developers Limited	₹ 10.00	50,000	5.00	50,000	5.00
Evinos Buildwell Limited	₹ 10.00	50,000	5.00	50,000	5.00
Jwala Technology Systems Private Limited	₹ 10.00	10,000	1.00	-	-
Transerv Limited	NA	-	417.12	-	-
Devata Tradelink Limited	₹ 10.00	50,000	5.00	50,000	5.00
Euler Systems Inc.	\$ 0.00001	8,000,000	0.06	-	-
Dhani Limited (incorporated in Jersey)	£ 1.00	3,670,002	3,715.51	-	-
In compulsorily convertible debentures					
8% Compulsory convertible debentures of Indiabulls Asset Reconstruction Company Limited	₹ 100.00	-	-	40,000,000	40,000.00
<b>Total (B)</b>			<b>481,677.05</b>		<b>477,823.00</b>
<b>Total gross C= (A)+(B)</b>			<b>481,993.15</b>		<b>477,987.28</b>
Less: Impairment loss allowance (C)			(225.10)		(5.00)
<b>Total net (B) -(C)</b>			<b>481,768.05</b>		<b>477,982.28</b>
Investments in India			478,277.58		477,987.28
Investments outside India			3,715.57		-
<b>Total gross</b>			<b>481,993.15</b>		<b>477,987.28</b>
Less: Impairment loss allowance			(225.10)		(5.00)
<b>Total net</b>			<b>481,768.05</b>		<b>477,982.28</b>

\* Equity investments in subsidiaries are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note-8 Investments (continued) Name of subsidiary Companies	Principle place of business	Ownership interest	
		As at 31 March 2021	As at 31 March 2020
Dhani Stocks Limited (formerly Indiabulls Securities Limited)	India	100%	100%
Indiabulls Distribution Services Limited	India	14% <sup>§</sup>	14% <sup>§</sup>
Indiabulls Consumer Products Limited	India	100%	100%
Indiabulls Asset Reconstruction Company Limited	India	100%	100%
Indiabulls Infra Resources Limited	India	100%	100%
Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited)	India	100%	100%
Pushpanjali Finsolutions Limited	India	100%	100%
Dhani Healthcare Limited (formerly Pushpanjali Fincon Limited)	India	100%	100%
Gyansagar Buildtech Limited	India	100%	100%
Arbutus Constructions Limited	India	100%	100%
Auxesia Soft Solutions Limited	India	100%	100%
Evinos Developers Limited	India	100%	100%
Savren Medicare Limited (formerly Savren Buildwell Limited)	India	100%	100%
Krathis Buildcon Limited	India	100%	100%
Krathis Developers Limited	India	100%	100%
Evinos Buildwell Limited	India	100%	100%
Jwala Technology Systems Private Limited	India	100%	NA
Devata Tradelink Limited	India	100%	100%
Euler Systems Inc.	USA	100%	NA
Dhani Limited	Jersey	100%	NA

§ Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited), a wholly owned subsidiary of the Company, is holding remaining 86% shares in Indiabulls Distribution Services Limited, hence it becomes the step down subsidiary of the Company.

- (i) In order to reorganise the capital structure of step down subsidiary companies, during the year ended 31 March 2020 the Company has purchased equity shares of such step down subsidiaries namely Gyansagar Buildtech Limited, Arbutus Constructions Limited, Krathis Developers Limited, Krathis Buildcon Limited, Savren Medicare Limited (formerly Savren Buildwell Limited), Evinos Developers Limited, Evinos Buildwell Limited, Pushpanjali Finsolutions Limited, Dhani Healthcare Limited (formerly Pushpanjali Fincon Limited) & Auxesia Soft Solutions Limited making them direct subsidiaries. The total purchase consideration for these acquisition was ₹ 2,756.62 lakh.
- (ii) During the year ended 31 March 2020, the Company has further invested ₹ 34,060.00 lakh in the equity share capital of Dhani Stocks Limited (formerly Indiabulls Securities Limited), a wholly owned subsidiary of the Company.
- (iii) During the year ended 31 March 2020, the Company has sold its 100% stake in the equity shares of Indiabulls Investment Advisors Limited (a wholly owned subsidiary of the Company) to Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) (another wholly owned subsidiary of the Company) for consideration of ₹ 550.00 lakh.

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts in Indian Rupees in lakh unless stated otherwise)*

- (iv) During the year ended 31 March 2019, the Company has invested ₹ 40,000.00 lakh in 40,000,000 compulsory convertible debentures (CCDs) of Indiabulls Asset Reconstruction Company Limited ('IARCL'). These CCDs carry interest rate of 8% and are compulsorily convertible at a conversion price of ₹ 100 per equity share (including a premium of ₹ 90 per equity share) within 14 months from the date of allotment. During the year ended 31 March 2021, these CCDs have been converted into equivalent number of fully paid up equity shares of the IARCL.
- (v) During the year ended 31 March 2021, the Company has acquired 100% equity share capital of Jwala Technology Systems Private Limited and Euler Systems Inc. (a company incorporated in USA) and has incorporated a wholly owned subsidiary namely Dhani Limited (a company incorporated in Jersey).
- (vi) The Company issues stock options/share appreciation rights to employees of its subsidiaries as well as provides guarantees to counter parties in favour of the subsidiaries. The fair value of the employee stock options/share appreciation rights granted to the employees of the subsidiaries and the fair value of such financial guarantees is added to the cost of investments in subsidiaries. The following are the amounts that have been added to the cost of investments in respective subsidiaries:

Name of subsidiary Companies	As at 31 March 2021	As at 31 March 2020
Indiabulls Distribution Services Limited	61.55	63.36
Dhani Loans and Services Limited	7,833.89	8,781.57
Indiabulls Investment Advisors Limited	16.97	11.48
Dhani Stocks Limited	75.90	10.35
Dhani Healthcare Limited	598.80	-
Transerv Limited	417.12	-
<b>Total</b>	<b>9,004.23</b>	<b>8,866.76</b>

Note - 9 Other financial assets	As at 31 March 2021	As at 31 March 2020
(a) Loan notes and escrow receivable *		
Considered good	779.17	760.42
(b) Loan to employees	6.15	10.63
(c) Security deposits		
Unsecured		
(i) Deposits with stock exchanges, (unsecured, considered good)	300.00	300.00
(ii) Deposits with others	-	2.70
	1,085.32	1,073.75

\* During the year ended 31 March 2012, the Company had sold 586,193 shares held by it in Copal Partners Limited to Moody's Group UK LTD for the consideration of ₹ 2,319.93 lakh vide the share purchase deed. Out of the total consideration of ₹ 2,319.93 lakh receivable from Moody's Group UK LTD, ₹ 779.17 lakh (including foreign exchange gain) [31 March 2020: ₹ 760.42 lakh (including foreign exchange gain)] is outstanding as at 31 March 2021 in the form of Loan Notes of the Moody's Group UK LTD and Escrow account.

Note - 10 Current tax assets (net)	As at 31 March 2021	As at 31 March 2020
Advance Income-tax (including tax deducted at source) (net of provision for income-tax)	1,891.03	2,303.16
	1,891.03	2,303.16



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 11	As at 31 March 2021	As at 31 March 2020
Deferred tax assets (net)		
<b>Deferred tax assets:</b>		
Disallowance under section 43B of the Income-tax Act, 1961	3.55	7.92
Disallowance under section 40A(7) of the Income-tax Act, 1961	15.16	13.26
Depreciation and amortisation	66.88	79.39
Financial assets measured at amortised cost	6.56	7.10
Impairment loss allowance	0.07	0.46
Share based payments	233.71	405.77
Compulsorily convertible debentures	-	1,012.89
Tax losses carried forward	5,192.67	4,803.62
<b>Total (A)</b>	<b>5,518.60</b>	<b>6,330.41</b>
<b>Deferred tax liabilities:</b>		
Financial liabilities measured at amortised cost	279.79	216.89
Others	-	11.18
<b>Total (B)</b>	<b>279.79</b>	<b>228.07</b>
<b>Deferred tax assets (net) C=(A)-(B)</b>	<b>5,238.81</b>	<b>6,102.34</b>

Movement in deferred tax assets (net) for the year ended 31 March 2021

Particulars	As at 1 April 2020	Recognised in statement of profit or loss	Recognised in other comprehensive income	Recognised in equity	As at 31 March 2021
<b>Assets (net)</b>					
Disallowance under section 43(B) of the Income-tax Act, 1961	7.92	4.37	-	-	3.55
Disallowance under section 40A(7) of the Income-tax Act, 1961	13.26	(2.05)	0.15	-	15.16
Depreciation and amortisation	79.39	12.51	-	-	66.88
Financial assets measured at amortised cost	7.10	0.54	-	-	6.56
Impairment loss allowance	0.46	0.39	-	-	0.07
Share based payments	405.77	172.06	-	-	233.71
Compulsorily convertible debentures	1,012.89	1,012.89	-	-	-
Tax losses carried forward	4,803.62	(389.05)	-	-	5,192.67
Others	(11.18)	(11.18)	-	-	-
Financial liabilities measured at amortised cost	(216.89)	62.90	-	-	(279.79)
<b>Total (net)</b>	<b>6,102.34</b>	<b>863.38</b>	<b>0.15</b>	<b>-</b>	<b>5,238.81</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Movement in deferred tax assets (net) for the year ended 31 March 2020

Particulars	As at 1 April 2019	Recognised in statement of profit or loss	Recognised in other comprehensive income	Recognised in equity	As at 31 March 2020
Disallowance under section 43(B) of the Income-tax Act, 1961	37.17	29.25	-	-	7.92
Disallowance under section 40A(7) of the Income-tax Act, 1961	147.88	129.43	5.19	-	13.26
Depreciation and amortisation	205.68	126.29	-	-	79.39
Financial assets measured at amortised cost	24.67	17.57	-	-	7.10
Impairment loss allowance	211.03	210.57	-	-	0.46
Share based payments	498.69	92.92	-	-	405.77
Compulsorily convertible debentures	7,286.46	5,284.69	-	(988.88)	1,012.89
Tax losses carried forward	-	(4,803.62)	-	-	4,803.62
Others	0.67	11.85	-	-	(11.18)
Financial liabilities measured at amortised cost	(142.70)	74.19	-	-	(216.89)
<b>Total (net)</b>	<b>8,269.55</b>	<b>1,173.14</b>	<b>5.19</b>	<b>(988.88)</b>	<b>6,102.34</b>

Note - 12 Property, plant and equipment	Vehicles ^	Furniture and fixtures	Office equipment	Computers	Leasehold improvements	Total
<b>Gross block</b>						
<b>Balance as at 1 April 2019</b>	<b>120.34</b>	<b>23.70</b>	<b>48.89</b>	<b>818.52</b>	<b>198.71</b>	<b>1,210.16</b>
Additions	11.01	14.91	8.01	130.76	22.26	186.95
Sales/adjustment	-	(0.40)	(4.23)	(6.11)	(3.08)	(13.82)
Transferred to discontinued operations	-	(38.21)	(51.83)	(940.60)	(217.89)	(1,248.53)
<b>Balance as at 31 March 2020</b>	<b>131.35</b>	<b>-</b>	<b>0.84</b>	<b>2.57</b>	<b>-</b>	<b>134.76</b>
Additions	-	-	-	1.10	-	1.10
Sales/adjustment	(11.78)	-	-	-	-	(11.78)
<b>Balance as at 31 March 2021</b>	<b>119.57</b>	<b>-</b>	<b>0.84</b>	<b>3.67</b>	<b>-</b>	<b>124.08</b>
<b>Accumulated depreciation</b>						
Balance as at 1 April 2019	22.78	5.60	17.17	182.16	90.14	317.85
Depreciation (continuing operations)	15.48	-	0.28	0.74	-	16.50
Depreciation (discontinued operations)	-	3.91	10.17	170.48	38.69	223.25
Sales/adjustment	-	(2.44)	(3.81)	(5.93)	-	(12.18)
Transferred to discontinued operations	-	(7.07)	(23.46)	(346.53)	(128.83)	(505.89)
<b>Balance as at 31 March 2020</b>	<b>38.26</b>	<b>-</b>	<b>0.35</b>	<b>0.92</b>	<b>-</b>	<b>39.53</b>
Depreciation	15.52	-	0.28	0.93	-	16.73
Sales/adjustment	(11.78)	-	-	-	-	(11.78)
<b>Balance as at 31 March 2021</b>	<b>42.00</b>	<b>-</b>	<b>0.63</b>	<b>1.85</b>	<b>-</b>	<b>44.48</b>
<b>Net block as at 31 March 2020</b>	<b>93.09</b>	<b>-</b>	<b>0.49</b>	<b>1.65</b>	<b>-</b>	<b>95.23</b>
<b>Net block as at 31 March 2021</b>	<b>77.57</b>	<b>-</b>	<b>0.21</b>	<b>1.82</b>	<b>-</b>	<b>79.60</b>

Notes:

^ Includes vehicles having carrying cost of ₹ 30.45 lakh (31 March 2020 ₹ 37.39 lakh) which are hypothecated to banks against the respective loans.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 13	Building	Total
Right of use of assets		
<b>Gross block</b>		
Balance as at 1 April 2019	-	-
Addition on account of transition to Ind AS 116	1,849.87	1,849.87
Termination/ adjustment	(1,849.87)	(1,849.87)
<b>Balance as at 31 March 2020</b>	-	-
Addition	-	-
Termination/ adjustment	-	-
Balance as at 31 March 2021	-	-
<b>Accumulated amortisation</b>		
Balance as at 1 April 2019	-	-
Amortisation (discontinued operations)	374.11	374.11
Termination/ adjustment	(374.11)	(374.11)
<b>Balance as at 31 March 2020</b>	-	-
<b>Amortisation</b>		
Termination/ adjustment	-	-
<b>Balance as at 31 March 2021</b>	-	-
<b>Net block as at 31 March 2020</b>	-	-
<b>Net block as at 31 March 2021</b>	-	-

### Leases

During the year ended 31 March 2020, the Company has adopted Ind AS - 116 (Leases) and recognised a lease liability of ₹ 1,740.31 lakh on transition date. The Company has sold its stock broking business to its wholly owned subsidiary Dhani Stocks Limited (formerly known as Indiabulls Securities Limited) and therefore derecognised its lease liabilities standing as on 20 February 2020 and the resultant gain / loss has been included in the statement of profit and loss under discontinued operations.

Note - 14	Amount
Intangible assets under development	
<b>Gross block</b>	
Balance as at 1 April 2019	655.13
Additions	1,036.84
Capitalised	(1,503.27)
Transferred to discontinued operations	(188.70)
<b>Balance as at 31 March 2020</b>	-
Additions	-
Capitalised	-
<b>Balance as at 31 March 2021</b>	-

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts in Indian Rupees in lakh unless stated otherwise)*

Note - 15	Software	Total
<b>Other intangible assets</b>		
<b>Gross block</b>		
Balance as at 1 April 2019	1,772.92	1,772.92
Additions	1,519.82	1,519.82
Sales/adjustment	-	-
Transferred to discontinued operations	(3,292.74)	(3,292.74)
Balance as at 31 March 2020	-	-
Additions	15.01	15.01
Sales/adjustment	-	-
<b>Balance as at 31 March 2021</b>	<b>15.01</b>	<b>15.01</b>
<b>Accumulated amortisation</b>		
Balance as at 1 April 2019	242.32	242.32
Amortisation (continuing operations)	-	-
Amortisation (discontinued operations)	533.91	533.91
Transferred to discontinued operations	(776.23)	(776.23)
Balance as at 31 March 2020	-	-
Amortisation	2.65	2.65
<b>Balance as at 31 March 2021</b>	<b>2.65</b>	<b>2.65</b>
<b>Net block as at 31 March 2020</b>	<b>-</b>	<b>-</b>
<b>Net block as at 31 March 2021</b>	<b>12.36</b>	<b>12.36</b>

Note - 16	As at 31 March 2021	As at 31 March 2020
<b>Other non-financial assets</b>		
Prepaid expenses	10.08	6.68
Balance with government authorities	92.28	133.68
Advance to suppliers	6.68	7.54
Others	5.37	202.02
	<b>114.41</b>	<b>349.92</b>

Note - 17	As at 31 March 2021	As at 31 March 2020
<b>Trade payables</b>		
(a) Total outstanding due to micro enterprises and small enterprises <sup>(i)</sup>	-	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	63.90	301.88
	<b>63.90</b>	<b>301.88</b>

(i) Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

	As at 31 March 2021	As at 31 March 2020
(a) Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	-
(b) Interest due thereon	-	-
(c) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
(d) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
(e) Interest accrued and remaining unpaid as at end of the year	-	-



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 18 Other payables	As at 31 March 2021	As at 31 March 2020
(a) Total outstanding due to micro enterprises and small enterprises <sup>(i)</sup>	-	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	89.36	79.58
	<b>89.36</b>	<b>79.58</b>

(i) Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

	As at 31 March 2021	As at 31 March 2020
(a) Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	-
(b) Interest due thereon	-	-
(c) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
(d) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
(e) Interest accrued and remaining unpaid as at end of the year	-	-

Note - 19 Debt securities (at amortised cost)	As at 31 March 2021	As at 31 March 2020
Unsecured		
Liability component of compulsorily convertible debentures <sup>(i)</sup>	-	9,058.77
<b>Total</b>	-	<b>9,058.77</b>
Debt securities in India	-	9,058.77
Debt securities outside India	-	-
	-	<b>9,058.77</b>

(i) During the year ended 31 March 2019, the Board of Directors had resolved to create, offer, issue and allot up to an aggregate of 27,985,455 compulsorily convertible debentures ("CCDs") of face value of ₹ 550 each, convertible into equivalent numbers of equity shares of ₹ 2 each at a conversion price of ₹ 550 per equity share (including premium of ₹ 548 per equity share) under the Non-Promoter Category by way of a preferential issue on a private placement basis to the certain foreign investors ("the CCD holders"). During the year ended 31 March 2021, these CCDs have been converted into 27,985,452 fully paid-up equity shares of face value of ₹ 2 each at a premium of ₹ 548 per share.

### Terms of the Issue:

- CCDs will be compulsorily converted into fully paid-up equity shares of face value of ₹ 2 each at a conversion price of ₹ 550 each on or before 18 months from the date of the allotment of the CCDs.
- CCDs carry interest rate of 14.90% per annum, payable quarterly and interest is payable and calculated on the face value of CCDs, commencing from the date of its allotment and until the date of its conversion into the equity shares.

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts in Indian Rupees in lakh unless stated otherwise)*

Note - 20	As at 31 March 2021	As at 31 March 2020
<b>Borrowings (other than debt securities) (at amortised cost)</b>		
<b>Secured</b>		
(a) Loans repayable on demand from banks		
- Bank overdraft <sup>(i)</sup>	-	8,265.64
(b) Vehicle loans from banks <sup>(ii)</sup>	15.19	24.75
<b>Unsecured</b>		
(a) Term loans		
- from others <sup>(iii)</sup>	41,300.00	20,000.00
<b>Total</b>	<b>41,315.19</b>	<b>28,290.39</b>
Borrowings in India	41,315.19	28,290.39
Borrowings outside India	-	-
<b>Total</b>	<b>41,315.19</b>	<b>28,290.39</b>

- (i) Bank overdraft facilities were secured against bank deposits pledged with respective banks and are repayable on demand. Bank overdraft carries rate of interest 5.50% per annum (as at 31 March 2020: ranging from 7.74% to 8.19% per annum).
- (ii) Vehicle loans are secured against hypothecation of the vehicles purchased. The rate of interest of such loans ranges between 8.50% to 8.75% per annum. These loans are repayable in equated monthly installments of 5 years.
- (iii) Unsecured term loans carry rate of interest of 10% per annum (31 March 2020 : 10%) and are repayable within 36 months from the date of disbursement of respective loans.

Note - 21	As at 31 March 2021	As at 31 March 2020
<b>Other financial liabilities</b>		
Unpaid dividends <sup>(i)</sup>	223.48	283.09
Others:		
Temporary overdraft <sup>(ii)</sup>	-	14.39
Payable to related party	-	10.22
Other payables	-	1.30
	<b>223.48</b>	<b>309.00</b>

- (i) In respect of amounts mentioned under Section 124 (5) of the Act, the Company has transferred ₹ 88.84 lakh (31 March 2020: ₹ 52.63 lakh) to the Investor Education and Protection Fund.
- (ii) Temporary overdraft as per books represents cheques issued in excess of funds in the bank.

Note - 22	As at 31 March 2021	As at 31 March 2020
<b>Provisions</b>		
For employee benefits		
Provision for gratuity (refer note - 44)	60.22	52.68
Provision for compensated absences	14.10	31.45
	<b>74.32</b>	<b>84.13</b>





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 23	As at 31 March 2021	As at 31 March 2020
Other non-financial liabilities		
Guarantee liability	260.18	436.37
Statutory dues payables	117.95	2,504.77
	<b>378.13</b>	<b>2,941.14</b>

Note - 24	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Equity share capital				
<b>i. Authorised</b>				
Equity shares of face value of ₹ 2 each	1,000,000,000	20,000.00	1,000,000,000	20,000.00
		<b>20,000.00</b>		<b>20,000.00</b>
<b>ii. Issued</b>				
Equity shares of face value of ₹ 2 each	527,114,892	10,542.30	465,529,440	9,310.59
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 1.10 paid up)	82,909,118	912.00	82,909,118	912.00
	<b>610,024,010</b>	<b>11,454.30</b>	<b>548,438,558</b>	<b>10,222.59</b>
<b>iii. Subscribed and paid up</b>				
Equity shares of face value of ₹ 2 each fully paid up	527,114,892	10,542.30	465,529,440	9,310.59
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 1.10 paid up)	82,823,994	911.07	82,803,864	910.85
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 0.80 paid up)	85,124	0.68	105,254	0.84
Amount paid up on shares forfeited		0.19		0.19
	<b>610,024,010</b>	<b>11,454.24</b>	<b>548,438,558</b>	<b>10,222.47</b>

#### iv. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year :

Equity shares, fully paid-up	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	465,529,440	9,310.59	522,030,890	10,440.62
Add: Shares issued by exercise of employee stock option plan	-	-	10,165,216	203.30
Add: Shares issued on conversion of CCDs	27,985,452	559.71	-	-
Add: Shares issued through preferential allotment	33,600,000	672.00	-	-
Less: Shares bought back and extinguished during the year (refer note 50)	-	-	(66,666,666)	(1,333.33)
<b>Balance at the end of the year</b>	<b>527,114,892</b>	<b>10,542.30</b>	<b>465,529,440</b>	<b>9,310.59</b>

Equity shares, partly paid-up	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	-	911.69	-	907.95
Add: Amount received on 2nd call at ₹ 0.30 per share	-	0.06	-	3.74
<b>Balance at the end of the year</b>	<b>-</b>	<b>911.75</b>	<b>-</b>	<b>911.69</b>

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts in Indian Rupees in lakh unless stated otherwise)***v. Rights, preferences and restrictions attached to the equity shares**

- a. The Company has only one class of equity shares having a face value of ₹ 2 per share. Each holder of fully paid up equity share is entitled to one vote per share. Voting rights of each holder of partly paid up equity share is proportionate to the paid up amount of such share. The final dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- b. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- c. Holders of Global Depository Receipts ('GDRs') will be entitled to receive dividends, subject to the terms of the deposit agreement, to the same extent as the holders of equity shares, less the fees and expenses payable under such deposit agreement and any Indian tax applicable to such dividends. Holders of GDRs don't have voting rights with respect to the deposited shares. The GDRs can not be transferred to any person located in India including Indian residents or ineligible investors except as permitted by Indian laws and regulations.

**vi. Shares held by Shareholders each holding more than 5% shares:**

Name of the Shareholders	As at 31 March 2021		As at 31 March 2020	
	No. of shares held *	% of Holding	No. of shares held *	% of Holding
Sameer Gehlaut	34,252,493	5.62	31,552,493	5.75
Orthia Properties Private Limited	42,423,777	6.96	41,623,777	7.59
Orthia Constructions Private Limited	37,074,335	6.08	37,074,335	6.76
Zelkova Builders Private Limited	30,933,258	5.07	30,933,258	5.64
Tamarind Capital Pte Ltd	86,770,833	14.23	73,316,288	13.37
Jasmine Capital Investments Pte Ltd	53,029,167	8.69	58,732,443	10.71

\* Includes Partly Paid-up shares.

**vii. Shares reserved for issue under options:**

9,972,800 equity shares (As at 31 March 2020: 17,313,900 equity shares) of face value of ₹ 2 each are reserved under various option schemes of the Company (Refer note - 42)

viii. The Company has not issued any bonus shares during the current year and five years immediately preceding current year.

ix. There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue. During the year ended 31 March 2020, the Company had bought back 66,666,666 fully paid up equity shares of the Company at ₹ 150 per equity share through tender route.

x. 54,433 shares (31 March 2020: 54,433 shares) of face value of ₹ 2 per share represent the shares underlying GDRs. Each GDR represents one underlying equity share.

Note - 25 Other equity	As at 31 March 2021	As at 31 March 2020
Equity component of compulsory convertible debentures	-	130,719.26
Capital redemption reserve (Refer note - 50)	4,933.69	4,933.69
Securities premium	498,509.63	310,103.58
General reserve	3,381.78	3,381.78
Share options outstanding account	4,531.14	8,215.57
Retained earnings	20,419.81	18,553.20
Equity instruments through other comprehensive income	316.01	164.19
Treasury shares	(39,065.33)	(18,305.73)
	<b>493,026.73</b>	<b>457,765.54</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

*(All amounts in Indian Rupees in lakh unless stated otherwise)*

### **Nature and purpose of other reserve**

#### **Equity component of compulsory convertible debentures**

On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as financial liability measured at amortised cost until it is extinguished on conversion. The remainder of the proceeds is recognised in equity since conversion option meets the fixed for fixed criteria.

#### **Capital redemption reserve**

The same had been created in accordance with provision of the Act on account of redemption of preference shares and buy-back of equity shares.

#### **Securities premium**

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Act.

#### **Foreign currency monetary item translation difference account**

Pursuant to the notification dated 29 December 2011 issued by the Ministry of Corporate Affairs amending Accounting Standard 11 - 'Accounting for the Effects of Changes in Foreign Exchange Rates' the Company has exercised the option as per Paragraph 46A inserted in the said Accounting Standard for amortisation of foreign exchange gain/loss on long-term monetary items over the remaining life of the concerned monetary items.

#### **General reserve**

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

#### **Share options outstanding account**

The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option plan.

#### **Retained earnings**

Retained earnings represents surplus / accumulated earning of the Company and are available for distribution to shareholders.

#### **Equity instruments through other comprehensive income**

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income. The balance of the reserve represents such changes recognised net of amounts reclassified to retained earnings on disposal of such investments.

#### **Treasury shares**

This reserve represents Company's own equity shares held by the Udaan Employee Welfare Trust (formerly Indiabulls Ventures Limited - Employees Welfare Trust) which is created under Dhani Services Limited - Employee Stock Benefit Scheme 2019 (ESBS 2019) (formerly Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2019), Dhani Services Limited - Employee Stock Benefit Scheme 2020 (ESBS 2020) (formerly Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2020) and Dhani Services Limited - Employee Stock Benefit Scheme 2021 (ESBS 2021). Treasury shares are acquired for the purpose of issuing equity shares to employees under Company's ESBS 2019, ESBS 2020 and ESBS 2021.

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts in Indian Rupees in lakh unless stated otherwise)*

Note - 26	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income (on financial assets measured at amortised cost)		
Interest income on inter-corporate loans	2,202.94	9,844.56
Interest income on fixed and other deposits	194.91	134.46
Other interest income	39.10	50.50
	<b>2,436.95</b>	<b>10,029.52</b>

Note - 27	For the year ended 31 March 2021	For the year ended 31 March 2020
Dividend income		
Dividend income from subsidiary companies	490.96	20,494.38
Dividend income from others	9.41	16.25
	<b>500.37</b>	<b>20,510.63</b>

Note - 28	For the year ended 31 March 2021	For the year ended 31 March 2020
Net gain on fair value changes		
Net gain on financial assets at fair value through profit or loss		
Gain on sale of investment in mutual funds	97.99	36.37
Gain / (loss) on fair valuation	-	-
<b>Total net gain on fair value changes</b>	<b>97.99</b>	<b>36.37</b>
Fair value changes		
- Realised	97.99	36.37
- Unrealised	-	-
<b>Total net gain on fair value changes</b>	<b>97.99</b>	<b>36.37</b>

Note - 29	For the year ended 31 March 2021	For the year ended 31 March 2020
Other income		
Income from financial guarantees	270.02	318.94
Interest on income tax refund	51.34	-
Gain on foreign exchange fluctuations	-	106.73
Excess provision for expenses written back	167.00	-
Sundry credit balances written back	9.51	-
Profit on sale of property, plant and equipment (net)	1.45	-
Miscellaneous income	4.37	-
	<b>503.69</b>	<b>425.67</b>

Note - 30	For the year ended 31 March 2021	For the year ended 31 March 2020
Finance costs (on financial liabilities measured at amortised cost)		
Interest on borrowings		
Inter-corporate deposits	-	1,239.86
Term loans	3,124.47	589.04
Bank overdraft	205.98	29.98
Vehicle loans	1.84	2.37
Interest on debt securities		
Liability component of compulsorily convertible debentures	82.55	1,936.38
Others		
Interest on taxes	43.20	-
Other borrowing costs	12.75	12.81
	<b>3,470.79</b>	<b>3,810.44</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 31	For the year ended 31 March 2021	For the year ended 31 March 2020
Fees and commission expense		
Membership and depository fee	20.48	17.44
	<b>20.48</b>	<b>17.44</b>
Note - 32	For the year ended 31 March 2021	For the year ended 31 March 2020
Impairment on financial instruments		
Provision for impairment on investments	220.10	-
	<b>220.10</b>	-
Note - 33	For the year ended 31 March 2021	For the year ended 31 March 2020
Employee benefits expenses		
Salaries and wages	179.87	483.43
Contribution to provident and other funds	8.39	2.90
Share based payments expense/ (reversal) to employees	(186.92)	512.75
Staff welfare	12.85	-
	<b>14.19</b>	<b>999.08</b>
Note - 34	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation and amortisation		
Depreciation on property, plant and equipment	16.73	16.50
Amortisation of intangible assets	2.65	-
	<b>19.38</b>	<b>16.50</b>
Note - 35	For the year ended 31 March 2021	For the year ended 31 March 2020
Other expenses		
Rent <sup>(i)</sup>	1.80	-
Electricity expenses <sup>(i)</sup>	0.60	-
Printing and stationery	1.96	65.67
Rates and taxes	10.57	-
Software expense	1.79	-
Communication costs	5.84	-
Office maintenance	0.83	-
Director's sitting fee	22.00	25.00
Payment to statutory auditors <sup>(ii)</sup>	36.00	32.50
Legal and professional charges	78.52	26.20
Travelling and conveyance	5.00	66.68
Business promotion	222.74	132.68
Corporate social responsibility expenses (refer note - 45)	159.42	107.26
Repairs and maintenance	0.23	-
Loss on fluctuation of foreign exchange	15.99	-
Miscellaneous expenses	14.36	0.65
	<b>577.65</b>	<b>456.64</b>

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts in Indian Rupees in lakh unless stated otherwise)*

- (i) Expenses apportioned by Dhani Loans and Services Limited (a wholly owned subsidiary company) to the Company (excluding goods and services tax):

	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent	1.80	-
Electricity expenses	0.60	-
	<b>2.40</b>	<b>-</b>

- (ii) Auditor's remuneration (excluding goods and services tax):

	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor	32.50	32.50
For other services	3.50	-
	<b>36.00</b>	<b>32.50</b>

Note - 36 Tax expense	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Tax expense of continuing operations</b>		
Income tax for earlier years	28.03	-
Deferred tax	863.38	1,014.46
<b>Total (A)</b>	<b>891.41</b>	<b>1,014.46</b>
<b>Tax expense of discontinued operations</b>		
Current tax	-	(59.23)
Deferred tax	-	158.68
<b>Total (B)</b>	<b>-</b>	<b>99.45</b>
<b>Income-tax expense reported in the statement of profit and loss (A) + (B)</b>	<b>891.41</b>	<b>1,113.91</b>

The major components of Income-tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% (31 March 2020: 25.17%) and the reported tax expense in profit or loss are as follows:

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Accounting profit/(loss) before tax expense</b>	(783.59)	25,718.71
Income-tax rate	25.17%	25.17%
Expected tax expense	(197.21)	6,472.88
<b>Tax effect of adjustments to reconcile expected Income-tax expense to reported Income-tax expense:</b>		
Tax impact on items exempt under Income-tax	-	(4,354.53)
Tax impact on deductions allowed under Income-tax	(47.76)	(1,776.85)
Tax impact of permanent difference	1,058.01	594.70
Earlier years tax adjustments (net)	28.03	(59.23)
Impact of difference in tax rate on certain items	(5.05)	146.80
Deferred tax not recognised on temporary differences	55.39	90.14
<b>Income-tax expense</b>	<b>891.41</b>	<b>1,113.91</b>

**Notes:**

- (i) During the year ended 31 March 2020, the Company had decided to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from the financial year 2019-20. Accordingly, the provision for income-tax and deferred tax balances were recorded/remeasured using the new tax rate and the Company had reversed deferred tax assets amounting to ₹ 1,141.65 lakh.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

The impact of the change in tax rate has been recognised in tax expense of statement of profit and loss, except to the extent that it relates to items previously recognised outside the statement of profit and loss.

(ii) Detail of unused tax losses:

Expiry assessment year (as per Income-tax Act, 1961)	As at 31 March 2021	As at 31 March 2020
<b>Tax losses</b>		
1 April 2028 - 31 March 2029	18,770.03	18,158.34
1 April 2029 - 31 March 2030	1,862.02	-
Unabsorbed depreciation for indefinite period	-	1,286.01

### Note - 37

#### Discontinued operations

On 14 January 2019, the Board of Directors considered and approved the sale and transfer of securities broking business of the Company to Dhani Stocks Limited (formerly known as Indiabulls Securities Limited and Indiabulls Commodities Limited), a wholly owned subsidiary, by way of a slump sale. On 31 July 2019, the Company entered into a business transfer agreement (BTA) with Indiabulls Securities Limited to sell its securities broking business on slump sale basis. The business transfer involved transfer of certain assets and liabilities as stated in the BTA on slump sale basis for an agreed consideration of ₹ 34,200.00 lakh. On receipt of approvals from the regulatory authorities National Stock Exchange of India Limited, BSE Limited and the Securities and Exchange Board of India, the business stood transferred to Dhani Stocks Limited with effect from 21 February 2020.

#### a. Analysis of profit from discontinued operations:

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue from operations</b>		
Interest income	-	3,455.75
Fees and commission income	-	6,959.24
Net gain on fair value changes	-	168.90
<b>Total revenue from operations</b>	-	<b>10,583.89</b>
Other income	-	192.46
<b>Total income</b>	-	<b>10,776.35</b>
<b>Expenses</b>		
Finance costs	-	628.35
Fees and commission expense	-	459.02
Impairment on financial instruments	-	306.31
Employee benefits expenses	-	5,210.94
Depreciation and amortisation expense	-	1,131.28
Other expenses	-	2,203.14
<b>Total expenses</b>	-	<b>9,939.04</b>
Profit before loss on disposal of discontinued operations	-	837.31
Loss on disposal of discontinued operations	-	820.69
<b>Profit before tax from discontinued operations</b>	-	<b>16.62</b>
Tax expense	-	-
Current tax	-	(59.23)
Deferred tax	-	158.68
Tax on disposal of discontinued operations	-	-
<b>Total tax expense</b>	-	<b>99.45</b>
<b>Loss after tax from discontinued operations</b>	-	<b>(82.83)</b>

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts in Indian Rupees in lakh unless stated otherwise)***b. Net cash flows attributable to the discontinued operations:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net cash used in from operating activities	-	(6,570.74)
Net cash generated from investing activities	-	32,449.40
Net cash used in financing activities	-	(24,070.00)
<b>Net cash generated</b>	-	<b>1,808.66</b>

**c. Gain on disposal of discontinued operations:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash consideration	-	34,200.00
Less: cash and cash equivalents transferred	-	(605.93)
	-	<b>33,594.07</b>
Net assets transferred <sup>(i)</sup>	-	34,414.76
Loss on disposal	-	<b>(820.69)</b>

**(i) Information of book value of assets and liabilities transferred on the date of slump sale:**

Particulars	Amount	Amount
Property, plant and equipment and Intangible assets	-	3,259.15
Intangible assets under development	-	188.70
Loans	-	5,679.94
Trade receivables (net of provisions)	-	2,782.66
Cash and cash equivalents	-	605.93
Other financial assets	-	32,217.28
Other non-financial assets	-	220.34
<b>Total assets (A)</b>	-	<b>44,954.00</b>
Trade payables and other payables	-	97.35
Provision for employee benefits	-	523.66
Other financial liabilities	-	9,204.42
Other non-financial liabilities	-	107.88
<b>Total liabilities (B)</b>	-	<b>9,933.31</b>
<b>Net assets (C) = (A) - (B)</b>	-	<b>35,020.69</b>

**Note - 38****Earnings per equity share (EPS)****Disclosure in respect of Indian Accounting Standard – 33 'Earnings Per Share' :**

The basic earnings per equity share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Partly paid-up equity shares are treated as a fraction of an equity share to the extent they are entitled to participate in dividend relative to a fully paid-up equity share during the reporting period. Compulsory convertible debentures are treated as equivalent of equity share for the purpose of basic earnings per equity share. Treasury shares are adjusted for computation of weighted average equity shares. Diluted earnings per equity share is computed by considering the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential dilutive equity shares are adjusted for the potential dilutive effect of employee stock option plan and warrants as appropriate.





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(loss) available for equity shareholders (₹ in lakh) from continuing operations	(1,675.00)	24,687.63
Profit/(loss) available for equity shareholders (₹ in lakh) from discontinued operations	-	(82.83)
Profit/(loss) available for equity shareholders (₹ in lakh) from continuing and discontinued operations	(1,675.00)	24,604.80
<b>Basic/diluted earnings per equity share:</b>		
Weighted-average number of equity shares for basic earnings per share	540,661,308	588,484,888
<b>Effect of dilution:</b>		
Add: Potential number of equity shares that could arise on exercise of employee stock options	6,583,434	10,594,404
Add: Potential number of equity shares that could arise on exercise of warrants	-	-
Weighted-average number of equity shares for diluted earnings per share	547,244,742	599,079,292
Face value of equity share (₹)	2.00	2.00
Earnings per equity share from continuing operation - basic (₹)	(0.31)	4.20
Earnings per equity share from continuing operation - diluted (₹) *	(0.31)	4.12
Earnings per equity share from discontinued operation - basic (₹)	-	(0.01)
Earnings per equity share from discontinued operation - diluted (₹)	-	(0.01)
Earnings per equity share from continuing and discontinued operation - basic (₹)	(0.31)	4.18
Earnings per equity share from continuing and discontinued operation - diluted (₹) *	(0.31)	4.11

\* Anti-dilutive for current year since decreasing loss per equity share.

### Note - 39

#### Leases

The Company had leases for office buildings. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

#### A Lease payments not included in measurement of lease liability

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Short-term leases	1.80	407.24
Leases of low value assets	-	-
Variable lease payments	-	-

B Total cash outflow for leases for the year ended 31 March 2021 was ₹ 1.80 lakh (previous year ₹ 818.62 lakh).

C Future minimum lease payments of the Company is ₹ Nil.

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts in Indian Rupees in lakh unless stated otherwise)*

D Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2021 is of ₹ Nil (as at 31 March 2020: Nil).

E Following are the changes in the carrying value of right of use assets for the year ended 31 March 2021:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance at the beginning of the year	-	-
Addition on account of transition to Ind AS 116	-	1,849.87
Additions	-	-
Lease modification	-	(1,475.76)
Amortisation*	-	(374.11)
<b>Closing balance at the end of year</b>	<b>-</b>	<b>-</b>

\*The aggregate amortisation expense on right of use assets for the year ended 31 March 2020 has been included under depreciation and amortization in Statement of profit and loss under discontinued operations .

The following is the movement in lease liabilities during the year ended 31 March 2021:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance at the beginning of the year	-	-
Addition on account of transition to Ind AS 116	-	1,740.31
Finance cost accrued during the period	-	102.28
Lease modification	-	(1,366.21)
Payment of lease liabilities	-	(476.38)
<b>Closing balance at the end of year</b>	<b>-</b>	<b>-</b>

Note - 40	As at 31 March 2021	As at 31 March 2020
A. Contingent liabilities not provided for in respect of:		
- Claims against the Company not acknowledged as debts in respect of:		
Cases under Income-tax Act, 1961 <sup>(ii) &amp; (iii)</sup>	2,839.53	315.05
- Corporate guarantee for loans taken by Subsidiary Companies <sup>(iv)</sup>	130,560.00	187,730.00

(i) The Company was involved in various legal proceedings as respondents/ defendants for various claims including those related to conduct of its business. The Company had transferred its stock broking business on slump sale to its wholly owned subsidiary Dhani Stocks Limited (formerly Indiabulls Securities Limited) (DSTL). Pursuant to business transfer agreement, all the litigations related to stock broking business after slump sale will now be handled by DSTL and all liabilities arising subsequently will be settled by DSTL.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

(ii) Demand pending u/s 143(3) read with section 153A of the Income-tax Act, 1961:-

	Financial Years	Authority	As at 31 March 2021	As at 31 March 2020
Disallowance under Income Tax Act, 1961	2010-11	CIT (Appeal)	90.97	90.97
Disallowance under Income Tax Act, 1961	2011-12	CIT (Appeal)	33.02	33.02
Disallowance under Income Tax Act, 1961	2012-13	CIT (Appeal)	4.21	4.21
Disallowance under Income Tax Act, 1961	2013-14	CIT (Appeal)	43.33	43.33
Disallowance under Income Tax Act, 1961	2014-15	CIT (Appeal)	40.66	40.66
Disallowance under Income Tax Act, 1961	2015-16	CIT (Appeal)	18.32	18.32
Disallowance under Income Tax Act, 1961	2016-17	CIT (Appeal)	67.17	67.17

The Company has deposited ₹ 60.08 lakh against the above demands.

(iii) Demand pending u/s 143(3) of the Income Tax Act, 1961

	Financial Years	Authority	As at 31 March 2021	As at 31 March 2020
Disallowance under Income Tax Act, 1961	2012-13	ITAT *	17.37	17.37
Disallowance under Income Tax Act, 1961	2017-18	CIT (Appeal) #	2,524.48	-

\* Income tax department has filed an appeal against the order of CIT(A).

# Subsequent to the year end, the Company has received order u/s 143(3) of the Income-tax Act, 1961 for demand of ₹ 2,524.48 lakh for financial year 2017-18. The Company has filed an appeal with CIT(Appeal) against the said order.

(iv) Total guarantee of ₹ 263,900 lakh (as at 31 March 2020: ₹ 243,900 lakh) has been shown to the extent of outstanding term loan of ₹ 130,560.00 lakh (as at 31 March 2020: ₹ 187,730.00 lakh).

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts in Indian Rupees in lakh unless stated otherwise)***Note - 41****Reconciliation of liabilities arising from financing activities**

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt securities)	Lease liabilities	Total
<b>Balance as at 1 April 2019</b>	<b>30,019.31</b>	<b>23,617.25</b>	-	<b>53,636.56</b>
<b>Cash flows:</b>				
- Addition on account of transition to Ind AS 116	-	-	1,842.59	1,842.59
- Proceeds	1,500.00	251,186.60 #	-	252,686.60
- Repayment	(22,460.54)	(246,513.85)	(476.38)	(269,450.77)
<b>Non cash:</b>				
- Amortisation of upfront fees	-	0.39	-	0.39
- Others	-	-	(1,366.21)	(1,366.21)
<b>Balance as at 31 March 2020</b>	<b>9,058.77</b>	<b>28,290.39</b>	-	<b>37,349.16</b>
<b>Cash flows:</b>				
- Addition on account of transition to Ind AS 116	-	-	-	-
- Proceeds	-	21,300.00	-	21,300.00
- Repayment	(8,931.96)	(8,275.20)*	-	(17,207.16)
<b>Non cash:</b>				
- Amortisation of upfront fees	-	-	-	-
- Others	(126.81)	-	-	(126.81)
<b>Balance as at 31 March 2021</b>	-	<b>41,315.19</b>	-	<b>41,315.19</b>

# This includes proceeds of ₹ 1,181.60 lakh from bank overdraft which is considered under cash and cash equivalents in the cash flow statement.

\* This includes repayment of ₹ 8,265.64 lakh for bank overdraft which is considered under cash and cash equivalents in the cash flow statement.

**Note - 42****Employee stock option schemes:**

The Company has issued various Employees stock options scheme (ESOP / ESOS) for the benefit of the employees of the Company and its subsidiary companies.

**A. Grants during the year:**

The Company has established the "Udaan Employee Welfare Trust" ("Udaan – EWT") (earlier known as Indiabulls Ventures Limited - Employees Welfare Trust" ("Trust") for the implementation and management of its employees benefit scheme viz. the "Dhani Services Limited - Employee Stock Benefit Scheme – 2019" (Scheme), for the benefit of the employees of the Company and its subsidiaries. Pursuant to Regulation 3(12) of the SEBI (Share Based Employee Benefits) Regulations, 2014, fully paid up equity shares of 10,400,000 lying in Trust have been appropriated towards the Scheme for grant of Share Appreciations Rights (SARs) to the employees of the Company and its subsidiaries as permitted by SEBI. The company will treat these SARs as equity and therefore they will be treated as equity settled SARs and accounting has been done accordingly.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

### B. Employees Stock Options Schemes:

#### (i) Employees Stock Option Scheme - 2008 (DSL ESOP - 2008)

Total options under the scheme (Nos.)	DSL ESOP - 2008			
	20,000,000			
Options granted (Nos.)	20,000,000	9,700,000	500,000	880,600
		(Regrant)	(Regrant)	(Regrant)
Vesting period and percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	25th January each year, commencing 25 January 2010	2nd July each year, commencing 2 July 2017	2nd September each year, commencing 2 September 2018	25th March each year, commencing 25 March 2019
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	17.40	24.15	219.65	254.85
<b>Outstanding at the beginning of 1 April 2019 (Nos.)</b>	<b>870,916</b>	<b>9,700,000</b>	<b>500,000</b>	<b>693,600</b>
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	10,000	500,000	152,000
Exercised during the year (Nos.)	870,916	5,050,800	-	25,800
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2020 (Nos.)	-	4,639,200	-	515,800
Vested and exercisable as at 31 March 2020 (Nos.)	-	769,200	-	192,640
Remaining contractual life (weighted months)	-	66	-	73
<b>Outstanding at the beginning of 1 April 2020 (Nos.)</b>	-	<b>4,639,200</b>	-	<b>515,800</b>
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	14,400	-	429,000
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
<b>Outstanding as at 31 March 2021 (Nos.)</b>	-	<b>4,624,800</b>	-	<b>86,800</b>
Vested and exercisable as at 31 March 2021 (Nos.)	-	2,697,000	-	-
Remaining contractual life (weighted months)	-	54	-	73

Weighted average exercise price of share during the year ended 31 March 2021: Not applicable (31 March 2020: ₹ 198.22).

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts in Indian Rupees in lakh unless stated otherwise)***(ii) Employees Stock Option Scheme - 2009 (DSL - ESOP 2009)**

	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009
Total options under the Scheme (Nos.)	20,000,000	20,000,000	20,000,000	20,000,000
Options granted (Nos.)	2,050,000	9,500,000	10,000,000	669,400
Vesting period and percentage	Ten years, 10% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	13th April each year, commencing 13 April 2011	13th May each year, commencing 13 May 2017	2nd September each year, commencing 2 September 2018	25th March each year, commencing 25 March 2019
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	31.35	16.00	219.65	254.85
<b>Outstanding at the beginning of 1 April 2019 (Nos.)</b>	<b>150,000</b>	<b>6,487,700</b>	<b>9,880,000</b>	<b>219,400</b>
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	165,000	195,500	-
Exercised during the year (Nos.)	100,000	3,225,100	852,600	40,000
Expired during the year (Nos.)	-	-	-	-
<b>Outstanding as at 31 March 2020 (Nos.)</b>	<b>50,000</b>	<b>3,097,600</b>	<b>8,831,900</b>	<b>179,400</b>
Vested and exercisable as at 31 March 2020 (Nos.)	50,000	-	3,034,400	47,760
Remaining contractual life (Weighted Months)	60	67	67	77
<b>Outstanding at the beginning of 1 April 2020 (Nos.)</b>	<b>50,000</b>	<b>3,097,600</b>	<b>8,831,900</b>	<b>179,400</b>
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	572,000	6,146,300	179,400
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
<b>Outstanding as at 31 March 2021 (Nos.)</b>	<b>50,000</b>	<b>2,525,600</b>	<b>2,685,600</b>	<b>-</b>
Vested and exercisable as at 31 March 2021 (Nos.)	50,000	1,262,800	-	-
Remaining contractual life (Weighted Months)	48	55	71	-

Weighted average exercise price of share during the year ended 31 March 2021: Nil (31 March 2020: ₹ 187.29)

**(iii) Dhani Services Limited - Employee Stock Benefit Scheme 2019 ("Scheme") ("DSL-ESBS 2019").**

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Company at its meeting held on 22 October 2019; and (b) a special resolution of the shareholders' of the Company passed through postal ballot on 4 December 2019, result of which were declared on 5 December 2019.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2019 ("ESOP Plan 2019")
- Dhani Services Limited Employees Stock Purchase Plan 2019 ("ESP Plan 2019")
- Dhani Services Limited Stock Appreciation Rights Plan 2019 ("SARs Plan 2019")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the Company has set up "Udaan - Employee Welfare Trust" ("Trust") for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 10,500,000 (One Crore Five lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Company as on the date of approval of shareholders, from the secondary market. The Company has appropriated 10,400,000 fully paid up equity shares of the Company purchased by the Trust under the Scheme.

	DSL-ESBS 2019
Total options under the Scheme (Nos.)	10,500,000
Options granted (Nos.)	10,400,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	17th August each year, commencing 17 August 2021
Exercisable period	5 years from each vesting date
Exercise price (₹)	250.00
<b>Outstanding at the beginning of 1 April 2020 (Nos.)</b>	-
Granted during the year (Nos.)	10,400,000
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
<b>Outstanding as at 31 March 2021 (Nos.)</b>	<b>10,400,000</b>
Vested and exercisable as at 31 March 2021 (Nos.)	-
Remaining contractual life (Weighted Months)	77

### (iv) Dhani Services Limited - Employee Stock Benefit Scheme 2020 ("Scheme") ("DSL-ESBS 2020").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Company at its meeting held on 23 January 2020; and (b) a special resolution of the shareholders' of the Company passed through postal ballot on 20 March 2020, result of which were declared on 21 March 2020.

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2020 ("ESOP Plan 2020")
- Dhani Services Limited Employees Stock Purchase Plan 2020 ("ESP Plan 2020")
- Dhani Services Limited Stock Appreciation Rights Plan 2020 ("SARs Plan 2020")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the Company has set up "Udaan - Employees Welfare Trust" (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

Trust, in compliance with the “SBEB Regulations”, is authorised to purchase upto an aggregate of 9,300,000 (Ninety Three lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Company as on the date of approval of shareholders, from the secondary market. The Company has not granted any options/ SARs under the said scheme as at 31 March 2021.

### C. Fair Valuation:

The details of the Fair value of the options / SARs as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-

	DSL ESOP - 2008			
	20,000,000	9,700,000	500,000	880,600
	Options	Options Regranted	Options Regranted	Options Regranted
1. Exercise price (₹)	17.40	24.15	219.65	254.85
2. Expected volatility *	79.00%	42.97%	46.70%	47.15%
3. Option Life (Weighted Average) (in years)	11	6	6	6
4. Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
5. Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
6. Fair value of the options (₹)	0.84	4.31	106.31	130.05

	DSL-ESBS 2019	DSL ESOP – 2009			
	10,400,000	2,050,000	9,500,000	10,000,000	669,400
	SARs	Options	Options Regranted	Options Regranted	Options Regranted
1. Exercise price (₹)	250.00	31.35	16.00	219.65	254.85
2. Expected volatility *	68.45%	48.96%	40.74%	46.70%	47.15%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil
4. Expected dividends yield	1.71%	6.86%	16.33%	1.27%	1.10%
5. Risk free interest rate	4.17%	8.05%	7.45%	6.54%	7.56%
6. Fair value of the options (₹)	55.49	9.39	1.38	106.31	130.05

\* The expected volatility was determined based on historical volatility data.

### D. Share based payment expense:

The Company has recognised reversal of Share based payments expense to employees of ₹ 186.92 lakh (31 March 2020: ₹ 519.82 lakh) in the statement of Profit and loss for the year ended 31 March 2021 as follows:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Share based payments (reversal)/ expense (continuing operations)	(186.92)	512.75
Share based payments expense (discontinued operations)	-	7.07
	<b>(186.92)</b>	<b>519.82</b>





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Note - 43

#### Operating segments

The operations and business activities of the Company fall under within a single “stock broking and related activities” business only, which is the only reportable segment in accordance with Ind-AS 108, Operating Segments. The Company has presented “stock broking business” as discontinued operation in accordance with Ind-AS 105, Non-Current Assets Held for Sale and Discontinued Operations. Further, The Company is operating in India which is considered as a single geographical segment.

### Note - 44

#### Employee benefits

The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :

#### Defined contribution plans

##### Provident fund

The Company pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government of India, which invests the funds in permitted securities. Both the Company and employees make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee’s salary. During the year, the Company has recognized the following amounts in the Statement of Profit and Loss in respect of defined contribution plans and included in “Employee benefits expense”.

	For the year ended 31 March 2021	For the year ended 31 March 2020
Contribution made to Employees' Provident Fund Organisation	4.33	22.69
Contribution made to Employees' State Insurance Corporation	-	6.96
Contribution to Labour Welfare Fund	0.01	1.78
Contribution to Employees' National Pension Scheme	4.05	18.56
	<b>8.39</b>	<b>49.99</b>

#### Defined benefit plans

##### Gratuity

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation.

#### Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan’s liability. Increase in salary rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan’s liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan’s liability.

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts in Indian Rupees in lakh unless stated otherwise)***Amount recognised in the balance sheet is as under:**

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of obligation	60.22	52.68
Fair value of plan assets	-	-
<b>Net obligation recognised in balance sheet as provision</b>	<b>60.22</b>	<b>52.68</b>
<b>Expected contribution for the next Annual reporting period</b>	<b>8.90</b>	<b>8.12</b>

**Amount recognised in the statement of profit and loss is as under:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	4.52	51.18
Past service cost including curtailment gains/losses	-	-
Interest cost on defined benefit obligation	3.63	44.35
Interest income on plan assets	-	-
<b>Net impact on profit (before tax)</b>	<b>8.15</b>	<b>95.53</b>

**Amount recognised in the other comprehensive income:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial gain recognised during the year	0.60	20.61

**Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:**

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of defined benefit obligation as at the beginning of year	52.68	507.83
Current service cost	4.52	51.18
Interest cost	3.63	44.35
Past service cost including curtailment gains/losses	-	-
Liability (transferred) / acquired on transfer of employees (net) *	-	(477.67)
Benefits paid	-	(52.41)
Actuarial loss/(gain) on obligation		
Actuarial gain on arising from change in demographic assumption	-	0.02
Actuarial loss on arising from change in financial assumption	0.03	43.01
Actuarial gain on arising from experience adjustment	(0.64)	(63.63)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>60.22</b>	<b>52.68</b>

\* Includes liabilities amounting to ₹ Nil (previous year ₹ 432.93 lakh) transferred to Dhani Stocks Limited (formerly Indiabulls Securities Limited) ( a wholly owned subsidiary) on discontinued operations.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Actuarial assumptions

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Discounting rate	6.79%	6.80%
Future salary increase	5.00%	5.00%
Retirement age (years)	60.00	60.00
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration (years)	15.80	15.72

Mortality rates inclusive of provision for disability -100% of IALM (2012-14) (previous year: 100% of IALM (2012-14))  
Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table (previous year Indian Assured Lives Mortality (2012-14) Ultimate table).

### Sensitivity analysis for gratuity liability

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	60.22	52.68
- Impact due to increase of 0.50 %	(3.19)	(2.91)
- Impact due to decrease of 0.50 %	3.42	3.12
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	60.22	52.68
- Impact due to increase of 0.50 %	3.46	3.16
- Impact due to decrease of 0.50 %	(3.26)	(2.97)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

Maturity profile of defined benefit obligation (years)	As at 31 March 2021	As at 31 March 2020
0 to 1 year	1.22	1.02
1 to 2 year	0.91	0.89
2 to 3 year	0.91	0.79
3 to 4 year	0.92	0.80
4 to 5 year	0.93	0.80
5 to 6 year	0.95	0.81
6 year onwards	54.38	47.57

### Other long-term employee benefits

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. A reversal of provision of ₹ 15.87 lakh (previous year provision of ₹ 12.07 lakh) for the year have been done on the basis of actuarial valuation at the year end and credited (previous year debited) to the statement of profit and loss.

### Note - 45

In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms with the provisions of the said Act, the Company was required to spend a sum of ₹ 159.42 lakh (previous year ₹ 107.26 lakh) towards CSR activities during the year ended 31 March 2021. The details of amount actually spent by the Company are:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Gross amount required to be spent by the Company	159.42	107.26
(b) Amount spent on		
- Construction/acquisition of any asset	-	-
- Any other purpose other than above *	159.42	107.26
- Yet to be paid	-	-
	<b>159.42</b>	<b>107.26</b>

\*Contribution towards donation/corpus fund paid to Indiabulls Foundation

### Note - 46

The Company was carrying on the business of stock broking which was discontinued during the financial year 2019-20. Accordingly, as at and during the year ended 31 March 2020, the financial assets of the Company were more than fifty percent of its total assets and income from financial assets was more than fifty percent of the gross income. The Company's present business activities consists of providing loans and making investments in group companies, consequentially, the Company may be required to apply and obtain the Certificate of Registration (CoR) from Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) under the category of Core Investment Company (CIC), which is currently being evaluated by the management considering the Company's business operations and group structure. The management will take necessary steps in this regard in due course and is of the view that the impact of the above matter is not material to these standalone financial statements.

### Note - 47

#### Disclosures in respect of Related Parties as per Indian Accounting Standard (Ind-AS) – 24 'Related Party Disclosures':

The Company's related parties primarily consist of its subsidiaries including step down subsidiaries. The Company routinely enters into transactions with these related parties in the ordinary course of business on the terms equivalent to those that prevail in arm length transactions.

Nature of relationship	Name of the related party
(a) Related parties where control exists:	
Subsidiary companies	Dhani Stocks Limited (formerly Indiabulls Securities Limited)
(including step-down subsidiaries)	Devata Tradelink Limited
	Indiabulls Investment Advisors Limited
	Indiabulls Infra Resources Limited
	Indiabulls Consumer Products Limited
	Indiabulls Distribution Services Limited
	Auxesia Soft Solutions Limited



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for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

Pushpanjali Finsolutions Limited  
 Arbutus Constructions Limited  
 Gyansagar Buildtech Limited  
 Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited)  
 Dhani Healthcare Limited (formerly Pushpanjali Fincon Limited)  
 Indiabulls Assets Reconstruction Company Limited Group  
 Indiabulls Alternate Investments Limited  
 Evinos Buildwell Limited (from 17 June 2019)  
 Evinos Developers Limited (from 17 June 2019)  
 Savren Medicare Limited (formerly Savren Buildwell Limited) (from 19 November 2019)  
 Krathis Buildcon Limited (from 20 November 2019)  
 Krathis Developers Limited (26 November 2019)  
 Transerv Limited (formerly Transerv Private Limited) (with effect from 1 April 2019)  
 Jwala Technology Systems Private Limited (from 7 September 2020)  
 Euler Systems Inc. (Incorporated in USA) (from 9 September 2020)  
 Dhani Limited (Incorporated in Jersey) (from 18 February 2021)  
 Dhani Limited (Incorporated in United Kingdom) (from 19 February 2021)  
 Dhani Health Middle East FZ LLC (Incorporated in UAE) (from 2 March 2021)

(b) Other related parties:

- (i) Key management personnel
- Mr. Sameer Gehlaut, Whole Time Director, Chairman and Chief Executive Officer (w.e.f. 25 September 2020)  
 Mr. Divyesh B. Shah, Whole Time Director & Chief Operating Officer #  
 Mr. Pinank Jayant Shah, Whole Time Director  
 Mr. Gagan Banga, Non-executive Director  
 Mr. Anish Ernest Williams, Non-executive Director (w.e.f. 21 December 2020)  
 Mr. Praveen Kumar Tripathi (w.e.f. 16 September 2019)  
 Dr. Narendra Damodar Jadhav, Independent Director (w.e.f. 23 August 2020)  
 Mrs. Fantry Mein Jaswal, Independent Director (w.e.f. 23 August 2020)  
 Mr. Rakesh Mohan Garg, Independent Director (w.e.f. 25 November 2020)  
 Mr. Vijay Chug, Independent Director (w.e.f. 21 December 2020)  
 Mr. Abhaya Prasad Hota, Independent Director (till 16 September 2019)  
 Mr. Alok Misra, Independent Director (till 27 August 2020)  
 Mr. Shyam Lal Bansal, Independent Director (till 27 August 2020)  
 Ms. Vijayalakshmi Rajaram Iyer, Independent Director (till 27 August 2019)  
 Mrs. Rekha Gopal Warriar (w.e.f. 27 August 2019 and till 23 May 2020)

- (ii) Person exercising significant influence Mr. Sameer Gehlaut, Promoter and Non executive chairman (till 24 September 2020)

# Mr. Divyesh B. Shah was designated as Chief Executive Officer till 27 August 2020 and has been redesignated as Chief Operating Officer w.e.f. 28 August 2020.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

	Subsidiary companies		Key management personnel		Person exercising significant influence		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>(c) Transactions with related parties during the year</b>								
<b>Income</b>								
i. Brokerage income	-	14.42	-	0.69	-	0.40	-	15.51
ii. Dividend income	490.96	20,494.38	-	-	-	-	490.96	20,494.38
iii. Interest income on inter corporate loans	2,202.94	9,844.56	-	-	-	-	2,202.94	9,844.56
iv. Sale of plant, property and equipment	-	0.60	-	-	-	-	-	0.60
<b>Expenses</b>								
i. Reimbursement of expenses paid	2.40	882.08	-	-	-	-	2.40	882.08
ii. Reimbursement of expenses received	-	129.10	-	-	-	-	-	129.10
iii. Interest expense on inter corporate loans	-	1,239.86	-	-	-	-	-	1,239.86
iv. Compensation to Key Management Personnel	-	-	-	-	-	-	-	-
- Short term employee benefits	-	-	42.25	400.59	-	-	42.25	400.59
- Post employment benefits - gratuity	-	-	0.26	1.56	-	-	0.26	1.56
- Other long-term employee benefits- compensated absences	-	-	(19.97)	2.15	-	-	(19.97)	2.15
- Share based expenses	-	-	(194.80)	512.30	-	-	(194.80)	512.30
- Sitting fees	-	-	22.00	25.00	-	-	22.00	25.00
<b>Finance</b>								
i. Inter corporate loans given	65,655.80	275,729.90	-	-	-	-	65,655.80	275,729.90
(Maximum balance outstanding during the year)								
ii. Inter corporate loans taken	-	60,500.00	-	-	-	-	-	60,500.00
(Maximum balance outstanding during the year)								
iii. Money received against employee stock option plans	-	-	-	1,622.56	-	-	-	1,622.56
iv. Call money received against right issue	-	-	-	51.98	-	-	-	51.98
v. Buy back of equity shares	-	-	-	5,546.91	-	29,018.27	-	34,565.18
vi. Dividend paid #	-	-	-	366.04	-	1,081.31	-	1,447.35
<b>Investment</b>								
i. Investment in equity shares of subsidiary companies	3,715.51	34,060.00	-	-	-	-	3,715.51	34,060.00
ii. Investment in equity shares on conversion of compulsory convertible debentures	40,000.00	-	-	-	-	-	40,000.00	-
iii. Purchase of investment from subsidiary companies	-	2,756.62	-	-	-	-	-	2,756.62
iv. Sale of investment to subsidiary company	-	550.00	-	-	-	-	-	550.00
v. Transfer of stock broking business	-	34,200.00	-	-	-	-	-	34,200.00
<b>Liabilities</b>								
i. Employee benefits liabilities paid	-	243.63	-	-	-	-	-	243.63
ii. Employee benefits liabilities received	-	185.99	-	-	-	-	-	185.99

# Dividend paid to related parties in their capacity of shareholders.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021  
(All amounts in Indian Rupees in lakh unless stated otherwise)

### Note - 47 Related party disclosures (continued)

	Subsidiary companies		Key management personnel		Person exercising significant influence		Total	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
(c) Transactions with related parties during the year (continued)								
Contingent Liability								
i. Corporate guarantees given on behalf of subsidiary companies	20,000.00	60,000.00	-	-	-	-	20,000.00	60,000.00
ii. Reduction of corporate guarantees on account of repayment of loan by subsidiary / guarantee released by bank *	77,170.00	170,786.67	-	-	-	-	77,170.00	170,786.67
iii. Bank deposits released as margin money from stock exchange	-	1,100.00	-	-	-	-	-	1,100.00
* Guarantee released by bank ₹ Nil (previous year ₹ 126,700.00 lakh) and reduction of guarantee on account of repayment of loan by ₹ 77,170 lakh (previous year ₹ 44,086.67 lakh).								

### (d) Balance outstanding as at 31 March 2021:

	Subsidiary companies		Key management personnel		Person exercising significant influence		Total	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Inter-corporate loans given (unsecured)	43,486.07	13,440.00	-	-	-	-	43,486.07	13,440.00
Corporate guarantees given to third parties on behalf of subsidiary companies	130,560.00	187,730.00	-	-	-	-	130,560.00	187,730.00
Payable for reimbursement of expenses	-	(10.22)	-	-	-	-	-	(10.22)

Amount presented in brackets represent liabilities.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Note - 48

#### Financial instruments

##### A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at 31 March 2021	As at 31 March 2020
Financial assets measured at fair value			
Investments* measured at fair value through other comprehensive income	Note - 8	316.10	164.28
Financial assets measured at amortised cost			
Cash and cash equivalents	Note - 5	6,089.55	1,806.14
Other bank balances	Note - 6	6,860.15	5,900.08
Loans	Note - 7	43,486.07	13,440.00
Other financial assets	Note - 9	1,085.32	1,073.75
<b>Total</b>		<b>57,837.19</b>	<b>22,384.25</b>
Financial liabilities measured at amortised cost			
Trade payables	Note - 17	63.90	301.88
Other payables	Note - 18	89.36	79.58
Debt securities (including interest accrued)	Note - 19	-	9,058.77
Borrowings (other than debt securities) (including interest accrued)	Note - 20	41,315.19	28,290.39
Other financial liabilities	Note - 21	223.48	309.00
<b>Total</b>		<b>41,691.93</b>	<b>38,039.62</b>

\* Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

##### B Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

##### B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	Period	Level 1	Level 2	Level 3	Total
Assets					
Investments at fair value through other comprehensive income					
Investments	31 March 2021	316.10	-	-	316.10
	31 March 2020	164.28	-	-	164.28





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

### B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	6,089.55	6,089.55	1,806.14	1,806.14
Other bank balances	6,860.15	6,860.15	5,900.08	5,900.08
Loans	43,486.07	43,486.07	13,440.00	13,440.00
Other financial assets	1,085.32	1,085.01	1,073.75	1,070.51
<b>Total</b>	<b>57,521.09</b>	<b>57,520.78</b>	<b>22,219.97</b>	<b>22,216.73</b>
<b>Financial liabilities</b>				
Trade payables	63.90	63.90	301.88	301.88
Other payables	89.36	89.36	79.58	79.58
Debt securities (including interest accrued)	-	-	9,058.77	9,066.49
Borrowings (other than debt securities) (including interest accrued)	41,315.19	41,315.19	28,290.39	28,290.39
Other financial liabilities	223.48	223.48	309.00	309.00
<b>Total</b>	<b>41,691.93</b>	<b>41,691.93</b>	<b>38,039.62</b>	<b>38,047.34</b>

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables, loans, trade payables, other payables and other financial liabilities approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

- (i) The fair values of the Company's fixed interest bearing security deposits, loan notes and escrow account are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.
- (ii) The fair values of the Company fixed rate interest-bearing debt securities and borrowings are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities and borrowings carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

### Financial risk management

#### i) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company's risk are managed by a treasury department under policies approved by the board of directors. The board of directors provides written principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	Ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, debt securities, trade payables, other payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities (whenever required)
Market risk - foreign exchange	Financial assets and liabilities not denominated in Indian rupee	Sensitivity analysis	Forward contract/hedging, if required
Market risk - interest rate	Variable rates borrowings and debt securities	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

### A) Credit risk

Credit Risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

#### a) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

The company provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, investments, trade receivables, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss
High credit risk	Trade receivables	Life time expected credit loss or fully provided for

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Financial assets that expose the entity to credit risk\*

Particulars	As at 31 March 2021	As at 31 March 2020
(i) Low credit risk		
Cash and cash equivalents	6,089.55	1,806.14
Other bank balances	6,860.15	5,900.08
Loans	43,486.07	13,440.00
Investments	316.10	164.28
Other financial assets	1,085.32	1,073.75
(ii) Moderate credit risk		
Trade receivables	-	-

\* These represent gross carrying values of financial assets, without deduction for expected credit losses

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

### Trade receivables

Credit risk related to trade receivables is managed by continuously monitoring the recoverability of such amounts .

### Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by continuously monitoring the recoverability of such amounts.

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts in Indian Rupees in lakh unless stated otherwise)***b) Credit risk exposure**

## i) Expected credit losses for financial assets

As at 31 March 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	6,089.55	-	6,089.55
Other bank balances	6,860.15	-	6,860.15
Loans	43,486.07	-	43,486.07
Investments	316.10	-	316.10
Other financial assets	1,085.32	-	1,085.32

As at 31 March 2020	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,806.14	-	1,806.14
Other bank balances	5,900.08	-	5,900.08
Loans	13,440.00	-	13,440.00
Investments	164.28	-	164.28
Other financial assets	1,073.75	-	1,073.75

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables
<b>Loss allowance on 1 April 2019</b>	<b>722.97</b>
Impairment loss recognised during the year	306.31
Write - offs	(100.57)
Transfer on discontinued operations	(928.71)
<b>Loss allowance on 31 March 2020</b>	-
Impairment loss recognised during the year	-
Write - offs	-
<b>Loss allowance on 31 March 2021</b>	-

**c) Concentration of financial assets**

Loans and other financial assets majorly represents loans to subsidiaries and deposits given for business purposes.

**B) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

### (i) Financing arrangements

The Company had access to the following funding facilities:

As at 31 March 2021	Total facility	Drawn	Undrawn
- Expiring within one year	16,000.00	-	16,000.00
- Expiring beyond one year	85,000.00	41,300.00	43,700.00
<b>Total</b>	<b>101,000.00</b>	<b>41,300.00</b>	<b>59,700.00</b>

As at 31 March 2020	Total facility	Drawn	Undrawn
- Expiring within one year	19,800.00	8,265.64	11,534.36
- Expiring beyond one year	60,000.00	20,000.00	40,000.00
<b>Total</b>	<b>79,800.00</b>	<b>28,265.64</b>	<b>51,534.36</b>

### (ii) Maturities of financial assets and liabilities

The tables below analyse the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2021	Less than 1 year	1-3 years	More than 3 years	Total
<b>Non-derivatives</b>				
Cash and cash equivalents	6,090.77	-	-	6,090.77
Other bank balances	6,967.65	-	-	6,967.65
Loans	-	43,486.07	-	43,486.07
Investments	-	-	481,993.15	481,993.15
Other financial assets	785.32	300.00	-	1,085.32
<b>Total undiscounted financial assets (A)</b>	<b>13,843.74</b>	<b>43,786.07</b>	<b>481,993.15</b>	<b>539,622.96</b>
<b>Non-derivatives</b>				
Borrowings (other than debt securities)	4,141.43	45,856.66	-	49,998.09
Trade payables	63.90	-	-	63.90
Other payables	89.36	-	-	89.36
Other financial liabilities	223.48	-	-	223.48
<b>Total undiscounted financial liabilities (B)</b>	<b>4,518.17</b>	<b>45,856.66</b>	<b>-</b>	<b>50,374.83</b>
<b>Net undiscounted financial assets/ (liabilities) (A)-(B)</b>	<b>9,325.57</b>	<b>(2,070.59)</b>	<b>481,993.15</b>	<b>489,248.13</b>

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts in Indian Rupees in lakh unless stated otherwise)*

As at 31 March 2020	Less than 1 year	1-3 years	More than 3 years	Total
<b>Non-derivatives</b>				
Cash and cash equivalent	1,806.14	-	-	1,806.14
Other bank balances	6,025.42	-	-	6,025.42
Loans	13,440.00	-	-	13,440.00
Investments	-	-	477,987.28	477,987.28
Other financial assets	295.61	827.31	-	1,122.92
<b>Total undiscounted financial assets (A)</b>	<b>21,567.17</b>	<b>827.31</b>	<b>477,987.28</b>	<b>500,381.76</b>
<b>Non-derivatives</b>				
Debt Securities	9,808.09	-	-	9,808.09
Borrowings (other than debt securities)	10,277.07	23,432.56	-	33,709.63
Trade payables	301.88	-	-	301.88
Other payables	79.58	-	-	79.58
Other financial liabilities	309.00	-	-	309.00
<b>Total undiscounted financial liabilities (B)</b>	<b>20,775.62</b>	<b>23,432.56</b>	<b>-</b>	<b>44,208.18</b>
<b>Net undiscounted financial assets/(liabilities) (A)-(B)</b>	<b>791.55</b>	<b>(22,605.25)</b>	<b>477,987.28</b>	<b>456,173.58</b>

**C) Market risk****a) Foreign currency risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. To mitigate the Company's exposure to foreign currency risk, non-rupee cash flows are monitored and forward exchange contracts are entered into in accordance with the Company's risk management policies. The Company has not hedged its foreign currency receivables and payables.

**(i) Foreign currency risk exposure in USD:**

The Company exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows:

Particulars	As at	Foreign currency	Exchange rate	Amount in Foreign Currency	Amount in ₹
<b>Financial assets</b>					
Loan notes and escrow receivable	31 March 2021	USD	73.50	10.74	789.24
Loan to foreign subsidiary company	31 March 2021	USD	73.50	10.08	740.88
Loan notes and escrow receivable	31 March 2020	USD	75.39	10.74	809.49



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
USD sensitivity		
INR/USD- increase by 5.70% (31 March 2020: 6.70%)*	87.22	54.24
INR/USD- decrease by 5.70% (31 March 2020: 6.70%)*	(87.22)	(54.24)

\* Holding all other variables constant

### b) Interest rate risk

#### i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2021, the Company is not exposed to variable interest rate borrowings.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate liabilities		
Borrowings (other than debt securities)	-	8,265.64
Fixed rate liabilities		
Debt securities	-	9,058.77
Borrowings (other than debt securities)	41,315.19	20,024.75
<b>Total</b>	<b>41,315.19</b>	<b>37,349.16</b>

### Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest sensitivity*		
Interest rates – increase by 1%	-	13.27
Interest rates – decrease by 1%	-	(13.27)

\* Holding all other variables constant

#### ii) Assets

The Company's bank deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### c) Price risk

#### i) Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

### ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity:

#### Impact on other comprehensive income

Particulars	As at 31 March 2021	As at 31 March 2020
Quoted equity instruments		
Value per share – increase by 26% (31 March 2020: 26%)	82.19	42.71
Value per share – decrease by 26% (31 March 2020: 26%)	(82.19)	(42.71)

#### Note - 49

##### Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at 31 March 2021	As at 31 March 2020
Net debt*	35,225.64	35,543.02
Total equity	504,480.97	467,988.01
Debt to equity ratio	0.07	0.08

\* Net debt includes Debt securities + Borrowings (other than debt securities) + interest accrued - Cash and cash equivalents

#### Note - 50

##### Buy-Back of shares

During the year ended 31 March 2020, the Company pursuant to and in terms of its shareholders' and applicable regulatory approvals had bought back 66,666,666 fully paid-up equity shares having face value of ₹ 2 each at a price of ₹ 150 per share, through the 'Tender Offer' route for an aggregate amount of ₹ 100,000 lakh (excluding expenses towards buy back). The said buy back was completed on 4 February 2020. Consequently, the paid-up capital of the Company was reduced by ₹ 1,333.33 lakh. Of the total buyback cash outflow excluding related expenses, an amount of ₹ 98,666.67 lakh was utilized from Securities Premium and Capital Redemption Reserve of ₹ 1,333.33 lakh (representing the nominal value of the shares bought back and extinguished) has been created from the balance in retained earnings as per the requirements of the Act. Buy back expenses of ₹ 7,160.79 lakh have been adjusted with Securities Premium.





## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Note - 51

#### Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

ASSETS	As at 31 March 2021		As at 31 March 2020	
	Within 12 months	After 12 months	Within 12 months	After 12 months
<b>Financial assets</b>				
Cash and cash equivalents	6,089.55	-	1,806.14	-
Other bank balances	6,860.15	-	5,900.08	-
Loans	-	43,486.07	13,440.00	-
Investments	-	481,768.05	-	477,982.28
Other financial assets	785.32	300.00	295.51	778.24
	13,735.02	525,554.12	21,441.73	478,760.52
<b>Non-financial assets</b>				
Current tax assets (net)	-	1,891.03	-	2,303.16
Deferred tax assets (net)	-	5,238.81	-	6,102.34
Property, plant and equipment	-	79.60	-	95.23
Other intangible assets	-	12.36	-	-
Other non-financial assets	114.41	-	349.92	-
	114.41	7,221.80	349.92	8,500.73
<b>TOTAL ASSETS</b>	<b>13,849.43</b>	<b>532,775.92</b>	<b>21,791.65</b>	<b>487,261.25</b>
<b>LIABILITIES</b>				
<b>Financial liabilities</b>				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	63.90	-	301.88	-
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	89.36	-	79.58	-
Debt securities	-	-	9,058.77	-
Borrowings (other than debt securities)	10.62	41,304.57	8,275.29	20,015.10
Other financial liabilities	223.48	-	309.00	-
	387.36	41,304.57	18,024.52	20,015.10

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2021

*(All amounts in Indian Rupees in lakh unless stated otherwise)*

ASSETS	As at 31 March 2021		As at 31 March 2020	
	Within 12 months	After 12 months	Within 12 months	After 12 months
<b>Non-financial liabilities</b>				
Current tax liabilities (net)	-	-	-	-
Provisions	1.51	72.81	1.58	82.55
Other non-financial liabilities	274.27	103.86	2,758.61	182.53
	275.78	176.67	2,760.19	265.08
<b>TOTAL LIABILITIES</b>	<b>663.14</b>	<b>41,481.24</b>	<b>20,784.71</b>	<b>20,280.18</b>
<b>Net equity</b>	<b>13,186.29</b>	<b>491,294.68</b>	<b>1,006.94</b>	<b>466,981.07</b>

**Note - 52**

Disclosure as per Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186(4) of the Act.

(i) Loans and advances in the nature of loans given to subsidiaries:

Name of the Subsidiaries	Maximum balance outstanding during the year		Balance outstanding as at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Indiabulls Investment Advisors Limited	-	35,105.00	-	-
Indiabulls Distribution Services Limited	11,893.00	147,927.00	-	7,930.00
Dhani Stocks Limited (formerly Indiabulls Securities Limited)	5,510.00	6,210.00	-	5,510.00
Pushpanjli Finsolutions Limited	-	16,467.90	-	-
Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited)	-	70,020.00	-	-
Dhani Healthcare Limited (formerly Pushpanjli Fincon Limited)	47,322.00	-	42,562.00	-
Jwala Technology Systems Private Limited	200.00	-	183.00	-
Euler Systems, Inc*	730.80	-	741.07	-

All above loans have been given for business purpose.

\* Balance outstanding at year end includes interest accrued thereon.

(ii) Guarantees given to subsidiaries:

Name of the Subsidiary	Guarantees given during the year		Balance outstanding as at *	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited)	20,000.00	60,000.00	130,560.00	187,730.00

\* Closing balance is net of repayment of loans made by subsidiary companies

(iii) Investments in subsidiaries:

Details of investments made are given in note - 8



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2021

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Note - 53

Consequent to the outbreak of the COVID-19 pandemic, the Indian Government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the Government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The impact of COVID-19, including changes in customer behavior and pandemic fears, as well as restriction of business and individual activities led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The extent to which COVID-19 pandemic, including the current “second wave” that has significantly increased the number of cases in India, will continue to impact the Company’s performance and will depend on ongoing as well as future developments which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

The Company believes that it has considered all the possible impact of the known events arising out of COVID-19 pandemic in the preparation of these standalone financial statements. However, the impact assessment of COVID-19 is a continuing process given its nature and duration. The Company will continue to monitor any material changes to future economic condition. The Company’s capital and liquidity position remains sufficient and would continue to be the focus area for the Company; accordingly, the Company does not expect a stress on its liquidity situation in the immediate future.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors

**Khushroo B. Panthaky**  
Partner  
Membership No.: 042423

Place: Mumbai  
Date: 18 June 2021

**Sameer Gehlaut**  
Chairman & CEO  
DIN: 00060783

Place: London  
Date: 18 June 2021

**Divyesh B. Shah**  
Whole Time Director &  
Chief Operating Officer  
DIN: 00010933

Place: Mumbai  
Date: 18 June 2021

**Rajeev Lochan Agrawal**  
Chief Financial Officer  
Place: Gurugram  
Date: 18 June 2021

**Lalit Sharma**  
Company Secretary  
Place: Gurugram  
Date: 18 June 2021



**Statement Pursuant to Section 129 of the Companies Act, 2013**  
(All amounts in Indian Rupees in lakh unless stated otherwise)

Annexure: Statement containing the salient features of the financial statements of subsidiaries / associate companies / joint ventures (Form AOC-1: Pursuant to first proviso to sub-section (b) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014)																
Part A: Subsidiaries																
S r. No.	Name of the Company	Subsidiary	Date of acquisition of Subsidiary	Year	Exchange Rate/ Reporting Currency	Share Capital / Security Receipts	Other equity (Surplus/ Deficit)	Total Assets excluding Investments	Total Liabilities*	Investments	Turnover	Profit/ (loss) before Taxation	Provision for Taxation / (Tax Credit)	Profit/ (Loss) after Taxation	Proposed Dividend (Including Corporate Dividend Tax)	% of shareholding
1	Dhani Stocks Limited (Formerly Indiabulls Securities Limited)		1-Apr-07	2020-21	₹	1,370.00	36,671.95	53,671.23	15,883.27	-	10,333.16	2,212.46	326.94	1,885.51	-	100%
2	Deanta TradeLink Limited		9-Jan-08	2020-21	₹	5.00	(18,998.89)	71.97	18,165.87	-	4.37	3.54	0.20	3.35	-	100%
3	Indiabulls Investment Limited	Advisors	22-Aug-08	2020-21	₹	35,550.00	(8,354.77)	27,495.27	300.04	-	1,277.85	(28.27)	366.20	(394.47)	-	100%
4	Indiabulls Distribution Limited	Services	11-Jun-09	2020-21	₹	35.82	46,176.65	74,818.20	29,110.72	505.00	9,424.16	(2,493.21)	672.03	(3,165.24)	-	100%
5	Auesia Soft Solutions Limited		30-Sep-11	2020-21	₹	5.00	(508.46)	0.92	504.38	-	0.12	(42.76)	-	(42.26)	-	100%
6	Pushpanji Fin Solutions Limited		28-Jun-13	2020-21	₹	601.00	259.63	1,289.28	429.65	-	7,272.67	2,726.87	691.23	2,055.64	-	100%
7	Arbitus Construction Limited		11-Jun-13	2020-21	₹	11.00	(11.00)	-	-	-	2.00	0.45	-	0.45	-	100%
8	Gensagar Buildtech Limited		11-Jun-13	2020-21	₹	11.00	(247.01)	259.98	494.99	-	-	(40.91)	-	(40.91)	-	100%
9	Dhani Loans and Services Limited (Formerly, Indiabulls Consumer Finance Limited)		28-Jun-13	2020-21	₹	6,118.80	411,449.05	554,664.16	378,036.77	240,940.46	1,06,286.76	(6,980.01)	(1,570.25)	(5,409.76)	-	100%
10	Dhani Healthcare Limited (Formerly, Pushpanji Finco Limited)		11-Jun-13	2020-21	₹	401.00	(4,581.82)	42,790.08	46,991.19	20.28	2,106.05	(5,085.66)	(99.76)	(4,985.90)	-	100%
11	Indiabulls Alternate Investments Limited		10-Feb-16	2020-21	₹	505.00	440.07	711.25	59.64	293.47	286.66	174.63	43.75	130.88	-	100%
12	Indiabulls Asset Reconstruction Company Limited		3-Oct-16	2020-21	₹	9,750.00	47,302.08	4,450.98	1,075.44	53,676.52	5,800.83	5,057.18	1,395.73	3,661.46	-	100%
13	Indiabulls Consumer Products Limited		5-Jul-16	2020-21	₹	5.00	(1.23)	3.93	0.15	-	1.72	(8.04)	0.29	(8.34)	-	100%
14	Indiabulls Infra Resources Limited		1-Feb-17	2020-21	₹	300.00	73.06	377.38	4.33	-	31.71	25.30	6.43	18.87	-	100%
15	Enros Buildwell Limited		17-Jun-19	2020-21	₹	5.00	(3,490.06)	32,642.37	36,127.43	-	7.60	(2,747.51)	-	(2,747.51)	-	100%
16	Enros Developers Limited		17-Jun-19	2020-21	₹	5.00	(0.86)	4.29	0.15	-	-	(0.51)	-	(0.51)	-	100%
17	Sareen Medicare Limited (Formerly, Sareen Buildwell Limited)		19-Nov-19	2020-21	₹	5.00	(0.55)	4.60	0.16	-	0.25	(0.31)	-	(0.31)	-	100%
18	Keathis Buildcon Limited		20-Nov-19	2020-21	₹	5.00	(0.77)	4.39	0.16	-	-	(0.52)	-	(0.52)	-	100%
19	Keathis Developers Limited		26-Nov-19	2020-21	₹	5.00	(0.76)	4.39	0.16	-	-	(0.52)	-	(0.52)	-	100%
20	Jwala Technology Systems Private Limited		7-Sep-20	2020-21	₹	1.00	(80.65)	117.22	196.87	-	274.49	15.25	6.45	8.80	-	100%
21	Euler Systems Inc.		9-Sep-20	2020-21	1 USD= ₹/75.75	0.06	(233.59)	516.09	749.62	-	116.91	(28.63)	-	(28.63)	-	100%
22	Dhani Health Middle East FZ LLC (Incorporated in UAE)		2-Mar-21	2020-21	1 AED= ₹ 19.51	20.28	(15.14)	72.59	67.45	-	0.08	(14.79)	-	(14.79)	-	100%
23	Dhani Limited (Incorporated in Jersey)		18-Feb-21	2020-21	1 GBP= ₹ 100.75	3,715.51	(23.63)	3,691.77	-	0.10	-	(5.67)	-	(5.67)	-	100%
24	Dhani Limited (Incorporated in United Kingdom)		19-Feb-21	2020-21	1 GBP= ₹ 100.75	0.10	(7.48)	2.04	9.42	-	-	(7.21)	-	(7.21)	-	100%



**Statement Pursuant to Section 129 of the Companies Act, 2013**  
 (All amounts in Indian Rupees in lakh unless stated otherwise)

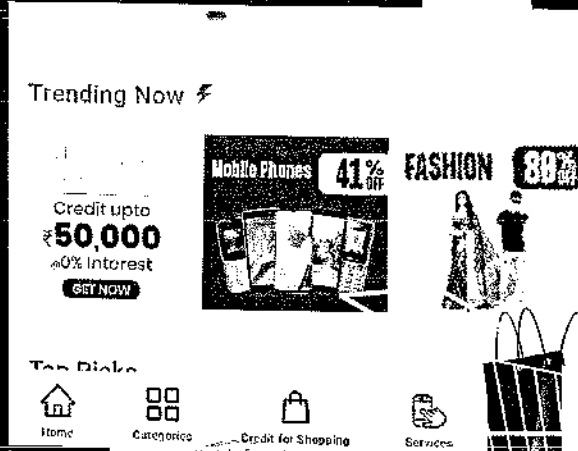
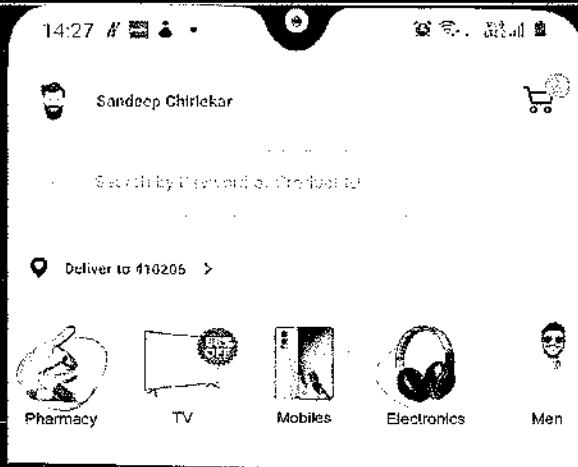
Sl. No.	Name of the Company	Subsidiary	Date of acquisition of Subsidiary	Reporting Period	Share Capital / Security	Credit	Total Assets	Total Liabilities	Net Worth	Proposed Dividend	Proposed Dividend (Including Corporate Dividend Tax)	Proposed Dividend (%)	Process for Dividend after Taxation	Proposed Dividend (Incl. Dividend Tax)	Proposed Dividend (%)
25	Indiabulls ARC-III Trust		30-Jan-18	2020-21	5,936.98	(463.76)	2,969.91	(2,302.80)	-	-	(115.99)	-	-	-	51%
26	Indiabulls ARC-IV Trust		31-Dec-18	2020-21	4,150.72	(2,352.65)	1,802.55	28.49	20.00	(683.70)	-	-	(683.70)	-	51%
27	Indiabulls ARC-V Trust		31-Dec-18	2020-21	1.80	11.96	106.67	91.61	140.97	91.09	-	-	91.09	-	51%
28	Indiabulls ARC-VI Trust		28-Mar-19	2020-21	4,200.00	(250.07)	4,193.80	24.87	-	(441.13)	-	-	(441.13)	-	51%
29	Indiabulls ARC-VII Trust		28-Mar-19	2020-21	2,414.19	(283.64)	2,212.71	82.15	2.75	(58.66)	-	-	(58.66)	-	51%
30	Indiabulls ARC-VIII Trust		29-Jun-19	2020-21	4,762.50	(242.47)	4,762.50	242.17	-	(144.61)	-	-	(144.61)	-	51%
31	Indiabulls ARC-IX Trust		30-Sep-19	2020-21	25,600.20	(1,916.61)	23,757.29	53.69	9.21	(453.80)	-	-	(453.80)	-	51%
32	Indiabulls ARC-X Trust		30-Sep-19	2020-21	-	-	-	-	2,233.87	1,105.14	-	-	1,105.14	-	51%
33	Indiabulls ARC-XI Trust		31-Dec-19	2020-21	15,202.25	(840.90)	15,154.44	293.09	-	(203.46)	-	-	(203.46)	-	51%
34	Indiabulls ARC-XII Trust		31-Dec-19	2020-21	2,000.00	(77.97)	2,000.06	78.00	-	(62.66)	-	-	(62.66)	-	51%
35	Indiabulls ARC-XIII Trust		30-Sep-20	2020-21	3,288.47	(4.33)	1,895.11	0.98	-	(4.33)	-	-	(4.33)	-	51%
36	Indiabulls ARC-XIV Trust		30-Sep-20	2020-21	7,337.62	(107.28)	7,241.61	11.77	-	(107.28)	-	-	(107.28)	-	51%
37	Indiabulls ARC-XV Trust		30-Sep-20	2020-21	10,656.13	(9.48)	10,593.56	7.84	-	(9.48)	-	-	(9.48)	-	100%
38	Indiabulls ARC-XVI Trust		31-Mar-21	2020-21	10,000.00	(1.27)	10,000.00	3.27	-	(1.27)	-	-	(1.27)	-	51%
39	Transerv Limited		1-Apr-19	2020-21	647.92	3,163.05	29,368.05	25,156.49	6,918.61	74.38	(85.51)	-	85.51	-	100%

# Total includes outside share capital and other equity



# dhani

## Dhani Services Limited Annual Report 2022



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# Forward-Looking Statements

This Annual 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.

Although we have been prudent in our assumptions, we cannot guarantee that these forward-looking statements will be realised. The achievement of results is 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 materially vary from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statement whether as a result of new information, future events or otherwise.

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## Corporate Information

### Board of Directors:

Mr. Sameer Gehlaut  
Dr. Narendra Damodar Jadhav  
Prof. Mohanbir Singh Sawhney  
Mr. Praveen Kumar Tripathi  
Mr. Rakesh Mohan Garg  
Mr. Vijay Chugh  
Mr. Divyesh B. Shah  
Mr. Pinank Jayant Shah  
Mr. Anish Williams  
Mr. Sandeep Kadam

### Chief Financial Officer:

Mr. Rajeev Lochan Agrawal

### Company Secretary:

Mr. Vikas Khandelwal

### Statutory Auditors:

Sharp Tannan & Associates  
(A member firm of Russell Bedford International)  
Chartered Accountants  
87 Nariman Bhavan, 227 Nariman Point,  
Mumbai- 400 021

### Internal Auditors:

N.D. Kapur & Co.  
Chartered Accountants  
1st Floor, The Great Eastern Center  
70, Nehru Place, Behind IFCI Tower  
New Delhi – 110 014

### Secretarial Auditors:

Say & Associates,  
(formerly A.K. Kuchhal & Co.)  
Company Secretaries,  
C-154, Sector-51,  
Noida- 201301

### Registered Office:

1/1E, First Floor, East Patel Nagar,  
New Delhi – 110 008  
Email: support@dhani.com  
Tel: 011-41052775, Fax:011-42137986  
Website:www.dhani.com

### Corporate Offices:

One International Centre (Formerly IFC),  
Senapati Bapat Marg, Elphinstone Road,  
Mumbai – 400 013

### Registrars & Transfer Agents:

Skyline Financial Services Pvt. Ltd.  
Unit: Dhani Services Limited,  
D-153 A, 1st Floor, Okhla Industrial Area,  
Phase-1 New Delhi-110020

### Bankers:

- Axis Bank Limited
- Bank of Baroda
- Canara Bank
- Central Bank of India
- HDFC Bank Limited
- ICICI Bank Limited
- IDBI Bank Limited
- IDFC First Bank Limited
- Indian Bank
- Indian Overseas Bank
- Indusind Bank Limited
- Kotak Mahindra Bank Limited
- National Bank for Agriculture and Rural Development
- Punjab & Sind Bank
- Punjab National Bank
- RBL Bank Limited
- South Indian Bank Limited
- State Bank of India
- UCO Bank
- Union Bank of India
- Yes Bank Limited

## Board of Directors

### Mr. Sameer Gehlaut

**Board Position:** Founder Chairman & CEO

Mr. Gehlaut is the Founder of the Indiabulls Group, one of India's leading business conglomerates with interests in consumer finance, housing finance, consumer digital services, real estate and pharmaceuticals. Mr. Gehlaut holds a B.Tech in Mechanical Engineering from the Indian Institute of Technology [IIT], Delhi. In 1999, Mr. Gehlaut began his entrepreneurial journey by buying a defunct brokerage and rechristening it as Indiabulls Financial Services. Sameer's vision in the ensuing years served as the guiding light for Indiabulls as the company grew from strength to strength and diversified from being a broking services company to a large financial services conglomerate.

**Dr. Narendra Damodar Jadhav** [Former Member Planning Commission]

**Board Position:** Independent Director

Dr. Narendra Jadhav Ph.D. in Economics from Indiana University, USA is a renowned economist, educationist, social scientist, author and a public speaker. During his distinguished career spanning over four decades of public service, Dr. Jadhav has served in various key positions including as Member of the Planning Commission of India and the National Advisory Council. He has also held the position of Principal Adviser and Chief Economist, Reserve Bank of India (RBI). During his 31 year association with the RBI, he also served in Advisory capacities at International Monetary Fund (IMF) and various Governments. He is known for his expertise and contribution in the areas of economics and social work. He is the recipient of numerous national and international awards including four Honorary D-Litt. Degrees and the title of the Commander of the Order of Academic Palmes by the Government of France.

**Prof. Mohanbir Singh Sawhney** [Associate Dean for Digital Innovation and McCormick Foundation Professor at Northwestern's Kellogg School of Management]

**Board Position:** Independent Director

Prof. Sawhney, holds a Ph.D. in marketing from the Wharton School of the University of Pennsylvania, MBA degree from the Indian Institute of Management, Calcutta; and Bachelor's degree in Electrical Engineering from the Indian Institute of Technology, New Delhi. He is a globally recognized scholar, teacher, consultant and speaker in business innovation, modern marketing, and enterprise technology. His research and teaching interests include marketing in the digital world, business innovation, product strategy and AI applications in business. Prof. Sawhney is a widely recognized thought leader. His recognitions include the Outstanding Professor of the Year at Kellogg, the Distinguished Alumnus Award from the Indian Institute of Management, Calcutta, and the Thought Leadership Award from NASSCOM in 2016. He has been ranked among the top 50 thinkers of Indian origin. He is the co-author of seven management books and dozens of influential articles in leading management journals. He has advised over 50 Fortune 500 companies and serves as a strategic advisor to several technology start-up companies.

**Mr. Praveen Kumar Tripathi** [Retd. IAS and Ex- Chief Secretary, Govt. of NCT Delhi]

**Board Position:** Independent Director

Mr. P. K. Tripathi is a retired IAS officer. During his illustrious career, as an IAS officer, spanning over 40 years in public service 1977 to 2017 December (including 5 years as Chairman - Public Grievances Commission & Police Complaints Authority), he held various key senior positions at state and centre level such as Principal Secretary to Chief Minister, Govt of NCT Delhi; Chief Secretary – Govt of NCT Delhi; Joint Secretary - Ministry of Information & Broadcasting, Govt. of India; Director - Indian Institute of Mass Communication; CEO - Delhi Jal Board, NCT Delhi; Commissioner Sales Tax - NCT Delhi; Development Commissioner & Chief Electoral Officer - A&N Islands; Director Total Literacy Campaign (National Literacy Mission) - Department of Education, Ministry of HRD; Commissioner Land - Delhi Development Authority; Commissioner Excise & Entertainment Tax – NCT Delhi; Secretary - New Delhi Municipal Committee; Deputy Commissioner and Secretary to Lt. Governor in Arunachal Pradesh etc. Dynamism and human approach are the hallmark of his persona. He is known as committed professional having rich and varied experience. He has successful

leadership and governance abilities, expertise in management and administrative matters, project execution and operational matters. His firm and tactful handling of sensitive and tricky issues has seen the organisation, with which he was associated, emerge a winner at all times. Mr. Tripathi is a post graduate in political science from Allahabad University and a gold medalist for securing highest marks in political science at under-graduate level in the University.

**Mr. Rakesh Mohan Garg** [Retd. IRS]

**Board Position:** Independent Director

Mr. Rakesh Mohan Garg, joined Indian Revenue Service in 1983 and retired as Principal Chief Commissioner of Income Tax in Govt. of India. During his illustrious career spanning over 35 years, he handled various assignments at all levels in the Income Tax Department and has varied experience in assessing and dealing with corporate houses. Mr. Garg possesses specialization in Maths and is a gold medalist from Guru Nanak Dev University. He is also a Management Graduate from Panjab University, Chandigarh. Prior to joining Indian Revenue Service, Mr. Garg had about 4 years of experience in the private sector.

**Mr. Vijay Chugh** [Retd. Principal Chief General Manager, Reserve Bank of India]

**Board Position:** Independent Director

Mr. Vijay Chugh, is a distinguished & committed professional with rich & varied experience of over 37 years with strong leadership qualities, in regulatory compliance, payment banking, policies, data protection etc., in financial sector. He is the former Principal Chief General Manager and Head of Payment and Settlement Systems, Reserve Bank of India. He has also served as RBI nominee on the Board of State Bank of Patiala and United Bank of India and as the chief vigilance officer of the Industrial Investment Bank of India Limited. He is presently a part time advisor/consultant to the World Bank / IMF / UNCDF etc. and associated in their several projects including Data Protection Framework – Laws, Regulations, Policies (Research for IMF), Financial industry practice on the collection, storage, transmission and use of data (Multi Countries). He is also a consultant to Deloitte Touche Tohmatsu India LLP, Mswipe Technologies P Ltd, Netflix Entertainment Services India Ltd, Finnew Solutions P. Ltd. and MSC Global Consulting Pte Ltd (Singapore). Earlier he was a consultant to big corporates like Google (Singapore), SWIFT (India) and E-Currency Mint (Fintech firm advocating Digital Fiat Currency), Card network MasterCard, Pre-paid Issuers M/s MobMe, Transerv, LivQuik, ITZ Cash (now EBIX) and Paynear (payment gateway). During his distinguished career of over 32 years with RBI, he has handled various key senior positions, in the department of payment and settlement systems and core banking solution (financial infrastructure), regulation and supervision of commercial banks (financial stability and financial integrity), and rural credit and development (financial inclusion) and also participated in national and international payment system policies/processes, as member of several prestigious committees, at national and international level, including Committee for Payments & Market Infrastructure (CPMI – the erstwhile CPSS), Bank for International Settlements, Basel, Switzerland, SAARC Payments Council, Payment & Settlement Systems of Asia-Pacific Central Banks (SEACEN), Malaysia, Regulatory Oversight Committee and its Executive Committee, Global Legal Entity Identifier (GLEI) Foundation, Switzerland, Indian/Bharat Bills Payment System (BBPS), MSME Trade Receivables Exchange (TReDS), Mobile Banking - SMS and USSD channels, etc. Mr. Chugh holds a Bachelor of Arts degree from the Delhi University and a Master of Arts degree from the University of Rajasthan. He also holds a Post Graduate Diploma in Business Administration from the KC College of Management Studies, Mumbai. He is a Certificated Associate of the Indian Institute of Bankers and has been awarded an Advanced Certificate for Executives in Management, Innovation and Technology from the Sloan School of Management, Massachusetts Institute of Technology, U.S.A.

## Board of Directors (Contd)

### Mr. Divyesh B. Shah

**Board Position:** Executive Director & COO

Mr. Divyesh Shah is the Chief Operating Officer of the Dhani Group. With over 22 years of experience in building profitable businesses for the Group, he is now at the forefront of executing new initiatives in the digital data driven technology business offering online market place.

### Mr. Pinank Jayant Shah

**Board Position:** Executive Director

Mr. Pinank is the Group CFO & the CEO of Dhani Loans & Services Limited. Prior to joining Dhani, Pinank was the head of Treasury at Indiabulls Housing Finance for 6 years before which he spent almost a decade at HDFC Limited in retail, corporate lending & risk management functions. Pinank holds a Masters degree in Management Studies (Finance) from Jamnalal Bajaj Institute of Management Studies.

### Mr. Anish Williams

**Board Position:** Non-Executive Director

Mr. Anish Williams was the Founder & CEO of Transerv Limited, before its acquisition by the Company as its wholly owned subsidiary. Anish is a seasoned professional with over 23 years of enriched and varied experience in product design, technology and data analytics. During his distinguished career spanning over 23 years, he held various high level positions with leading organisations like Citi, HSBC and Amex. Mr. Anish is a graduate from the prestigious St. Stephen's College, Delhi University.

### Mr. Sandeep Kadam

**Board Position:** Non-Executive Director

Mr. Sandeep Kadam is the Head of Technology, Dhani. He holds Masters' degree in Computer Science from University of Southern California and Bachelors' degree in Computer Science from Maharashtra Institute of Technology, Pune. Mr. Kadam has over 17 years of rich and varied experience in designing and building large, distributed and scalable applications alongwith an expertise in web based software architecture with high tactic and global reach. He has very extensive experience in building high performance web applications from the scratch. Mr. Kadam started his career at Yahoo! - Sunnyvale as a software engineer. In 5 years tenure at Yahoo, he worked across multiple verticals including Yahoo! Search, Mail, Messenger, Photos and Homepage. He was one of the founding members of a music start-up acquired by Saavn (now JioSaavn). He headed the Saavn Engineering team in India and was instrumental in building something that was a garage start-up to a global music platform. He was Co-founder and CTO of Euler Systems, an Enterprise AI consulting start-up backed by veterans from Wall Street and Silicon Valley.

## Message from Founder



Dear Shareholders,

FY 21-22 was our second year in new avatar of digital product offerings. Over the past year, we've been able to build a substantial customer base for our digital businesses. As on 31st March 2022, we've been able to cater to more than 5.2 crore customers since we launched our digital businesses.

Recently RBI issued guidelines on loading of credit lines through Prepaid Payment Instruments on 20th June 2022 and implemented recommendations of the working group on Digital Lending on 10th August 2022. In light of these recent changes in regulation, we have made changes in our business model to be fully compliant of all RBI guidelines. We are now focusing on expanding our marketplace model where we can cater to virtually all consumer needs by onboarding third party suppliers and offer lacs of products in over hundreds of categories, while focusing on affordability and shopping convenience to customers.

In addition, we provide customers option to avail short term financing (Pay in 3) for specified end use of buying these products. Dhani Plus members enjoy access to credit of up to Rs.50,000 at 0% interest for shopping on Dhani, guaranteed free delivery on all orders and 2% cashback in the form of Dhani cash on every purchase for an upfront annual membership fee of Rs. 500.

As a business we have always focused on being profitable and remaining adequately capitalized. Our business model is not only capital efficient but also self financing. Our suppliers are paid typically in 30 days and customers typically avail credit period for 30 days. Our take rate from suppliers goes up to 10% and there is scope for higher take rate from suppliers with credit being offered on their products. We levy charges of 3% of order value on all transactions that use Pay in 3 facility to cover our free & fast delivery and collection costs. We have already made significant spending on technology and marketing over last two years in order to keep our platform robust and service a large customer franchise. We expect to keep reducing the losses over the next few quarters and start making profits by next fiscal year.

The continued growth of our customer base depends in part with our ability to keep customers engaged on our platform while continuing to provide them with our services on a repeat basis. Constant customer interactions will enable us to better understand their behaviors and needs, and in turn help us to further diversify our product offerings and offer more tailored products which will inherently enhance customer stickiness and deepen their engagement with us.

We, at Dhani are very grateful to our customers and our shareholders who continue to support and share our passion of delivering great everyday use products at very reasonable prices to millions of people.

Thank you

**Sameer Gehlaut**  
Founder, Chairman & CEO  
Dhani Services Ltd.

## Board's Report

Dear Shareholders,

Your Directors are pleased to present the Twenty Seventh Annual Report of the Company alongwith the audited statement of accounts for the financial year ended March 31, 2022.

The first half of the FY 21-22 continued to be impacted by economic and social effects of the COVID-19 pandemic, with the second wave, fueled by the 'Delta variant', wreaking havoc in India and the world over. Fortunately, quick vaccine approvals and expedited implementation of vaccination programmes helped contain the casualties and curtail the effect of the third wave of the pandemic in the second half of the year.

Favorable government and central bank policies helped the world economy bounce back from the lows of the second wave of the pandemic. However, in the face of considerable uncertainty on account of the war in Europe leading to supply disruptions and bottlenecks, front-loaded monetary policy normalization by central banks across advanced economies and emerging market economies in response to persistently high inflation and multiple waves of the COVID-19 pandemic, the global economic recovery started losing momentum in the second half of 2021. Despite the challenges of inflationary pressures, external spillovers and geopolitical risks, the Indian economy remained on the path of recovery during the year.

For Dhani, FY 21-22 was second year in new avatar of digital product offerings. Over the past year, we've been able to build a substantial customer base for our digital businesses. As on March 31, 2022, we've been able to cater to more than 5.2 crore customers since we launched our digital businesses.

The Company even amid an unprecedented global crisis, continue to balance success as a business with exemplary governance and responsiveness to the needs of all our stakeholders.

### FINANCIAL HIGHLIGHTS (STANDALONE)

The financial highlights of the Company, for the financial year ended March 31, 2022, are as under:

	Figures in ₹ Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(loss) before Depreciation & Amortisation expenses and Tax	(1,750.61)	(764.21)
Less: Depreciation & Amortisation expenses	21.88	19.38
Profit/(loss) before Tax	(1,772.49)	(783.59)
Less: Tax Expense	698.97	891.41
Profit/(loss) from continuing operations after tax	(2,471.46)	(1,675.00)
Profit/(loss) from discontinued operations after tax	-	-
Profit/(loss) for the year	(2,471.46)	(1,675.00)
Other comprehensive income (net of taxes)	1,131.48	152.27
Total comprehensive income for the year	(1,339.98)	(1,522.73)
Balance in retained earnings at the beginning of the year	<b>20,419.81</b>	<b>18,553.20</b>
Profit/(loss) for the year	(2,471.46)	(1,675.00)
Other comprehensive income – Remeasurement of defined employee benefit plans (net of taxes)	2.89	0.45
Other comprehensive income - Sale for equity instruments	-	-
Transfer from share based payments - Options lapsed	-	3,541.16
Amount transferred to capital redemption reserve upon buy-back	-	-
Interim Dividend on Equity Shares	-	-
Corporate Dividend Tax on Interim Dividend on Equity Shares	-	-
Interim dividend received on Treasury Shares	-	-
Balance in retained earnings at the end of the year	<b>17,951.24</b>	<b>20,419.81</b>

## Board's Report (Contd)

The total revenue of the Company during the financial year ended March 31, 2022 stood at ₹ 4,685.95 lakh with a net loss of ₹ 2,471.46 lakh. This decline in revenue was primarily due to the fundamental change in the Company's business model and adverse impact of COVID-19 pandemic. The Company proposes to retain the entire amount of ₹ 17,951.24 lakh in the statement of profit & loss. The consolidated revenue of the Company stood at ₹ 146,542.02 lakh and the consolidated net loss after tax stood at ₹ 86,036.95 lakh.

### DIVIDEND

The Company has not declared any dividend during the financial year 2021-22.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

The second consecutive term of Mrs. Fantry Mein Jaswal, (DIN: 07011247), Mr. Praveen Kumar Tripathi, (DIN: 02167497), Mr. Rakesh Mohan Garg, (DIN: 08970794) and of Mr. Vijay Chugh (DIN: 07112794) as Non-Executive Independent Director(s) of the Company, is upto August 22, 2022, September 15, 2022, November 24, 2022 and December 20, 2022, respectively and in terms of applicable regulatory provisions, they are not eligible for re-appointment as such.

To ensure the continuity of guidance, vast experience, knowledge and managerial skills, on the recommendation of the Nomination & Remuneration Committee, the Board has re-appointed Mr. Pinank Jayant Shah (DIN: 07859798) as Whole-time Director & Key managerial personal designated as Executive Director of the Company, for a further period of five years w.e.f. August 28, 2022 to August 27, 2027 and has recommended the same for the approval of the shareholders of the Company, at their ensuing Annual General Meeting.

Further, in compliance with the applicable regulations, the Board has recommended the re-appointment of Mr. Divyesh B. Shah (DIN: 00010933), Whole-time Director and Key Managerial Personnel, designated as Chief Operating Officer of the Company, who retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

Mr. Vikas Khandelwal (ACS-18475) has been appointed as Company Secretary and Compliance Officer of the Company, in place of Mr. Lalit Sharma, with effect from August 17, 2022.

All the Independent Directors have given declaration that they meet the criteria of independence laid down under Section 149 (6) of the Act, and in Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'). The brief resume of the Directors proposed to be appointed/ reappointed, nature of their expertise in specific functional areas, terms of appointment, names of companies in which they hold directorships, memberships/ chairmanships of Board Committees, along with names of listed entities from which they have resigned in the past three years, are provided in the Notice convening the Twenty Seventh Annual General Meeting of the Company.

During the financial year 2021-22 and upto the date of this report, the following changes have also taken place in the Board:

- (a) Mr. Gagan Banga (DIN: 00010894) ceased to be Non-Executive Director of the Company w.e.f. March 14, 2022;
- (b) Mr. Anish Williams (DIN: 03314110) was re-classified as Non-Executive Non Independent Directors of the Company w.e.f. April 30, 2022;

### SHARE CAPITAL

During the financial year 2021-22 and upto the date of this report:

- (a) Second call money of ₹ 36/- (Re. 0.50 face value and ₹ 35.50 premium) was received on 2,810 partly paid-up equity shares.
- (b) 76,100 partly paid-up equity shares were forfeited for non-payment of second call money, in compliance with applicable regulatory provisions.



- (c) Third and Final Call money of ₹ 108/- (Re. 0.90 face value and ₹ 107.10 premium) was received on 7,39,44,494 partly paid-up equity shares which got converted into equivalent number of fully paid up equity shares having face value of ₹ 2 each, which ranks pari passu with the existing fully paid up equity shares and listed in pre-existing ISIN of the fully paid-up equity shares of the Company.

Consequently, the paid up share capital of the Company increased to ₹ 121,18,96,148.40 divided into 60,10,59,386 fully paid up equity shares of face value of ₹ 2 each and 88,88,524 partly paid-up equity shares of face value of ₹ 2 each, paid up ₹ 1.10 each (PPS). Voting rights in respect of PPS are proportionate to the amount paid-up thereon.

### **ESOP/SAR SCHEMES**

During the year under review and current financial year, ESOPs aggregating to 2.17 Cr and SARs aggregating to 1.97 Cr. granted pursuant to shareholders' authorisation(s) in compliance with applicable SEBI Regulations, were surrendered by the employees due to various reasons. During the current financial year 1,16,00,000 ESOPs representing an equal number of fully paid-up equity shares of face value of Rs. 2/- each in the Company under "Dhani Services Limited Employees Stock Option Scheme(s) – 2008 & 2009" were granted to the eligible employees.

There has been no variation in the terms of the options granted under any of the ESOP/SAR schemes and all the schemes are in compliance with SBEB Regulations.

The disclosures required to be made under SBEB Regulations and the Act read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, in respect of all existing ESOP Schemes/SARs of the Company have been placed on the website of the Company [www.dhani.com](http://www.dhani.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 Act and the Companies (Acceptance of Deposits) Rules, 2014.

### **LISTING WITH STOCK EXCHANGES**

The fully paid up Equity Shares (ISIN: INE274G01010) and partly paid up Rights Equity Shares (ISIN: IN9274G01034) 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 2022-23 have been paid. The GDRs issued by the Company continue to remain listed on Luxembourg Stock Exchange.

### **CHANGE IN REGISTERED OFFICE OF THE COMPANY**

The Registered Office of the Company stands shifted from 'M - 62 & 63, First Floor, Connaught Place, New Delhi - 110001' to '1/1E, First Floor, East Patel Nagar, New Delhi-110008', with effect from May 1, 2022.

### **STATEMENT OF DEVIATION(S) OR VARIATION(S) PURSUANT TO REGULATION 32 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

Pursuant to Regulation 32 of the SEBI LODR Regulations, statement of deviation, for the quarter and year ended March 31, 2022, on the utilization of proceeds of Rights Issue of the Company was placed before the Audit Committee, in its meeting held on May 30, 2022, wherein the Audit Committee noted that there was no deviation as regards the utilization of funds from the Objects stated in the Letter of Offer for Company's Rights Issue and post its approval the same was submitted with the Stock Exchanges on May 30, 2022.

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

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



## Board's Report (Contd)

### AUDITORS

#### (a) Statutory Auditors

In terms of RBI guidelines, M/s Sharp & Tannan Associates, Chartered Accountants (Firm Registration Number 109983W) (a member firm of Russell Bedford International ("RB"), have been appointed as Statutory Auditors of the Company, in place of M/s Walker Chandio & Co LLP (Firm Regn. No. 001076N/N500013), by the members in their Extraordinary General Meeting, held on December 9, 2021, for a period of three consecutive years with effect from November 11, 2021 until the conclusion of the 29th Annual General Meeting to be held in the calendar year 2024.

In terms of applicable regulatory provisions, M/s Sharp & Tannan Associates, Chartered Accountants holds the office of Statutory Auditors of the Company till the conclusion of ensuing 27th Annual General Meeting of the Company and on the recommendation of the Audit Committee, the Board has recommended continuation of their appointment as such, upto the conclusion of 29th Annual General Meeting, including the payment of remuneration for FY 2022-23 and FY 2023-24, for shareholders' approval in their ensuing 27th Annual General Meeting.

The Notes to the Accounts referred to in the Auditors' Report are self – explanatory and therefore do not call for any further explanation. No frauds have been reported by the Auditors of the Company in terms of Section 143(12) of the Act.

#### (b) Secretarial Auditors & Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act read with the rules made thereunder, the Company has appointed M/s Say & Associates (formerly known as M/s A. K. Kuchhal & Co.), a firm of Company Secretaries in practice as its Secretarial Auditors, to conduct the secretarial audit of the Company, for the Financial Year 2021-22. The Company has provided all assistance, facilities, documents, records and clarifications etc. to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the Financial Year 2021-22, is annexed as "**Annexure 1**" and forming part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Secretarial Compliance Report as prescribed by SEBI is annexed as "**Annexure 2**" and forming part of this Report.

The Secretarial Audit Report of material subsidiary companies, namely, Dhani Loans and Services Limited and Indiabulls Asset Reconstruction Company Limited are annexed as "**Annexure 3**" and "**Annexure 3A**".

#### (c) Cost Records

The Company is not required to prepare and maintain cost records pursuant to Section 148(1) of the Act.

### CORPORATE SOCIAL RESPONSIBILITY

The Company firmly believes that for an organisation to succeed in long term, it is imperative to keep the overall well-being of the society at the core of its values and purpose. Our main objective in this regard is to do meaningful work with measurable output and maximum impact on the society. The Company's vision is to contribute towards a society where quality healthcare, education and livelihood opportunities converge to create an equitable future for all families and communities. Corporate Social Responsibility is not mere an obligation for us but we yearn to transform Bharat into a stronger and healthier nation.

Indiabulls Foundation (IBF) is the CSR arm of the Company and drives its various social engagement initiatives. As the Social Development arm, IBF assesses the pressing needs of the marginalized communities and delivers tailor-made, technology-driven solutions aimed at improving overall living standards of the communities it works with.

As part of its initiatives under “Corporate Social Responsibility (CSR)”, the Company has undertaken CSR projects in the area of Education, as per its CSR Policy (available on your Company’s website [https://www.dhani.com/services/wp-content/uploads/2020/12/csr-policy-isl\\_1564987829.pdf](https://www.dhani.com/services/wp-content/uploads/2020/12/csr-policy-isl_1564987829.pdf) and the details are contained in the Annual Report on CSR Activities given in “Annexure 4”, forming part of this Report. The project is in accordance with Schedule VII of the Act read with the relevant rules.

Further, during the current financial year, an expenditure of INR 41,81,000/- being 2% of average net profits of the Company for three immediately preceding financial year, has been approved towards CSR activities for FY 2022-23, in accordance with CSR Policy of the Company, in the area(s) of Jan Swasthya Kalyan Vahika (JSK)- Mobile Medical Vans, Charitable Clinics, Health Check-up Camps, Eradicating Hunger- Nutrition for Under Privileged People, Promotion of Education- IBF Scholarship Programme, Promotion of Education, on ongoing basis.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Regulation 34 of SEBI LODR Regulations, Management’s Discussion and Analysis Report for the year under review, is presented in a separate section forming part of this Annual Report.

#### **CORPORATE GOVERNANCE REPORT**

Pursuant to Regulation 34 of the SEBI LODR Regulations, Corporate Governance Practices followed by the Company, together with a certificate from a practicing Company Secretary confirming compliance, is presented in a separate section forming part of this Annual Report.

#### **BUSINESS RESPONSIBILITY REPORT**

Pursuant to Regulation 34 of the SEBI LODR Regulations, Business Responsibility Report (BRR) 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 Act:

- a) that in the preparation of the annual accounts for the year ended March 31, 2022, 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 had 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, 2022 and of the profit and loss of the Company for the year ended on that date;
- c) that proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts had been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that such financial controls were adequate and were operating effectively; and
- f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## Board's Report (Contd)

### 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 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.

Place: Mumbai  
Date: August 12, 2022

For **Dhani Services Limited**

Sd/-  
**Divyesh B. Shah**  
Whole-time Director & COO  
(DIN: 00010933)

Sd/-  
**Pinank Jayant Shah**  
Executive Director  
(DIN: 07859798)

## ANNEXURE-A

### ANNEXURE FORMING PART OF THE BOARDS' REPORT

#### EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3) of the Companies Act, 2013 ("Act"), the Annual Return as on March 31, 2022 is available on the Company's website [https://www.dhani.com/services/wp-content/uploads/2022/09/MGT-7\\_Annual\\_Return\\_31.03.2022.pdf](https://www.dhani.com/services/wp-content/uploads/2022/09/MGT-7_Annual_Return_31.03.2022.pdf).

#### BOARD MEETINGS

During the FY 2021-22, 5 (Five) 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 Act. Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent to relaxations granted by MCA and SEBI, all Board meetings in FY 2022 were held through Video Conferencing. The notice and agenda including all material information and minimum information required to be made available to the Board under Regulation 17 read with Schedule II Part-A of the SEBI LODR Regulations, were circulated to all directors, well within the prescribed time, before the meeting or placed at the meeting. During the year, separate meeting of the Independent Directors was held on March 14, 2022, through video conferencing mode, without the attendance of Non-Independent Directors and the members of the Company Management.

#### BOARD EVALUATION

The Nomination and 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)/Chairman 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 parameter which inter-alia 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, role of the Chairman and management of conflict of interest. Basis these parameters and guidance note on board evaluation issued by SEBI, the performance evaluation of the Board as a whole and its committees namely Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee as well as the performance of each director individually, including the Chairman was carried out by the entire Board of Directors. The performance evaluation of the Chairman, Executive Directors and Non-Executive Director was carried out by the Independent Directors in their meeting held on March 14, 2022. The Directors expressed their satisfaction with the evaluation process.

Also the Chairman 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.

#### POLICY ON APPOINTMENT OF DIRECTORS & THEIR REMUNERATION

A Board approved policy for selection and appointment of Directors, Senior Management and their remuneration, is already in place. The brief of Remuneration Policy is stated in the Corporate Governance Report forming part of this Annual Report.

#### LOANS, GUARANTEES OR INVESTMENTS

During the FY 2021-22, in terms of the provisions of Section 186 (1) of the Act, the Company did not make any investments through more than two layers of investment companies. The Company's investment/loans/guarantees,

## Board's Report (Contd)

during FY 2021-22, were in compliance with the provisions of Section 186 of the Act, particulars of which are captured in financial statements of the Company for the financial year ended March 31, 2022, wherever applicable and required, forming part of this Annual Report.

### RELATED PARTY TRANSACTIONS

All the related party transactions, entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. There are no materially significant related party transactions entered into by the Company with its Key Management Personnel or other designated persons which may have potential conflict with the interest of the Company at large. None of the transactions with related parties fall under the scope of Section 188(1) of the Act and hence the informations on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules 2014 required to be given in the prescribed form AOC -2 are not applicable.

Further, the Policy for Dealing with Related Party Transactions is enclosed as "Annexure 5" and is also available on the website of the Company at [https://www.dhani.com/services/wp-content/uploads/2022/06/DSL\\_Policy\\_on\\_Related\\_Party\\_Transactions\\_01042022.pdf](https://www.dhani.com/services/wp-content/uploads/2022/06/DSL_Policy_on_Related_Party_Transactions_01042022.pdf)

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

### MATERIAL CHANGES AND COMMITMENTS

Apart from the information provided/disclosures made elsewhere in the Boards' Report including Annexures thereof, there are no material changes and commitments affecting the financial position of the Company, occurred between the date of end of the financial year of the Company i.e. March 31, 2022 till date of this Report.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

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.

However, SEBI vide order dated May 21, 2021 had imposed a penalty of ₹ 55 Lacs on the Company and its Secretary for not closing trading window in respect of one of the transaction executed in 2017 with the shareholders' approval in July 2016. An appeal was filed against the said order of SEBI, by Company/Company Secretary before Securities Appellate Tribunal (SAT). SAT vide its order dated June 30, 2022 was pleased to quash the impugned order of Adjudicating Officer (AO) of SEBI and the matter was remanded back to AO for fresh consideration.

### TRANSFER TO IEPF

During the year under review, in compliance with applicable regulations (a) the unclaimed dividend of ₹ 79.20 lakh pertaining to the Financial Year 2013-14 and 2014-15, has been transferred to Investor Education and Protection Fund (IEPF) and (b) 36,936 fully paid-up equity shares pertaining to the Financial Year 2014-15 and 2015-16, in respect of which dividend has not been received or claimed for seven consecutive years, have been transferred to Demat Account of IEPF Authority.

Those members who have not so far claimed their dividend for the subsequent financial years are also advised to claim it from the Company or Skyline Financial Services Private Limited. Further, in compliance with the requirements, in terms of the notification issued by the Ministry of Corporate Affairs (MCA), the Company has till date transferred its 2,08,416 (Two Lakh Eight Thousand Four Hundred Sixteen) fully paid-up equity shares in respect of which dividend has not been received or claimed for seven consecutive years from the Financial Year 2008-09 onwards, to Demat Account of IEPF Authority, in respect of which, individual notice had also been sent to concerned Shareholders.

Further, pursuant to the requirements of SEBI Circular no. SEBI/ LAD-NRO/GN/2016-17/008 dated July 8, 2016, the Dividend Distribution Policy of the Company is available on the website of the Company at [https://www.dhani.com/services/wp-content/uploads/2020/12/ivl-dividend-distribution-policy\\_1564992261.pdf](https://www.dhani.com/services/wp-content/uploads/2020/12/ivl-dividend-distribution-policy_1564992261.pdf)

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

The Company has been the leader in technology adoption to set forth example for others to trail, and is continuously launching new products & services for the customers by leveraging existing and emerging technologies. Organisation has created single view for customers to enable usage of multiple services through single frontend leading to higher customer engagement. As part of the roadmap of technology stack modernisation, applications have been consolidating application layers leading to efficiency in the processes and enhanced customer experience. Organisation has invested into multiple technology platforms to enhance customer acquisition, servicing processes and handle volumes. The Company is also actively investing and deploying capabilities in Artificial Intelligence (AI), Machine learning (ML), natural language processing (NLP) in the area of customer service and collections through mailbot, chatbot & voicebot . Aim is to create an unmatched customer experience with swift response at their queries & needs. The technology architecture is being simplified to be able to manage the scale and agility requirements of the organisation. Organisation has intensely invested in cloud and data infrastructure to enables faster change management and provides ability to scale and deploy rapidly.

#### **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 utilizing alternate sources of energy; and (iii) the capital investment on energy conservation equipment.

Consumption of electricity and its efficient utilization is an important area and the Company has taken many steps to reduce its carbon footprint on this front. The Company has been able to reduce energy consumption by using star rated appliances where possible and also through the replacement of CFL lights with LED lights. Monitoring resource usage, improved process efficiency, reduced waste generation and disposal costs have also supported the cause.

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

The Company is investing in cutting edge technologies to upgrade its infrastructure set up and innovative technical solutions, thereby increasing customer delight & employee efficiency. Next Generation Business Intelligence & analytics tool have been implemented to ensure that while data continues to grow, decision makers gets answers faster than ever for timely & critical level decision making. The Company has implemented best of the breed applications to manage and automate its business processes to achieve higher efficiency, data integrity and data security. It has helped it in implementing best business practices and shorter time to market new schemes, products and customer services. The Company has taken major initiatives for improved employee experience, by implementing innovative solutions and empowering them by providing mobile platform to manage their work while on the go. The Company's investment in technology has improved customer services, reduced operational cost and development of new business opportunities. No technology was imported by the Company during the last three financial years including financial year 2021-22.

## Board's Report (Contd)

### C. Foreign Exchange Earnings and Outgo

During the year under review, your Company had no foreign exchange earnings. Foreign exchange outgo was ₹ 0.17 crores.

### GREEN INITIATIVES

The Company's Environmental Management System (EMS) focuses on assessing the environmental cost of the Company's services and activities, and seeks to reduce or eliminate the negative impact and increase their positive effects.

Environmental sustainability is important to the Company and is one of the reasons behind the Company's push to digitize its processes.

Pursuant to the guidelines and notification issued by the Ministry of Home Affairs, Government of India and pursuant to applicable provisions of the Act and rules made thereunder and SEBI LODR and the MCA/SEBI Circulars, the AGM of the Company is being held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. 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. Electronic copies of the Annual Report for Financial year 2021-22 and Notice of the Twenty Seventh AGM are sent to all the members whose email addresses are registered with the Company / Depository Participant(s). The Members who have not received the said Annual Report and Notice may download the same from the Company's website at [www.dhani.com](http://www.dhani.com) and on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

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 Twenty Seventh AGM. This is pursuant to Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI LODR Regulations. The instructions for remote e-voting are provided in the Notice convening the Twenty Seventh AGM. The members may also cast their votes during the AGM.

### BUSINESS RISK MANAGEMENT

Pursuant to the applicable provisions of the Act and Regulation 21 of the SEBI LODR Regulations, the Company has in place a Board constituted Risk Management Committee. Details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of this report.

The Company has a robust Business Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on its business objectives and enhance its competitive advantage. It defines the risk management approach across the Company and its subsidiaries at various levels including the documentation and reporting. At present, the Company has not identified any element of risk which may threaten its existence.

### PARTICULARS OF EMPLOYEES

Pursuant to the applicable provisions of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures on Managerial Remuneration are provided in "Annexure 6" forming part of this Report. In terms of the provisions of Section 136(1) of the Act, read with the said rules, the Boards' 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 of the Company. The inspection is to be carried out at the Company's Registered Office at New Delhi, during business hours on working days (except Saturday and Sunday) of the Company up to date of ensuing Annual General Meeting.



## **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

Non-Executive 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 non-executive directors including independent directors. The details of the familiarization programmes have been hosted on the website of the Company and link has been provided in the Report on Corporate Governance forming part of this Report.

## **SUBSIDIARY & ASSOCIATE COMPANIES**

Pursuant to Section 129 of the Act and Indian Accounting Standard (IND AS) - 110 on Consolidated Financial Statements, the Company has prepared its Consolidated Financial Statement along with all its subsidiaries, in the same form and manner, as that of the Company, which shall be laid before its ensuing Twenty Seventh Annual General Meeting along with its Standalone Financial Statement. The Consolidated Financial Statements of the Company along with its subsidiaries, for the year ended March 31, 2022, forms part of this Annual Report.

Each quarter, the Audit Committee reviews the performance and unaudited/audited financial statements of subsidiary companies. The minutes of the board meetings of the unlisted subsidiary companies of the Company and significant transactions and arrangements entered into by all the unlisted subsidiary companies are placed before the board on a quarterly basis. The Board is periodically apprised of the performance of key subsidiary companies, including material developments.

For the performance and financial position of each of the subsidiaries of the Company, included in its Consolidated Financial Statements, the Members are requested to refer to Note no. 59 of the Notes to the Accounts, of Consolidated Financial Statements of the Company and statement pursuant to first proviso to sub section (3) of section 129 of the Act read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC - 1 relating to Statement containing salient features of the financial statement of subsidiary has been attached to this report and forms part of the financial statements.

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 at [www.dhani.com](http://www.dhani.com)

Shareholders may write to the Company for the annual financial statements and any further information on subsidiary companies. Further, the documents shall also be available for inspection by the shareholders at the registered office of the Company.

During the year, Dhani Loans and Services Limited (DLSL) and Indiabulls Asset Reconstruction Company Limited (IBARC) were material unlisted subsidiaries of the Company, as per SEBI LODR Regulations. As on March 31, 2022, the Company has 24 subsidiaries, 1 employee welfare trust and 21 business trusts and there is no joint venture company, within the meaning of Section 2(6) of the Act.

The Company is in compliance with Regulation 24A of the SEBI LODR Regulations. The Company's unlisted material subsidiary DLSL and IBARC undergo Secretarial Audit. Copy of Secretarial Audit Report of DLSL and IBARC are given in Annexure-3 and Annexure 3A. These Secretarial Audit reports do not contain any qualification, reservation or adverse remark.

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

During the year under review, subsidiary company namely Arbutus Constructions Limited was struck off w.e.f. December 22, 2021 and no other subsidiary company was incorporated or acquired.



## Board's Report (Contd)

### 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) Compensation Committee
- e) Corporate Social Responsibility Committee
- f) Allotment Committee
- g) Management Committee
- h) Securities Issuance Committee
- i) Risk Management Committee
- j) Capital Raising Committee
- k) Internal Complaints Committee

The details with respect to the composition, powers, roles, terms of reference, etc. of relevant committees constituted under the Act and SEBI LODR Regulations are given in the Corporate Governance Report forming part of this Annual Report.

### 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 sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the financial year 2021-22, no case of sexual harassment was reported.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress complaints received, if any, regarding sexual harassment.

### DETAILS OF PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year, no applications were made or case was pending under the Insolvency and Bankruptcy Code, 2016.

### DETAILS OF VALUATION DONE WITH RESPECT TO LOANS TAKEN FROM BANKS OR FINANCIAL INSTITUTION

During the year, there was no instance of one-time settlement with Banks or Financial Institutions . Therefore, reasons of difference in the valuation at the time of one-time settlement and valuation done while taking loan from the Banks or financial institutions are not reported.

## VIGIL MECHANISM

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Whistle Blower Policy (“the Policy”), to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees 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 at [https://www.dhani.com/services/wp-content/uploads/2021/05/whistleblower\\_policy\\_dhani\\_2021.pdf](https://www.dhani.com/services/wp-content/uploads/2021/05/whistleblower_policy_dhani_2021.pdf)

For **Dhani Services Limited**

Sd/-

**Divyesh B. Shah**

Whole-time Director & COO

(DIN: 00010933)

Sd/-

**Pinank Jayant Shah**

Executive Director

(DIN: 07859798)

Place: Mumbai

Date: August 12, 2022

# Secretarial Audit Report

## ANNEXURE-1

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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,  
**Dhani Services Limited**  
(Formerly known as Indiabulls Ventures Limited)  
**CIN L74110DL1995PLC069631**  
**1/1E, First Floor, East Patel Nagar,**  
**New Delhi -110008**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dhani Services Limited (formerly known as Indiabulls Ventures Limited) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute 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 31st March, 2022 complied with the 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, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions (including amendments) of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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 and Guidelines 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; and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Company during the review period);
  - 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 The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the review period);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the review period);
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - (j) The Security and Exchange Board of India (Investor Protection and Education Fund) Regulation, 2009;
- (vi) The Management has identified and confirmed the following other laws, as applicable:
- (a) The Securities and Exchange Board of India Act, 1992;
  - (b) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - (c) The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992
  - (e) The Bye laws and Business Rules of NSDL/ CDSL;
  - (f) Directives/ Circular/ Clarifications/ Guidelines issued by SEBI, the Government of India, Regulatory Bodies and NSDL/ CDSL, from time to time;
  - (g) Prevention of Money Laundering Act, 2002 and the Rules and Guidelines notified there under by SEBI / Regulatory Authorities;

We have also examined compliance with the applicable clauses of the Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General

Meetings (SS-2) issued by The Institute of Company Secretaries of India;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned herein above.

**We further report that:**

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director 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.
- ii. Adequate notice is given to all directors to schedule the Board Meetings and its Committee Meetings and agenda and detailed notes on agenda were sent well in advance 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.
- iii. All the decisions of the Board and Committees thereof were carried out with the consent of all the directors present in the meetings.

**We further report that** based on review of compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the Company which is 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 has responded appropriately to notices received from various statutory/ regulatory authorities including initiating actions for corrective measures, wherever found necessary.
- (b) For not closing trading window in respect of one of the transactions executed in 2017, with the shareholders' approval in July 2016, the Securities and Exchange Board of India vide order dated May 21, 2021, had imposed a penalty of ₹ 55 Lacs on the Company and its Secretary. Thereafter, Hon'ble SAT on July 16, 2021 had granted stay on the said

## Secretarial Audit Report (Contd.)

SEBI order subject to payment of 50% of penalty. Subsequently, the said penalty was paid by the Listed Entity and its Secretary. SAT has heard final arguments and now the matter is reserved for order.

**We further report that** during the audit period, the Company, inter-alia, had:

- (a) Appointed M/s Sharp & Tannan Associates, Chartered Accountants (A Member Firm of Russell Bedford International An International Audit, Tax And Advisory Firm Headquartered in London), as Statutory Auditors of the Company, in place of M/s Walker Chandiook & Co LLP, Chartered Accountants.
- (b) Appropriated an aggregate of ₹ 797.95 Cr as the third and final call money of ₹ 108/- per share received on 7,38,84,212 partly paid-up equity shares converting them into equivalent number of fully paid-up equity shares.
- (c) Forfeited 76,100 partly paid-up equity shares for non-payment of second call money of ₹ 36/- per share, in compliance with applicable regulatory provisions.

For **Say & Associates**  
Company Secretaries  
(Formerly known as A. K. Kuchhal & Co  
Company Secretaries)

Sd/-

**(Priyanshu Yadav)**

Partner

CP No. 23043

Date: July 7, 2022

Place: Noida

FRN. P2011UP000800

UDIN: A061820D000583321

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed and forms an integral part of this report.

**ANNEXURE TO SECRETARIAL AUDITORS' REPORT**

To,  
The Members,  
**Dhani Services Limited**  
(Formerly known as Indiabulls Ventures Limited)  
**CIN L74110DL1995PLC069631**  
**1/1E, First Floor, East Patel Nagar,**  
**New Delhi - 110008**

Our Secretarial Audit Report of even date, for the financial year 2021-22 is to be read along with this letter.

**Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

5. 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.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

For **Say & Associates**  
Company Secretaries  
(Formerly known as M/s A. K. Kuchhal & Co  
Company Secretaries)

Sd/-  
**(Priyanshu Yadav)**  
Partner  
CP No. 23043  
FRN. P2011UP000800

Date: July 7, 2022  
Place: Noida

UDIN: A061820D000583321

# Secretarial Compliance Report

## ANNEXURE-2

### SECRETARIAL COMPLIANCE REPORT OF

#### “DHANI SERVICES LIMITED”

#### *Formerly known as Indiabulls Ventures Limited* FOR THE YEAR ENDED 31ST MARCH, 2022

We, M/s Say & Associates, Practicing Company Secretaries having office at C-154, Sector-51, Noida-201301 have conducted the Secretarial Compliance Audit of **DHANI SERVICES LIMITED** (Formerly known as Indiabulls Ventures Limited) (“the Listed Entity”) in terms of the applicable SEBI Regulations and the circulars/ guidelines issued thereunder for the Financial Year ended 31st March 2022. The audit was conducted in a manner that provided us a reasonable basis for evaluating the statutory compliances and expressing our opinion thereon.

We have examined:

- (a) the documents and records made available to us and explanation provided by the Listed Entity,
- (b) the filings/ submissions made by the Listed Entity to the stock exchanges,
- (c) website of the Listed Entity,
- (d) Other document/ filing, as may be relevant, which has been relied upon to make this certification.

For the year ended 31st March, 2022 (“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 to the extent applicable, includes:-

- (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 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- (d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including the provisions with regard to disclosure and maintenance of records required under the said Regulations;
- (e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (g) The provisions of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (h) Security and Exchange Board of India (Investor Protection and Education Fund) Regulation, 2009;
- (i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (k) Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018;
- (l) Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992;

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 applicable 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 applicable provisions of the above Regulations and circulars/ guidelines issued thereunder in so far 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.	Action 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.
1	Securities and Exchange Board of India (SEBI)	Alleged violations of the Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders and the PIT Regulations.	SEBI vide order dated May 21, 2021 imposed a penalty of ₹ 55 Lacs on the Listed Entity and its Secretary for not closing trading window in respect of one of the transaction executed in 2017, with the shareholders' approval in July 2016. SAT on July 16, 2021 has granted stay on the said SEBI order subject to payment of 50% of penalty. The said penalty has been paid by the Listed Entity and its Secretary.	SAT has granted stay on the said SEBI order dated May 21, 2022.  The captioned matter will be placed before Hon'ble SAT for hearing on June 10, 2022.

- (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... (The years are to be mentioned)	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 Say & Associates, Company Secretaries  
(Formerly known as A. K. Kuchhal & Co., Company Secretaries)

Sd/-  
**(Priyanshu Yadav)**  
Partner  
CP No. 23043  
FRN. P2011UP000800

Date: May 26, 2022  
Place: Noida  
UDIN: A061820D000394064



# Secretarial Audit Report

## ANNEXURE-3

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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,  
**Dhani Loans and Services Limited**  
(Formerly known as Indiabulls Consumer Finance Limited)  
**CIN - U74899DL1994PLC062407**  
**1/1E, First Floor, East Patel Nagar,**  
**New Delhi - 110008**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dhani Loans and Services Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute 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 31st March, 2022 complied with the 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, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions (including amendments) of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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 and Guidelines 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 (Not applicable to the Company during the review period);
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Not applicable to the Company during the review period);
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the review period);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008; and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (f) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the review period);

- (g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the Company during the review period);
  - (h) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (j) 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;
  - (k) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the review period);
- (vi) The Management has identified the following other laws, as applicable:
- (a) All the Rules, Regulations, Directions, Guidelines and Circulars including Master Direction – Non-Banking Financial Company – Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, issued by the Reserve Bank of India, as amended from time to time;
  - (b) Credit Information Companies (Regulation) Act, 2005 and Rules.
  - (c) Prevention of Money Laundering Act, 2002 and the Rules and Guidelines notified there under by SEBI / Regulatory Authorities.

We have also examined compliance with the applicable clauses of Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director 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.
- ii. The compliance of Regulations 17(1)(b) of SEBI LODR, 2015 made applicable to the Company effective from September 7, 2021 on a comply or explain basis until March 31, 2023, the Company has been providing the necessary explanation in the quarterly compliance report on Corporate Governance submitted to the Stock Exchanges under Regulation 27(2)(a) of SEBI LODR, 2015.
- iii. Adequate notice is given to all directors to schedule the Board and its Committee Meetings and agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, 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.
- iv. All the decisions of the Board and Committees thereof were carried out with the consent of all the directors present in the meetings.

**We further report that** based on review of compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

## Secretarial Audit Report (Contd.)

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

- (a) Appointed M/s Hem Sandeep & Co., Chartered Accountants, as Statutory Auditors of the Company, in place of M/s Walker Chandiook & Co LLP, Chartered Accountants.
- (b) Allotted 19,05,722 Secured, Redeemable Non-Convertible Debentures amounting to ₹ 190.57 Cr through public issue which were listed on National Stock Exchange of India Limited and BSE Limited.
- (c) Updated various policies of the Company as per applicable regulatory provisions.
- (d) Reclassified its authorized share capital from ₹ 85,50,00,000/- divided into 8,00,00,000 Equity Shares of ₹ 10/- each and 55,00,000 Preference Shares of ₹ 10/- each, to ₹ 85,50,00,000/- divided into 7,70,00,000 Equity Shares of ₹ 10/- each and 85,00,000 Preference Shares of ₹ 10/- each.

For **Say & Associates**  
Company Secretaries  
(Formerly known as A.K. Kuchhal & Co  
Company Secretaries)

Sd/-  
**(Priyanshu Yadav)**  
Partner  
CP No. 23043  
FRN. P2011UP000800  
UDIN: A061820D000583385

Date: July 7, 2022  
Place: Noida

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed and forms an integral part of this report.

**ANNEXURE TO SECRETARIAL AUDITORS' REPORT**

To,  
The Members,  
**Dhani Loans and Services Limited**  
Formerly known as Indiabulls Consumer Finance Limited  
**CIN - U74899DL1994PLC062407**  
**1/1E, First Floor, East Patel Nagar,**  
**New Delhi - 110008**

Our Secretarial Audit Report of even date, for the financial year 2021-22 is to be read along with this letter.

**Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

5. 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.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

For **Say & Associates**  
Company Secretaries  
(Formerly known as A.K. Kuchhal & Co  
Company Secretaries)

Sd/-  
**(Priyanshu Yadav)**  
Partner  
CP No. 23043  
FRN. P2011UP000800  
UDIN: A061820D000583385

Date: July 7, 2022  
Place: Noida

# Secretarial Audit Report

## ANNEXURE-3A

### FORM-MR-3

#### SECRETARIAL AUDIT REPORT

For the Financial Year ended on March 31, 2022

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members

**Indiabulls Asset Reconstruction Company Limited**  
**CIN: U67110MH2006PLC305312**  
**One International Center, Tower – 1,**  
**4th Floor, S. B. Marg, Elphinstone (W), Mumbai City**  
**Mumbai – 400013, Maharashtra**

We have conducted, the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Indiabulls Asset Reconstruction Company Limited (hereinafter called “**the Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereupon.

Based on our verification of the Company’s books, papers, minute 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 March 31, 2022 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, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder; **Not Applicable**
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **Not Applicable**
- iv. 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; **Not Applicable**
- v. The Regulations prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) viz.:- **Not Applicable**
  - 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; and

- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. and other applicable laws like:
- Reserve Bank of India Act, 1934
  - The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

We have also examined compliance with the applicable clauses of Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. which are subject matter of present Audit Report, stated hereinabove.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors.

All the present Executive & Non-executive directors of the Company have given their declarations u/s 184(1) & 164(1) of the Companies Act, 2013 and the same were presented and taken on record in the Board of Directors' Meeting held on 16th June, 2021.

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 Act.

Adequate notices were given to all directors to schedule the Board Meetings agenda and detailed notes on agenda were sent atleast seven days in advance, 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.

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

**We further report that** during the audit period the Company has not carried out any major strategic action warranting compliance of specific/ special nature, except transactions (originating either on Company's action or otherwise) as hereunder:

- The Company in the Board Meeting held on June 16, 2021 takes note on untimely and sad demise of Dr. Kamalesh Chandra Chakrabarty (DIN: 03543682), Independent Director of the Company, on Friday, March 26, 2021, due to cardiac arrest. Dr. Chakrabarty was appointed on the Board of the Company in the year 2016
- Mr. Shyam Lal Bansal (DIN: 02910086), Independent Director of the Company, has tendered his resignation from the Board of the Company, with effect from April 27, 2021. The Company in its board meeting held on June 16, 2021 has accepted the resignation of Mr. Shyam Lal Bansal with effect from April 27, 2021.
- In terms of guidelines issued by the Reserve Bank of India dated April 27, 2021, the Company has appointed MRKS & Associates, Chartered Accountants, as statutory auditors of the Company, in place of M/s Walker Chandiook & Co LLP, the existing statutory auditors for a period of 3 (three) consecutive years effective from November 18, 2021 in the Extra-ordinary General Meeting held on December 14, 2021.
- The Board in its meeting held on June 18, 2021, re-appointed M/s D Kothary & Co., Chartered Accountants as the Internal Auditor of the Company for the financial year 2021-22.
- The Board in its meeting held on August 30, 2021, recommended the re-appointment of Mr. Ajit Kumar Mittal (DIN: 02698115), who is liable to retire by rotation, as non-executive director of the Company and the members in the 15th Annual General Meeting held on September 23, 2021 had approved such re-appointment.
- The Board in its meeting held on August 30, 2021, recommended the re-appointment of Mr. Amit Ajit Gandhi (DIN: 07606699) as Whole Time Director & Key Managerial Personnel, designated as Executive

## Secretarial Audit Report (Contd.)

Director of the Company, for a period of 5 years w.e.f. September 6, 2021 to September 5, 2026 and the members in the 15th Annual General Meeting held on September 23, 2021 had approved such re-appointment.

- 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.
- All decisions of the Board and Committees were carried with requisite majority.

For **Anshul Chhabra & Associates,**  
Company Secretaries

Sd-  
**Anshul Chhabra**  
M. No.: 37155  
CP No.: 13935  
UDIN: A037155D000461183  
PR No: 1621/2021

Date: June 4, 2022

Place: New Delhi

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

**'Annexure A'**

To,  
The Members  
**Indiabulls Asset Reconstruction Company Limited**  
**CIN: U67110MH2006PLC305312**  
**One International Center, Tower – 1,**  
**4th Floor, S. B. Marg, Elphinstone (W), Mumbai City**  
**Mumbai – 400013, Maharashtra**

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

1. Maintenance of secretarial record 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. Where ever 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 Anshul Chhabra & Associates,**  
Company Secretaries

Sd/-

**Anshul Chhabra**

M. No.: 37155

CP No.: 13935

UDIN: A037155D000461183

PR No: 1621/2021

Date: June 4, 2022

Place: New Delhi



# Annual Report on CSR Activities

## ANNEXURE 4

### ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED MARCH 31, 2022.

#### 1. Brief outline on CSR Policy of the Company

The Company firmly believes that for an organisation to succeed in long term, it is imperative to keep the overall well-being of the society at the core of its values and purpose. Our main objective in this regard is to do meaningful work with measurable output and maximum impact on the society. The Company's vision is to contribute towards a society where quality healthcare, education and livelihood opportunities converge to create an equitable future for all families and communities. Corporate Social Responsibility is not mere an obligation for us but we yearn to transform Bharat into a stronger and healthier nation.

Indiabulls Foundation (IBF) is the CSR arm of the Company and drives its various social engagement initiatives. As the Social Development arm, IBF assesses the pressing needs of the marginalized communities and delivers tailor-made, technology-driven solutions aimed at improving overall living standards of the communities it works with.

The Company may also undertake such CSR projects of sudden criticality such as providing relief in areas stuck by natural disasters etc. The Company's CSR Policy is available at [https://www.dhani.com/services/wp-content/uploads/2020/12/csr-policy-isl\\_1564987829.pdf](https://www.dhani.com/services/wp-content/uploads/2020/12/csr-policy-isl_1564987829.pdf)

#### 2. Composition of the CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Divyesh B. Shah	Chairman, Whole-time Director	2	2
2.	Mr. Praveen Kumar Tripathi	Member, Independent Director	2	2
3.	Dr. Narendra Damodar Jadhav	Member, Independent Director	2	2
4.	Mr. Pinank Jayant Shah	Member, Executive Director	2	2

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

Composition of the CSR committee shared above and is available on the Company's website at [https://www.dhani.com/services/wp-content/uploads/2021/04/Board&Committees\\_DSL.pdf](https://www.dhani.com/services/wp-content/uploads/2021/04/Board&Committees_DSL.pdf) and Policy of the Company is available at [https://www.dhani.com/services/wp-content/uploads/2020/12/csr-policy-isl\\_1564987829.pdf](https://www.dhani.com/services/wp-content/uploads/2020/12/csr-policy-isl_1564987829.pdf).

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

Not Applicable since there are no projects undertaken or completed after January 22, 2021, for which the impact assessment report is applicable for FY 2022.

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from Preceding financial year (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2018-19	Nil	Nil
2	2019-20	Nil	Nil
3	2020-21	Nil	Nil
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>

#### 6. Average net profit of the company as per section 135(5): Rs. 534,489,447/-

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 10,700,000/-  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
 (c) Amount required to be set off for the financial year, if any: Nil  
 (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 10,700,000/-
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
10,700,000	N.A	N.A	N.A	N.A	N.A

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	(12)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name	CSR Registration number
				State	District							
1.	Promotion of Education including Gramin Yuva Kendra for Girls Students	(ii)	Yes	PAN India	PAN India	3 Years	10,700,000	10,700,000	N.A	No	Indiabulls Foundation	CSR00000380
	<b>Total</b>						10,700,000	10,700,000	N.A			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	N.A	N.A	N.A	N.A		N.A	N.A	N.A	N.A
	<b>Total</b>					<b>N.A</b>			

- (d) Amount spent in Administrative Overheads: Nil  
 (e) Amount spent on Impact Assessment, if applicable: Nil  
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 10,700,000/-  
 (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	10,700,000
(ii)	Total amount spent for the Financial Year	10,700,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.	2018-19	N.A	N.A	N.A	N.A	N.A	N.A
2.	2019-20	N.A	N.A	N.A	N.A	N.A	N.A
3.	2020-21	N.A	N.A	N.A	N.A	N.A	N.A
	<b>Total</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
1	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
2	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
3	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	<b>Total</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): No Assets Created During the Year.

- (a) Date of creation or acquisition of the capital asset(s): N.A
- (b) Amount of CSR spent for creation or acquisition of capital asset: N.A
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): N.A

Place: Mumbai  
Date: August 12, 2022

Sd/-  
**Divyesh B. Shah**  
Chairman - CSR Committee  
(Whole-time Director & COO)  
DIN: 00010933

For Dhani Services Limited  
Sd/-  
**Pinank Jayant Shah**  
Member - CSR Committee  
(Executive Director)  
DIN: 07859798

# Policy for Dealing with Related Party Transactions

## ANNEXURE-5

### Policy for Dealing with Related Party Transactions

#### I. INTRODUCTION

Dhani Services Limited (the “Company” / “DSL”) is governed, amongst others, by the rules and regulations framed by Securities Exchange Board of India (“SEBI”). SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. Accordingly, Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI LODR Regulations”), the Company has formulated this policy on materiality of related party transactions and on dealing with related party transactions.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 dated November 9, 2021, this Policy has been amended and approved by the Board of Directors of the Company, based on the recommendation of the Audit Committee, at its meeting held on February 14, 2022.

This policy aims at preventing and providing guidance in situations of potential conflict of interests in the implementation of transactions involving such related parties.

In accordance with the SEBI LODR Regulations, this Policy shall govern the Related Party Transactions by the Company and the subsidiaries of the Company to the extent applicable to them.

This Policy shall be effective from April 1, 2022.

#### II. DEFINITIONS

For the purposes of this Policy, the following definitions apply:

- a) **“Act”** means the Companies Act, 2013, for the time being in force and as amended from time to time.
- b) **“Applicable Law”** includes (a) the Act and rules made thereunder as amended from time to time; (b) the SEBI LODR Regulations, as amended from time to time; (c) Indian

Accounting Standards; and (d) any other statute, law, standards, regulations or other governmental circulars, notifications or instructions (including circulars, notifications and guidance issued by the Securities and Exchange Board of India from time to time) relating to Related Party Transactions as may be applicable to the Company.

- c) **“SEBI LODR Regulations”** means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the time being in force and as amended from time to time.
- d) **“Audit Committee”** means Committee of Board of Directors of the Company constituted under provisions of Section 177 of the Act and Regulation 18 of SEBI LODR Regulations.
- e) **“Board/Board of Directors”** means the board of directors of the Company/DSL.
- f) **“Related Party”** shall mean a person or entity that is related to the Company as defined under Section 2(76) of the Act or under Regulation 2(zb) of the SEBI LODR Regulations.
- g) **“Related Party Transaction”** shall mean all transactions as per Section 188 of the Act or under regulation 2(zc) of the SEBI LODR Regulations or as per applicable accounting standards, as may be amended from time to time.
- h) **“Material Transaction”** means transaction(s) defined as Material Related Party Transaction(s) under Regulation 23 of the SEBI LODR Regulations.
- i) **“Material Modification”** means any modifications to the related party transactions which were approved by the Audit Committee or Shareholders (in case of a material related party transaction) (i) where the variation exceeds 20% of the originally approved transaction, in case of any monetary modification; or (ii) which, in the opinion of

## Policy for Dealing with Related Party Transactions (Contd)

the Audit Committee, significantly alters the nature or commercial terms of the transaction.

- j) **“Arm’s length transaction”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- k) **“Ordinary Course of Business”** - The transactions shall be in the ordinary course of business if - (a) the transaction is covered in the main objects or objects in furtherance of the main objects or (b) the transaction is usual as per industry practice or (c) the transaction is happening frequently over a period of time and is for the business purpose of the Company.
- l) **“Annual Consolidated Turnover”** is defined as Total Income (including other income) of the last audited Consolidated Financial Statements of the Company.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such terms in the Act and the Rules thereunder and the SEBI LODR Regulations.

### III. POLICY

All RPTs must be in compliance of this Policy and subject to all applicable regulatory requirements.

### IV. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

#### Approval of Related Party Transactions:

#### A. Audit Committee:

- i. All the transactions which are identified as Related Party Transactions and subsequent Material Modifications should be pre-approved by the Audit Committee of the Company before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.
- ii. Only those members of the Audit Committee, who are independent directors, shall approve Related Party Transactions and subsequent Material Modifications. Any member of the Audit

Committee who has a potential interest in any such Related Party Transaction will recuse himself/herself and shall not participate in discussion and voting on the approval of such Related Party Transactions.

- iii. All the Related Party Transactions to which the subsidiary of the Company is a party, but the Company is not a party should be pre-approved by the Audit Committee before entering into such transaction, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds threshold of:
  - a. 10 per cent of the annual consolidated turnover in accordance with the last audited financial statements of the Company.
  - b. 10 per cent of the annual standalone turnover in accordance with the last audited financial statements of the subsidiary (effective from 1 April 2023).

#### B. Board of Directors:

- i. In case any Related Party Transactions and subsequent Material Modifications are referred by the Audit Committee to the Board for its approval due to the transaction being (i) not in the ordinary course of business, and (ii) not at an arm’s length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances.
- ii. Any member of the Board who has any interest in any Related Party Transaction and subsequent Material Modifications will recuse himself/herself and shall

not participate in discussion and voting on the approval of such Related Party Transaction.

**C. Shareholders:**

- i. All the Related Party Transactions which are Material Transactions as per Regulation 23 of the SEBI LODR Regulations and subsequent Material Modifications of such material transactions shall require shareholders' prior approval.
- ii. All the Related Party Transactions which are not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Act, it shall require shareholders' prior approval.
- iii. None of the related parties of the Company, whether or not such related party(ies) is a party to the Related Party Transactions, shall vote to approve material Related Party Transactions, unless permitted under Applicable Law.

**V. OMNIBUS APPROVAL BY AUDIT COMMITTEE FOR RELATED PARTY TRANSACTIONS**

The Audit Committee may grant an omnibus approval for related party transactions which shall be valid for a period of 1 year. The conditions for according omnibus approvals will be as follows:

1. The Related Party Transactions are repetitive in nature or foreseeable and are in the interest of the Company;
2. The Related Party Transactions under the omnibus approval route shall be reported to the Audit Committee on a quarterly basis for its noting;
3. Where the need for Related Party Transactions cannot be foreseen and the details thereof are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction per related party. Such transactions shall also be reported to the Audit Committee on a quarterly basis for its noting.

Notwithstanding the generality of foregoing, Audit Committee shall not grant omnibus approval for following transactions:

1. Transactions which are not in ordinary course of business or not on arm's length and covered under Section 188(1) of the Act;
2. Transactions in respect of selling or disposal of an undertaking of the Company;
3. Transactions which are not in the interest of the Company;
4. Such other transactions specified under Applicable Law from time to time.

**VI. THRESHOLD LIMITS FOR MATERIALITY OF RELATED PARTY TRANSACTIONS**

The threshold limits for materiality of related party transactions shall be –

- (a) ₹ 1000 (Rupees One Thousand Crores), or
- (b) ten percent of the annual consolidated turnover, as per the last audited financial statements of the Company,

whichever is lower.

**VII. DISCLOSURE OF THE POLICY**

As mandated under the Applicable Law, the Company shall disclose this Policy on its website i.e. [www.dhani.com](http://www.dhani.com) and in the Annual Report. Disclosures regarding related party transactions will be made in accordance with and in the manner and format prescribed therein.

**VIII. POLICY REVIEW**

This Policy is framed based on the provisions of Regulation 23 of the SBI LODR Regulations. This Policy may be amended, modified or supplemented to ensure compliance with any modification, amendment or supplementation to the Applicable Law once in three years or as may be otherwise prescribed by the Audit Committee/ Board from time to time.

**IX. General**

This Policy shall be subject to the SEBI LODR Regulations, wherever any one or more clauses of

this Policy is repugnant to or in variance with the SEBI LODR Regulations, such clause/clauses shall be deemed to be replaced with the relevant SEBI LODR Regulations, in case of conflict between the provisions of Regulations/Applicable Law and this Policy, the provisions of Regulations/Applicable Law shall prevail, so as to be in consonance and harmony therewith.

Exceptions stipulated under Applicable Law for Related Party Transactions shall be exempted from the scope of this Policy unless the Audit Committee/ Board of Directors of the Company decide otherwise.

# Disclosures on Managerial Remuneration

## ANNEXURE-6

### Disclosures on Managerial Remuneration

Details of remuneration as required under Rule 5.1 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are as under –

#### Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2021-22

Designation	Ratio of remuneration to the median employees' remuneration
Whole time Director & COO	2.45:1

The details of fee for attending Board meetings and other incentives, if any, paid to Independent and Non-Executive Directors have been disclosed in Corporate Governance Report, forming part of this Annual Report.

No remuneration was paid to other Director(s) during the FY 2021-22 and hence, not forming part of this clause.

#### Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in FY 2021-2022

Designation	Increase in Remuneration (%)
Whole time Director & COO	NIL
Chief Financial Officer	10.00%
Company Secretary	30.00%

No remuneration was paid to other Director(s) during the Financial Year 2021-22 hence not forming part of this clause.

#### The percentage increase in the median remuneration of employees in the FY 2021-22

There has been an increase of 31.99% in the median remuneration of all the employees (including KMPs), in the FY 2021-22.

#### Number of permanent employees on the rolls of Company.

The Company had 10 employees on its permanent rolls, as on March 31, 2022

#### 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 ratio in salaries of total employees was 40.06% for FY 22 when compared to FY 21, however, the same when compared to FY 20 was only 2.63%. This is due to the salary cuts done in FY 21 to offset COVID impact which were partly restored in FY 22.

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.

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

The change in remuneration of Key Managerial Personnel is based on the overall performance of the Company. With the macro-economic headwinds facing the financial sector for most of the last few years, the Company has focused on conserving capital and liquidity, and consequent rationalisation of the balance sheet. The management has also looked at cost structures, taking voluntary pay cuts and reducing other operating expenses.



# Management Discussion and Analysis

## ABOUT THE COMPANY

We are a data-driven technology company offering an online market place for Indian consumers who can also avail credit facilities for such purchases on our platform.

## ABOUT DHANI PLATFORM

Our user-friendly Dhani app serves as a gateway for our customers to access our suite of unique and popular services.

### Dhani Store:

Dhani Store is an e-commerce platform which is primarily operates via market place led model which connects Merchants with Consumers. Through Dhani Store, customers can order various goods including electronics, fashion goods and other daily need consumer products at attractive prices. Since we originally launched Dhani Store as Dhani Pharmacy, to serve the diverse needs of consumers, we have expanded the product offerings to include electronics, personal care, daily household items and groceries.

### Dhani Plus Membership:

Customers can avail credit line of up to ₹50,000 at zero interest which can be used within Dhani Store and offers up to 2% cashback on spending, all without requiring a bank mandate features and at a flat one-time annual fee.

### Payments and Services:

Our electronic wallet service allows customers to add money to their Dhani Wallet account from bank accounts, which can then be used to pay bills, mobile phone charges, gift vouchers as well as for booking of bus rides.

### Dhani Stocks:

Our brokerage platform offers trading services to customers at competitive prices, featuring easy account opening, bracket and cover order and margin trading facilities, and the ability to perform certain calls and trades at zero cost.

## KEY OPERATIONAL HIGHLIGHTS: FY 2022

- Total individual customers served : 52.7 million
- Individual paid customers served in FY22 : 7.8 million
- Total active paid individual customers as on 31st March 2022 : 6.1 million
- Consolidated Revenue of INR 14.65 Bn

## ASSET LIABILITY MANAGEMENT

Given the short term maturity of its loan portfolio and adequate liquidity buffers enjoyed by the company, its Asset Liability Position is comfortable. The Company's capital requirements are assessed in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

## ANALYTICS

As world is increasingly moving towards data-driven approach, data analytics play a crucial role in informed decision making to drive organizations towards better and improved efficiency and help achieving desired organization objectives.

Company has made sizable investments in developing data analytics capabilities so as to manage large customer data and help create customized offers/product for the customer for their respective needs, at the same time it also aids in risk management by monitoring the trends at customer segment level performance and help resultant proactive

risk management strategies by segmenting delinquent borrowers. The Artificial Intelligence (AI) based data analysis helps predicting customer's preference and recommend proactive retention strategies to improve customer loyalty.

## **RISK MANAGEMENT**

The Company is exposed to a variety of risks such as credit, interest rate, liquidity, operational, business, regulatory risks among others. Company's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. The Company continues to invest in people, processes and technology to have an integrated approach towards Risk Management. The Company has a robust overall risk management framework which involves risk identification, assessment, monitoring, reporting and mitigation.

## **BORROWINGS**

The Company (including its subsidiaries) has raised funds through term loans as well as capital market instruments. During the year FY 2021-22, Dhani group had issued Non-convertible debentures of ₹ 1.91 Bn. Total borrowings of the group as on March 2022 were ₹ 22.49 Bn. Dhani Group has paid back ₹ 17.69 Bn to its lenders during the fiscal year.

## **REGULATORY GUIDELINES / AMENDMENTS**

Dhani Loans & Services Limited, complies with Reserve Bank of India norms for NBFCs. In accordance with this, the Company is in compliance with all regulations pertaining to Accounting Standards, Prudential norms for asset classification, income recognition, provisioning, capital adequacy and credit ratings.

## **TRAINING AND HUMAN RESOURCES MANAGEMENT**

Our vision is to create a cohesive work environment that encourages employees to pursue their professional and self-development goals in addition to building operational excellence and a sense of belongingness. We have re-engineered our recruitment process by development of Applicant tracking system in Recruitment process to bring more efficiency for hiring managers, reduce paper work and improve accuracy. We strongly believe that our employees play a pivotal role in the success of our Company and its initiatives. They are representatives of the Company for the customers and it is of utmost importance that our employees are skilled and well trained to attend to customer's needs in the best way possible. Our focus and belief lies in enabling and empowering our talent pool for the challenges of tomorrow by providing new learning avenues that are technology driven. Employee Stock Option Plans have been approved by the Compensation Committee in various years for retention and incentivising the employees. The company has also formed an Employee Welfare Trust which has granted Stock Appreciation Rights (SARs) to the employees of the company. The Company also undertook various health-care and general initiatives promoting well-being to enhance employee engagement. In all the areas of work, the Human Resources firmly believes in confidentiality, accountability and trust. Human Resource department provides internal processes and services like talent management, administration benefits and many other services that are essential for organization.

The key focus is to find a right fit between the organization and the individual. Our constant endeavour is to select people who are able to match personal aspiration with the organization's growth plans. Agility is one of the key traits that we look for, as it is required to quickly adapt to the changing needs of the dynamic external environment. As a new age company, the focus is to build a robust team which is not only geared to face today's challenges but to also be prepared for the opportunities of tomorrow. The Company provides fast track growth for key performers in every department. The Human Resource team partnered with businesses to ensure that right talent is on-boarded for all roles. The leadership is engaged with all key performers and ensures that they have a defined career path within the organization. We have a competitive reward policy to keep the team motivated and engaged to achieve every milestone we set our eyes upon.

## Management Discussion and Analysis (Contd.)

### IT SECURITY AND CUSTOMER PRIVACY

Information has become the critical asset for our organization encompassing sensitive customer information. Shielding such information along with its supporting IT Infrastructure from rapidly evolving cyber threats is one of our top business priorities which is being catered through careful monitoring and effective implementation of risk mitigation measures. Aiming to cater the Cyber Security challenges, we have outlined and espoused the comprehensive IT Policies based on the industry best practices encompassing ISO 27001:2013 standard. Our Information Technology Policy, Information Security Management System Framework and Cyber Security Policy include detailed directions to ensure the protection of business information at all levels. Effective and adequate security controls have been in- placed to ensure the business resilience in case of any adversity. Backup and restoration policy supported through industry best solution has been implemented to safeguard critical information. Periodic assessment of implemented controls has been carried out to ensure its effectiveness and improve them as needed.

Our Company's "Privacy Policy" ensures the protection of customers' personal information. The Company explicitly discloses the manner in which customer information is collected, stored and used. The policy also ensures that the usage of customer information is in compliance with various statutory and regulatory authorities' requirements.

### INTERNAL CONTROL SYSTEMS

The company has adequate internal control systems, based on policies and guidelines, which ensure timely and accurate execution of responsibilities. Internal Control Systems evaluate operations, financial reporting, strategic investments and regulatory compliances to protect interests of the investors. The effectiveness and reliability of Internal Control Systems is reviewed periodically by the Audit Committee and the Board of Directors which gives its recommendations regarding improvements over existing control systems.

### SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

In compliance with the requirements of Schedule V of the SEBI LODR Amendment Regulations, 2018, significant changes (change of 25% or more from FY 2020-21 to FY 2021-22) in the key financial ratios applicable to the Company, are as under:

#### **Debt Equity Ratio:**

The debt equity ratio of the Company on a consolidated basis has reduced from 0.42 for FY 2020-21 to 0.30 for FY 2021-22 primarily due to decrease in borrowings in FY 2021-22.

#### **Return on Average Equity (Net worth):**

The return on equity of the Company on a consolidated basis as on March 31, 2022 stood at -15.81% compared to -4.10% as on March 31, 2021. The said reduction in the Company's return on equity ratio is on account of reduction in interest income from financing activities due to defocus from traditional lending business.

#### **Interest Coverage Ratio:**

The interest coverage ratio of the Company on a consolidated basis has reduced from 0.58 for FY 2020-21 to -2.28 for FY 2021-22. As stated above the Company has defocused traditional lending resulting in reduction in operating profits.

#### **Net Profit Margin (%):**

The net profit margin % of the Company on a consolidated basis has reduced from -16.85 for FY 2020-21 to -58.71 for FY 2021-22. The said reduction in the Company's net profit margin is on account of reduction in interest income from financing activities due to defocus from traditional lending business.

**Debtors Turnover Ratio:**

The Debtors turnover ratio has improved from 8.97 in FY 2020-21 to 10.69 in FY 2021-22 due to pick up in collections.

There has been no significant change in the other key financial ratios, as applicable to the Company.

**CAUTIONARY STATEMENT**

The statements that are not historical facts presented in the Annual Report about Company are forward looking statements. These statements reflect the assumptions, views and expectations based on current market dynamics and future outlook. There might be deviations in expectations from those expressed in the Annual Report. It should not be assumed that the statements will be changed if there is new information or subsequent developments.

## Business Responsibility Report

Dhani Services Limited (DSL or the Company), as an incorporated legal entity, came into existence on June 9, 1995, under the Companies Act, 1956. The name of the Company has been changed from ‘Indiabulls Ventures Limited’ to ‘Dhani Services Limited’ with effect from 6 October 2020 to align its business of providing technology enabled subscription based healthcare and transaction finance services, through its Dhani App. DSL through its various other subsidiaries, has been engaged in multifarious business activities including data-driven technology business of offering an online market place for Indian consumers who can also avail credit facilities for such purchases on our platform, Asset Reconstruction, Stock Broking, etc. In addition it may venture into the business of providing bouquet of services, directly or through its various subsidiary companies, depending upon the available business opportunities in domestic and / or international markets.

The Company’s equity shares are listed on The National Stock Exchange of India Limited and BSE Limited and its Global Depository Receipts are listed on the Luxembourg Stock Exchange.

DSL’s key subsidiaries include Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited), Indiabulls Asset Reconstruction Company Limited, Dhani Stocks Ltd ( earlier name was Indiabulls Securities Limited), Indiabulls Investment Advisors Limited, Auxesia Soft Solutions Limited, Indiabulls Distribution Services Limited, Pushpanjli Finsolutions Limited, Devata Tradelink Limited, Gyansagar Buildtech Limited, Savren Medicare Limited (formerly Savren Buildwell Limited), Dhani Healthcare Limited (formerly Pushpanjli Fincon Limited), Indiabulls Alternate Investments Limited, Indiabulls Infra Resources Limited, Indiabulls Consumer Products Limited, Transerv Limited, Dhani Health Middle East FZ LLC (Foreign company), Dhani Limited (Foreign company) and Dhani Ltd (Foreign company) .

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

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L74110DL1995PLC069631
2.	Name of the Company	Dhani Services Limited (hereinafter referred to as “DSL” or “the Company”)
3.	Registered office address	1/1 E, First Floor, East Patel Nagar, New Delhi-110008
4.	Corporate office address	One International Centre (Formerly IFC), Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013
5.	Website and E-mail id	<a href="http://www.dhani.com">www.dhani.com</a> , <a href="mailto:support@dhani.com">support@dhani.com</a>
6.	Financial Year Reported	April 1, 2021 to March 31, 2022
7.	Sector(s) that the Company is engaged in	Finance & Healthcare Sector
8.	List three key products/services that the Company provides	Credit Line, Online Pharmacy, Payments & Stock Broking
9.	Total number of locations where business activity is undertaken by the Company	Pan India
10.	(a) Number of International Locations	1
	(b) Number of National Locations	500+ locations (Online Business)
11.	Markets served by the Company – Local/State/ National/International	India & UAE (in FY22)

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

1. Paid up Capital (INR)	₹ 121.18 Crore
2. Total Networth (INR)	₹ 5,803.21 Crore
3. Total Revenue (INR)	₹ 46.86 Crore
4. Total profit after taxes (INR)	₹ 24.71 Crore (Loss)
5. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% (₹ 1,07,00,000/-)
6. List of activities in which expenditure in 5 above has been incurred:-	Please refer Annexure-4: Annual Report on CSR Activities, to Board's Report for details on CSR initiatives undertaken by the Company.

**SECTION C: OTHER DETAILS****1. Does the Company have any Subsidiary Company/ Companies?**

Yes, the Company had 24 subsidiaries (including 4 foreign subsidiaries), 1 employee welfare trust and 21 business trusts as on financial year ended March 31, 2022. The details of the subsidiaries are detailed in the Annual Return as on March 31, 2022, which is available on the Company's website on [www.dhani.com](http://www.dhani.com).

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

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

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

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

**SECTION D: BR INFORMATION****1. Details of Director/Directors responsible for BR****a) Details of the Director(s) responsible for implementation of the BR policy**

1	DIN	00010933
2	Name	Mr. Divyesh B. Shah
3	Designation	Whole-time Director

**b) Details of the BR head**

1	DIN	00010933
2	Name	Mr. Divyesh B. Shah
3	Designation	Whole-time Director
4	Telephone No.	+91- 022 – 61891805
5	E-mail ID	<a href="mailto:support@dhani.com">support@dhani.com</a>

## Business Responsibility Report (Contd)

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

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

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

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

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

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

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

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

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

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

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

### 3. Governance related to BR

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

Our Board, at present, has 11 directors including 3 Executive Directors, 2 Non-Executive Non-Independent Director and 6 Independent Directors.

Our functional directors are highly experienced professionals in their respective areas. The Board guides the management on operational issues, adoption of systems and best practices in management, and provides oversight on compliance of various legal and other requirements.

The Company understands that its governance processes must ensure that the business activities are done in a manner that meets stakeholders' aspirations and societal expectations. The CSR Committee of the Board oversees and governs its CSR initiatives on a bi-annual basis. The set targets towards responsible business initiatives are linked to the management's remuneration which is reviewed annually by the Board. The Company's governance practices and details of the various Board committees are provided in Report on Corporate Governance forming part of this Annual Report.

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

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

Business Responsibility Report of the Company is available on the website of the company viz. [www.dhani.com](http://www.dhani.com).



## Business Responsibility Report (Contd)

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### **Principle 1: Business should conduct and govern themselves with ethics, transparency and accountability**

Ethics, transparency and personal accountability are core values of the Company. It focuses on high standards of corporate governance, in the conduct of its business. It has a zero tolerance for bribery and corruption and strives to build and maintain relationships with its lenders, borrowers, shareholders and other stakeholders in a fair, transparent and professional manner. This helps promote moral behaviour, act as a guideline for ethical decision-making, enhance reputation, prevent negative legal consequences, encourage positive relationships and prevent discrimination or harassment.

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

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

#### **Code of Conduct**

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

The Employee Code of Conduct provides the framework within which the Company expects its business operations to be carried out and lays down the standards and principles, to be followed by all its employees. Failure to comply with the Code leads to disciplinary action, including dismissal from the services of the Company.

All employees are handed over a copy of the Employee Code of Conduct on their first day of joining the Company, as a part of the employee joining kit. Additionally, the contents of the Code of Conduct are also shared in detail with the employees through a specific module that forms part of the HR session during the employee induction training program.

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

#### **Stakeholder Complaints**

The Company is committed to providing effective and prompt service to all its stakeholders. Various channels have been provided for customers and stakeholders to raise any concerns through a medium that is convenient for them. The customers and other stakeholders can put up a grievance from the comfort of their homes using digital channels like email, website, mobile app. Customers that are not comfortable using digital channels can call the customer care numbers provided on the Company's website or visit the nearest branch where a grievance register is provided mandatorily and designated senior personnel at individual branches are responsible for ensuring efficient and effective resolution of complaints. All grievances coming from various channels are treated with the same priority and the central operations team along with the call center records redresses grievances and feedback from customers.

Complaints and grievances are addressed in a time-bound manner. Regular analysis and audits, internal and external are in place to monitor any corrective actions that needs to be taken in case of lapse in processes and also to improve the processes.

The Company has a Grievance Redressal Policy with escalation mechanism wherein complaints are escalated to the level of Branch heads, Head Customer Care and National Head Operation/Principal Officer, Compliance Officer. Complaints forwarded by regulatory and supervisory authorities are tracked separately. Code of Conduct and Grievance redressal procedure are available on the Company website for the benefit of its customers and stakeholders.

During the financial year 2021-22, the Company had received 13 complaints from its shareholders which were resolved expeditiously.

The Company submits a periodic status of complaints received, redressed and outstanding from its stakeholders along with the nature of complaints and their mode of redressal to the Board constituted Customer Grievance Committee and Stakeholders Relationship Committee and updates the number of complaints outstanding at the beginning of the quarter, received and resolved during the quarter and outstanding at the end of quarter to BSE and NSE on quarterly basis.

### **Data Privacy and Cyber Security**

The Company treats customers' data with utmost sensitivity and accords the highest standards of privacy and security against cybercrime and data theft. IT Security and Customer Data is a valuable asset and safeguarding business information and IT Infrastructure from any kind of cyber security threat is a top priority for the Company, and this is done through effective monitoring and implementation of risk mitigation measures. The Company's Information Technology Policy, Information Security Management System Framework and Cyber Security Policy include detailed directions to ensure the protection of business information at all levels. Backup and restore policy has been implemented to safeguard critical data. We undertake vulnerability assessment and penetration testing regularly through internal resources as well as external experts to test and improve the implemented control measures. The Company's "Privacy Policy" ensures the protection of customers' personal information. The company explicitly discloses the manner in which customer information is collected, stored and used. The policy also ensures that the usage of customer information is in compliance with various statutory and regulatory authorities' requirements.

Our Business Continuity and Disaster Recovery Plan ensured that critical business functions were available to customers even when branches were not operational during the COVID-19 induced complete lockdown phase.

### **Third Party engagements**

The Company recognizes that having an association with suppliers/ distributors from diverse backgrounds but with a focus on the Company's mission of sustainability and governance, contributes to increased efficiency and innovation to provide an enhanced yet standard experience for its customers. The Company has processes and standards of conduct in line with the Company's policies on governance and data privacy and security and sustainable business practices which needs to be agreed and followed by the distributors/suppliers.

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

Given the nature of the Company's business activities, which is providing innovative products and services, it consumes resources primarily for running its operations. Through varied initiatives, the company works towards reducing its resource consumption, mainly paper and grid electricity. In addition, the digitization of its internal processes has aided its efforts.

### **Environmental Standards**

The Company continuously aims to reduce the impact on environment by optimizing the usage of various resources.

## Business Responsibility Report (Contd)

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

In a bid to reduce the Company's carbon footprint, video conference systems have been set up at key office locations to cut down on unnecessary travel.

The Company continues to explore collaboration with partners that ensure conservation of energy and resources. On this front, the Company recognizes the need to work with real estate developers that promote the use of innovative technologies such as green buildings and other energy efficient measures for construction of their projects.

### Resource Savings

The Company has undertaken initiatives and energy efficient measures at its office premises such as use of LED light fittings, provision of centralised waste collection, etc. At most of its offices across India, the CFL light fitting have been replaced by LED light fittings to conserve energy.

In an endeavor for quick and paperless services, the Company promotes the use of electronic means of communication with its shareholders by sending electronic communication for confirmation of payments and such other purposes. The Company also encourages the use of electronic mode of payment to and from all its stakeholders. Soft copies of the annual reports along with the notice convening the General Meetings/Postal ballots and the dividend related communications/ reminder letters are being sent to all the shareholders so as to minimize the usage of paper.

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

The foundation of any sustainable business is built on a competent and satisfied workforce. It is the Company's firm belief that an engaged, productive and happy workforce leads to 'happy customers'. Employee wellness is an integral component of our value proposition.

### Equitable Employment

During the financial year 2021-2022, upon receipt of all requisite approvals from the statutory / regulatory authorities, Stock Broking Business of the Company has been transferred to its 100% subsidiary company namely Dhani Stocks Limited (formerly Indiabulls Securities Limited) ("Dhani Stocks") and all the employees of the Company related to such business were transferred on going basis to Dhani Stocks. In view of the same the Company had 10 employees on its permanent rolls, as on March 31, 2022, out of which 1 was women. As at March 31, 2022, the male female ratio was 09:1. The Company has always advocated a business environment that favours the concept of equal employment opportunities for all without any discrimination with respect to caste, creed, gender, race, religion, disability or sexual orientation. The Company provides a workplace environment that is safe, hygienic, and humane which upholds the dignity of its employees. The Company does not use child labour directly or indirectly in any of its offices.

### Enabling a Gender Friendly & safe Workplace

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

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

Also, to ensure confidentiality, a dedicated e-mail address has been created for employees to report complaints

pertaining to sexual harassment at the workplace. The complaints reported on the designated e-mail are accessible by the ICC only. Mechanisms have been established to ensure that complaints received by the ICC are dealt with promptly, sensitively, confidentially and in the most judicious and unbiased manner.

### **Policies for Employee Grievances**

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

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

### **Gender Inclusion**

The Company ensures that a gender inclusive environment is provided. To create an inclusive work culture for women, equal opportunities are provided to all women employees.

### **Work-Life Balance**

The Company's policies are structured around promoting work- life balance which ensures improved employee productivity at work. Employees have option of flexible working hours through our Flexi-time policy to enable them strike a better work-life balance. This culture permits our employees to pursue their aspirations, passions and shape their professional and personal growth.

All our female employees are entitled to paid maternity leave for up to 26 weeks, including both pre-delivery and post-delivery leaves. Commissioning mothers and adopting mothers are entitled to a maternity leave of up to 12 weeks. We provide our employees with 32 annual leaves and also have a mandatory leave policy mandating employees to avail of continuous 10 days of leave in a year, which gives them quality time off from work and help them to relax and rejuvenate.

### **Employee Engagement**

The Company firmly believes that highly engaged employees are more productive. Besides work, the Company encourages its employees to regularly participate in sports, get-togethers, milestone celebrations, festivities etc.

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

### **Corporate Social Responsibility**

The Company strives to approach its CSR activities with the goal to identify and work across a range of social initiatives that have a long-term sustainable impact. The Company has endeavoured to choose projects keeping in mind the Human Development Index norms which address human resource development in areas of Sanitation, Health, Education, Nutrition, Renewable Energy and Rural Development. The details of CSR activities undertaken by the Company are provided in the Annual Report.

### **Employee Welfare & Participation**

To encourage employees wellness, we keep on organizing medical check-up camps

**Principle 5: Businesses should respect and promote Human Rights**

The Company upholds the principles of being an organization that respects human rights, is non-discriminatory amongst employees and provides for a redressal mechanism to the key constituents that it deals with. The Company's

## Business Responsibility Report (Contd)

Code of Conduct respects and promotes human rights. The Company complies and adheres to all the human rights laws, guidelines of the Constitution of India, national laws and policies and treats all its stakeholders and customers with dignity, respect and due understanding. It strives to be just, patient and understanding while dealing with delinquent customers who have availed loans and has also put in place training modules and work ethics for employees to ensure such customers are dealt with fairness. The company does not employ child labour.

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

#### **Green Initiatives**

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

We have also started an initiative where we are planning to reduce the use of plastic in our offices to reduce our carbon footprint. We want to make our office environments plastic-free and we're confident of achieving this.

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

The Company is committed in providing innovative product offerings to multiple customer segments. The Company puts forwards its views on setting new industry standards or regulatory developments and tries to maintain balance interest of its stakeholders. The Company continues to make various recommendations/ representations before various regulators, forums and associations.

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

The Company is committed to its vision of inclusive growth. As a responsible corporate citizen, the Company strives to positively impact communities, and leverages its reach and resources to empower the underprivileged. During the year, the Company furthered the reach and impact of its Corporate Social Responsibility [CSR] initiatives through our social development arm - Indiabulls Foundation [IBF].

IBF time to time undertakes a wide gamut of activities in the areas of Health and Sanitation, Women's Empowerment, Education and Sustainable Livelihoods, Rural Development and Disaster Relief. The Foundation connects philanthropic opportunities with demonstrated needs, and mobilizes resources to create programs that have tangible outcomes and enable the marginalized sections of society to improve their lives.

Details of CSR activities undertaken by the Company are provided in the Annual Report.

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

#### **Transparent Communication**

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

The Company is an avid proponent of true and fair advertising and as such, discourages all kinds of means and activities that are unethical, abusive, derogatory or anti-competitive. All the communication material released by the Company adheres to the mandated regulatory requirements. The Company has formulated the Fair Practices Code. A copy of the said code is available on the Company's website and at all its offices. The Company has complied with all the advertising norms applicable to the Company.

The important product attributes, relevant information about the products and services being offered, fees and charges, benchmark interest rates and other important notifications like Most Important Terms & Conditions and KYC documents are displayed prominently in each of the Company offices. This information is available on the Company's website as well.

The Company is extending its presence to various social and digital platforms to engage and connect with existing customers and also to reach out to newer audiences through constant communication, which is in consonance with its brand values and the prescribed regulatory framework.

The performance and financials of the Company are disclosed to the stock exchanges, BSE and NSE, and is also uploaded on the Company's website.

#### **Grievance Redressal**

The Company aims to reduce the number of grievances, attain operational excellence and ensure continuous improvement by doing periodical root-cause analysis (RCA) of all the received grievances.

# Report on Corporate Governance

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

The fundamental principle of Corporate Governance is achieving sustained growth ethically and in the best interest of the Company ("Dhani") and all its stakeholders. It is not a mere compliance of laws, rules and regulations but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings to achieve the objects of the Company, enhance stakeholders value and discharge its social responsibility.

The Company is committed towards achieving the highest standards of Corporate Governance by emphasizing on a corporate culture of integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business. The Company believes that good governance brings sustained corporate growth and long-term benefits for all its stakeholders.

Dhani engages in a credible and transparent manner with all its stakeholders and clearly communicates its long-term business strategy. All its actions are governed by its values and principles, which are reinforced at all levels of the Company. This is the path to consistent, competitive, profitable and responsible growth, and for creating long-term value for its shareholders, its employees and business partners.

The Board of Directors ('the Board') is responsible for and is committed to sound principles of Corporate Governance of the Company and plays a crucial role in overseeing how the management serves the short and long-term interests of stakeholders. As you aware that the COVID-19 pandemic has caused an unprecedented health and economic crisis across the globe due to which the severity of its impact on business activity is still evolving. Your Company is nimble-footed and continuously evolving its strategies to deal with the emergent challenges with the help of depth experience of management team.

Dhani keeps its governance practices under continuous review and benchmark itself to best practices. This belief is reflected in its governance practices, under which it strives to maintain an effective, informed and independent Board.

The Company is in compliance with all the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR Regulations].

## 2. BOARD OF DIRECTORS (BOARD)

### (A) Composition and size of the Board

The Company's Board is constituted of highly experienced professionals from diverse backgrounds. The Board's constitution is in compliance with the Companies Act, 2013, SEBI LODR Regulations and Listing Agreement executed by the Company with the Stock Exchanges and is in accordance with the highest standards of Corporate Governance, which ensures an appropriate mix of Executive/Non-Executive, Woman Director and Independent Directors with demonstrated skill sets and relevant experience in diverse fields viz. finance, banking, regulatory and public policy etc., thereby bringing an enabling environment for value creation through sustainable business growth.

Presently, as on the date of this report, the Board consists of Eleven directors, of which three are Executive Directors including the Chairman and two are Non-Executive, Non Independent Directors. The remaining six directors, were namely, Mr. Praveen Kumar Tripathi, IAS (Retd.) and Ex-Chief Secretary, Govt. of NCT Delhi (appointed as Non-Executive Independent Director w.e.f. September 16, 2019), Dr. Narendra Damodar Jadhav (former Member Planning Commission) and Mrs. Fantry Mein Jaswal, IRS (Retd.) (appointed as Non-Executive Independent Directors w.e.f. August 23, 2020), Mr. Rakesh Mohan Garg, IRS (Retd.), Mr. Vijay Chugh, former Principal Chief General Manager and Head of Payment and Settlement Systems, Reserve Bank of India (appointed as Non-Executive Independent Directors w.e.f. November 25, 2020 and December 21, 2020 respectively) and Prof. Mohanbir Singh Sawhney, Associate Dean for Digital Innovation and

McCormick Foundation Professor at Northwestern’s Kellogg School of Management (appointed as Non-Executive Independent Director w.e.f. October 7, 2021). The Chairman, Mr. Sameer Gehlaut, being an Executive Director, the number of Independent Non-Executive Directors on the Board is more than half of the total Board strength.

No Director is related to any other Director on the Board. The Board comprises of individuals as Directors that bring a wide range of skills, expertise and experience which enhance overall board effectiveness.

The Board has identified skills and domain expertise required by the Directors of the Company which includes Banking & Finance, Business Strategy, Corporate Governance, Corporate Social Responsibility, Foreign Exchange, Human Resources, Information Technology, Legal, Marketing, Operations and Process Optimization, Policy Making, Recovery, Regulatory Compliances, Risk Management, Stakeholder Management, Taxation, Treasury and Value Creation. The Directors of the Company have mapped their skills based on the board skill matrix.

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 constituted Committees, including skill sets/ expertise/ competencies/practical knowledge, as on March 31, 2022, are as under:

S. No.	Name of the Director	Nature of Office	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies	Names of the other listed entities where the person is a director	Category of directorship in other listed entities where the person is a director	No. of Directorships in other Listed Companies	No. of Directorships in other Companies*	No. of Memberships/ Chairmanship in Board Committees of various companies (including the Company)**	
								Member	Chairman
1.	Mr. Sameer Gehlaut (DIN: 00060783)	Founder Chairman & CEO, Executive Non-Independent Director	Policy Making, Banking & Finance, Business Strategy, Risk Management, Corporate Governance, Value Creation	N.A.	N.A.	Nil	8	Nil	Nil
2.	Mr. Divyesh B. Shah (DIN: 00010933)	Whole-time Director & COO, Executive Non-Independent Director	Policy Making, Business Strategy, Risk Management, Corporate Governance, Value Creation	N.A.	N.A.	Nil	1	Nil	Nil
3.	Mr. Pinank Jayant Shah (DIN:07859798)	Whole-time Director, Executive Non-Independent Director	Banking and Finance, Business Strategy, Risk Management, Treasury, Marketing, Corporate Governance, Corporate Social Responsibility, Stakeholder Management, Operations and Process Optimization	Dhani Loans and Services Limited***	Executive Director	1	1	1	Nil



## Report on Corporate Governance (Contd)

S. No.	Name of the Director	Nature of Office	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies	Names of the other listed entities where the person is a director	Category of directorship in other listed entities where the person is a director	No. of Directorships in other Listed Companies	No. of Directorships in other Companies*	No. of Memberships/ Chairmanship in Board Committees of various companies (including the Company)**	
								Member	Chairman
4.	Mr. Anish Ernest Williams (DIN: 03314110)	Non-Executive Non-Independent Director (Refer Note 1)	Banking and Finance, Business Strategy, Risk Management, Product design, Technology and data analytics Marketing, Corporate Social Responsibility, Operations and Process Optimization	N.A.	N.A.	Nil	1	Nil	Nil
5.	Mr. Sandeep Narhar Kadam (DIN: 09343578) (Refer Note 2)	Non-Executive Non-Independent Director	Business Strategy, Risk Management, Product design, Technology and data analytics Marketing, Operations and Process Optimization	N.A.	N.A.	Nil	Nil	Nil	Nil
6.	Mr. Praveen Kumar Tripathi (DIN:02167497)	Non-Executive Independent Director	Public Administration, Risk Management, Corporate Governance, Operations and Process Optimization	Indiabulls Real Estate Limited Yaari Digital Integrated Services Limited (formerly Yaarii Digital Integrated Services Limited)) JBM Auto Limited Religare Enterprises Limited	Non-Executive-Independent Director Non-Executive-Independent Director Non-Executive-Independent Director Non-Executive-Independent Director	4	1	4	3
7.	Dr. Narendra Damodar Jadhav (DIN: 02435444)	Non-Executive Independent Director	Public Administration, Social Scientist, Advisors, Corporate Governance, Operations and Process Optimization	Jain Irrigation Systems Limited Tata Teleservices (Maharashtra) Limited Dhani Loans and Services Limited****	Non-Executive-Independent Director Non-Executive-Independent Director Non-Executive-Independent Director	3	2	7	2

S. No.	Name of the Director	Nature of Office	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies	Names of the other listed entities where the person is a director	Category of directorship in other listed entities where the person is a director	No. of Directorships in other Listed Companies	No. of Directorships in other Companies*	No. of Memberships/ Chairmanship in Board Committees of various companies (including the Company)**	
								Member	Chairman
8.	Mrs. Fantry Mein Jaswal (DIN: 07011247)	Non-Executive Independent Director	Public Administration, Risk Management, Corporate Governance, Operations and Process Optimization	N.A.	N.A.	Nil	1	3	Nil
9.	Mr. Vijay Chugh (DIN:07112794)	Non-Executive Independent Director	Public Administration, Risk Management, Corporate Governance, Operations and Process Optimization	AGS Transact Technologies Limited	Non-Executive-Independent Director	1	7	5	Nil
10.	Mr. Rakesh Mohan Garg (DIN:08970794)	Non-Executive Independent Director	Public Administration, Risk Management, Corporate Governance, Operations and Process Optimization	N.A.	N.A.	Nil	Nil	Nil	Nil
11	Mr. Mohanbir Singh Sawhney (DIN: 07136864) (Refer Note 2)	Non-Executive Independent Director	Business innovation, Product Strategy, Modern Marketing, Corporate Governance and Digital Marketing	N.A.	N.A.	Nil	1	2	Nil

*Note 1: Mr. Anish Ernest Williams (DIN: 03314110) relinquished the Office of Executive Director of the Company w.e.f. April 30, 2022, however he will continue to be Non-Executive, Non-Independent Director of the Company.*

*Note 2: Prof. Mohanbir Singh Sawhney (DIN: 07136864), Associate Dean for Digital Innovation and McCormick Foundation Professor at Northwestern's Kellogg School of Management appointed as an Independent Director and Mr. Sandeep Kadam (DIN: 09343578) appointed as a Non Independent and Non – Executive Director with effect from October 7, 2021.*

*During the FY 2021-22, Mr. Gagan Banga (DIN: 00010894) resigned as the Non-Executive, Non-Independent Director of the Company with effect from March 14, 2022.*

*Since August 22, 2022, Mrs. Fantry Mein Jaswal (DIN: 07011247), has ceased to be an Independent Director of the Company, upon completion of her tenure.*

*\*Includes directorship(s) held in foreign companies & private limited companies and Companies registered under section 8 of the Companies Act, 2013.*

*\*\* Only memberships / chairmanships of the Audit Committee and Stakeholders' Relationship Committee in various Listed/ public limited companies are considered, as per Regulation 26 of the SEBI LODR Regulations.*

*\*\*\*Only debt securities are listed on NSE & BSE.*

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

## Report on Corporate Governance (Contd)

The Board had accepted all recommendation of the Committees of the Board which are mandatorily required, during the financial year 2021-22.

Mr. Anish Ernest Williams was holding 1,71,404 Fully Paid up Equity Shares of the Company as on March 31, 2022.

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 programme along with details of the same imparted to the Independent Directors during the year are available on the website of the Company at [https://www.dhani.com/services/wp-content/uploads/2020/12/ivl\\_details-of-familiarization-programmes-imparted-to-independent-directors\\_1564992383.pdf](https://www.dhani.com/services/wp-content/uploads/2020/12/ivl_details-of-familiarization-programmes-imparted-to-independent-directors_1564992383.pdf)

### (B) Number and Dates of Board Meetings held, attendance record of Directors thereat and at the last AGM held.

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 was 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 make presentations on various matters including the financial results, operations related issues, risk management, the economic and regulatory environment, compliance, investors' perceptions etc.

During the financial year 2021-22, the Board met 5 (Five) times. Meetings were held on June 18, 2021, August 6, 2021, October 20, 2021, November 11, 2021 and February 14, 2022. During the year, separate meeting of the Independent Directors was held on March 14, 2022, without the attendance of non-independent directors and the members of the management. All Independent Directors attended the said meeting. At the meeting, the independent directors assessed the quality, quantity and timeliness of the flow of information between the Company's management and the board. Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all these board / Independent Directors meetings in FY 2021-22 were held through Video Conferencing Mode.

**The last Annual General Meeting of the Company was held on September 23, 2021.**

**Attendance of Directors at the Board Meetings held during the FY 2021-22 and at the last Annual General Meeting are as under:**

Sr. No.	Name of the Director	No. of board meetings attended during tenure	Attendance at the last AGM
1	Mr. Sameer Gehlaut (DIN: 00060783)	5	No
2	Mr. Divyesh B. Shah (DIN: 00010933)	5	Yes
3	Mr. Gagan Banga (DIN: 00010894)	1^	Yes
4	Mr. Pinank Jayant Shah (DIN: 07859798)	5	Yes
5	Mr. Anish Ernest Williams (DIN: 03314110)	5*	Yes

Sr. No.	Name of the Director	No. of board meetings attended during tenure	Attendance at the last AGM
6	Mr. Praveen Kumar Tripathi (DIN: 02167497)	5	Yes
7	Dr. Narendra Damodar Jadhav (DIN: 02435444)	5	Yes
8	Mrs. Fantry Mein Jaswal (DIN: 07011247)	5	Yes
9	Mr. Vijay Chugh (DIN: 07112794)	5	Yes
10	Mr. Rakesh Mohan Garg (DIN: 08970794)	5	Yes
11	Mr. Mohanbir Singh Sawhney (DIN: 07136864)	2**	NA
12	Mr. Sandeep Narhar Kadam (DIN: 09343578)	3**	NA

<sup>^</sup> Mr. Banga could not attend the meetings, held on August 6, 2021, October 20, 2021, November 11, 2021 and February 14, 2022 due to his prior commitments. Further Mr. Gagan Banga (DIN: 00010894) had resigned as Non-Executive, Non-Independent Director of the Company with effect from March 14, 2022.

\* Mr. Williams relinquished the Office of Executive Director of the Company w.e.f. April 30, 2022, however he will continue to be Non-Executive, Non-Independent Director of the Company..

\*\* Prof. Mohanbir Singh Sawhney was appointed as an Independent Director and Mr. Sandeep Kadam was appointed as a Non Independent and Non – Executive Director with effect from October 7, 2021. Further, Prof. Mohanbir Singh Sawhney, due to his other pre-occupation, did not attend the Board meeting held on November 11, 2021.

The minutes of the board meetings of the unlisted subsidiary companies of the Company were placed in 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. Further, terms of reference were revised to align with the provisions of Companies Act, 2013, SEBI LODR Regulations.

The role and the composition of these 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 comprises of three members, namely, Mr. Praveen Kumar Tripathi as the Chairman and member, Dr. Narendra Damodar Jadhav and Mrs. Fantry Mein Jaswal as members. All the three members comprising the Committee are Independent Directors. Mr. Lalit Sharma was the Secretary to the Audit Committee.

## Report on Corporate Governance (Contd)

### Terms of reference

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

- To oversee the financial reporting process and disclosure of financial information;
- To review with management, quarterly, half yearly 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/reports 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 their remuneration;
- To review and approve required provisions to be maintained as per IRAC norms and write off decisions;
- To hold discussions with the Statutory and Internal Auditors;
- Review and monitoring of the auditor's independence and performance, and effectiveness of audit process;
- Examination of 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 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.
- 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 size of the respective subsidiary companies, whichever is lower, including existing loans / advances / investment existing as on April 1, 2019.

### Meetings and Attendance during the year

During the financial year ended March 31, 2022, the Committee met 4 (four) times i.e. on June 18, 2021, August 6, 2021, November 11, 2021 and February 14, 2022. In view of the Covid-19 pandemic all these meetings, were held in video conferencing mode in accordance with the relaxations granted by the Ministry of Corporate Affairs.

The attendance of the Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Praveen Kumar Tripathi	4
Dr. Narendra Damodar Jadhav	4
Mrs. Fantry Mein Jaswal	4

The COO, CFO, Statutory Auditors and Internal Auditors also attended the meetings as invitees.

## (B) Nomination & Remuneration Committee

### Composition

The Nomination & Remuneration Committee (N&R) of the Board comprises of three Independent Directors as its members, namely, Mr. Praveen Kumar Tripathi as its Chairman and member, Dr. Narendra Damodar Jadhav and Mrs. Fantry Mein Jaswal as the other two members.

### Terms of reference

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

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- to recommend to the Board all remuneration, in whatever form, payable to senior management;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
  - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995; and
- Perform such functions as are required to be performed by the Nomination & Remuneration Committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

### Meetings and Attendance during the year

During the financial year ended March 31, 2022, the Committee met three times i.e. July 31, 2021, October 1, 2021, October 6, 2021.

## Report on Corporate Governance (Contd)

The attendance of the Committee members in these meetings is as under:

Name of the Member	No. of meeting attended
Mr. Praveen Kumar Tripathi	3
Dr. Narendra Damodar Jadhav	3
Mrs. Fantry Mein Jaswal	3

### Policy for selection and appointment of Directors

The Nomination and Remuneration Committee (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.

- 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.
- 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 diverse fields.
- In case of appointment of Independent Directors, the independent nature of the proposed appointee vis-a-vis the Company, shall be ensured.
- 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.
- 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 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 [https://www.dhani.com/services/wp-content/uploads/2020/12/ivl\\_remuneration-policy-0207168001567487819\\_1569586523.pdf](https://www.dhani.com/services/wp-content/uploads/2020/12/ivl_remuneration-policy-0207168001567487819_1569586523.pdf)

### Evaluation of the Board and Directors

The Independent directors play a key role in the decision-making process of the board as they approve the overall strategy of the Company and oversee performance of the management. The independent directors are committed to act in the best interest of the Company and its stakeholders. The Independent Directors bring a wide range of experience, knowledge and judgment. Their wide knowledge of both, their field of expertise and boardroom practices brings in varied, unbiased, independent and experienced outlook. All independent directors have committed and allocated sufficient time to perform their duties effectively. All the independent directors of the Company have confirmed that they have registered themselves in the databank created for independent directors, well within the stipulated time frame.

The Nomination and 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)/Chairman 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 parameter includes Leadership, Management Skills, Vision, Knowledge, Participation in Company's management, its operations and meetings. Basis these parameters, the NRC had reviewed at length the performance of each director individually and expressed satisfaction on the process of evaluation and the performance of each Director. The performance evaluation of the Board as a whole and its committees namely Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee as well as the performance of each director individually, including the Chairman, Executive Directors and Non-Executive Director was carried out by the Independent Directors in their meeting held on March 14, 2022. The Directors expressed their satisfaction with the evaluation process.

Also the Chairman 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.

#### **Policy on Board Diversity**

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

#### **Director's Remuneration:**

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

The Executive Director(s) are being paid remuneration as recommended by Nomination & Remuneration Committee and approved by the Board of Directors/Shareholders.

Details of remuneration paid to the Executive directors during the year under review are provided in the Annual Return as on March 31, 2022, which is available on the Company's website - [https://www.dhani.com/services/wp-content/uploads/2022/09/MGT-7\\_Annual\\_Return\\_31.03.2022.pdf](https://www.dhani.com/services/wp-content/uploads/2022/09/MGT-7_Annual_Return_31.03.2022.pdf).

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

Though day-to-day management of the Company is delegated to its Executive Directors, the Non-Executive Directors also contribute significantly for laying down the policies and providing guidelines for conduct of Company's business. Considering the need for the enlarged role and active participation / contribution of Non-Executive Directors to achieve the growth in operations and profitability of the Company, it is appropriate that the services being rendered by them to the Company are recognized by it by way of payment of compensation, commensurate with their contributions, as permissible within the applicable regulations. The Company's non-executive directors between them have extensive entrepreneurial experience and deep experience in the fields of financial sector regulation and supervision, banking, judiciary, accounting, administration, and law enforcement etc. The non-executive directors both exercise effective oversight, and also guide the senior management team. Their experience and inputs have been invaluable. They also 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 at [https://www.dhani.com/services/wp-content/uploads/2020/12/ivl-criteria-for-making-payment-to-non-executive-directors\\_1564992340.pdf](https://www.dhani.com/services/wp-content/uploads/2020/12/ivl-criteria-for-making-payment-to-non-executive-directors_1564992340.pdf) criteria for making payment to Non- Executive Directors.



## Report on Corporate Governance (Contd)

During the Financial Year ended March 31, 2022, the Non- Executive Directors have been paid, sitting fees for attending the Board meetings of the Company, and profit linked incentives in term of the existing shareholders authorization, the details of which are available on - [https://www.dhani.com/services/wp-content/uploads/2022/09/MGT-7\\_Annual\\_Return\\_31.03.2022.pdf](https://www.dhani.com/services/wp-content/uploads/2022/09/MGT-7_Annual_Return_31.03.2022.pdf).

The Non-Executive Directors of the Company do not have any pecuniary relationships or transactions with the Company or its directors, senior management, subsidiary or associate companies, other than in the normal course of business.

### (C) Stakeholders Relationship Committee

#### Composition

The Stakeholders Relationship Committee comprises of three members, namely, Mr. Praveen Kumar Tripathi as the Chairman and member, Mrs. Fantry Mein Jaswal and Mr. Pinank Jayant Shah as the other two members. Two out of the three members of the Committee, namely, Mr. Praveen Kumar Tripathi and Mrs. Fantry Mein Jaswal are Independent Directors and Mr. Pinank Jayant Shah is an Executive Director.

#### 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 financial year ended March 31, 2022, the Committee met 4 (Four) times i.e. on June 18, 2021, August 6, 2021, November 10, 2021 and February 14, 2022.

The attendance of the Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Praveen Kumar Tripathi	4
Mrs. Fantry Mein Jaswal	4
Mr. Pinank Jayant Shah	4

**Name and designation of Compliance Officer**

Mr. Lalit Sharma, Company Secretary was the Compliance Officer pursuant to Regulation 6(1) of SEBI LODR.

Details of queries / complaints received and resolved pertaining to Equity Shares of the Company during the year 2021-22:

Sl. No.	Particulars	Opening	Received	Disposed	Pending
1	Legal Cases / Cases before Consumer Forums	0	0	0	0
2	Letters from SEBI / Stock Exchange.	0	1	1	0
3	Non-receipt of dividend	0	2	2	0
4	Non-receipt of annual report	0	0	0	0
5	Non-credit/receipt of shares in demat account	0	2	2	0
6	Non receipt of securities after transfer	0	0	0	0
7	Non-receipt of Refund order	0	4	4	0
8	Non receipt of Rights Issue CAF/Call Notice	0	0	0	0
9	Non receipt of allotment/call notice and request to issue the same	0	4	4	0
	<b>Total</b>	<b>0</b>	<b>13</b>	<b>13</b>	<b>0</b>

**(D) Risk Management Committee****Composition**

The Risk Management Committee of the Board comprises of five members, namely, Mr. Praveen Kumar Tripathi, Independent Director as its Chairman and member, Mrs. Fantry Mein Jaswal, Independent Director, Mr. Divyesh B. Shah, Whole-time Director, Mr. Rajeev Lochan Agrawal and Mr. Pankaj Sharma as members.

**Terms of Reference**

The Terms of reference of the Risk Management Committee inter-alia, include:

- To monitor and review the Risk Management Plan of the Company;
- To approve all functional policies of the Company;
- To ensure appropriate fraud control mechanism and cyber security in the system, while dealing with the customers etc.;
- Any other matter involving Risk to the asset / business of the Company.

**Meetings and Attendance during the year**

During the financial year ended March 31, 2022, the Committee met 2 (two) times i.e on May 11, 2021 and November 4, 2021

The attendance of Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Praveen Kumar Tripathi	2
Mrs. Fantry Mein Jaswal	2
Mr. Divyesh B. Shah	2
Mr. Rajeev Lochan Agrawal	2
Mr. Pankaj Sharma	2

## Report on Corporate Governance (Contd)

### (E) Corporate Social Responsibility (CSR) Committee

#### Composition

The Corporate Social Responsibility Committee of the Board comprises of four members, namely, Mr. Divyesh B. Shah, as the Chairman and Mr. Praveen Kumar Tripathi and Dr. Narendra Damodar Jadhav, Independent Directors and Mr. Pinank Jayant Shah as other members.

#### Terms of Reference of the Corporate Social Responsibility Committee

The Terms of reference of the CSR Committee inter-alia, include:

- 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 financial year ended March 31, 2022, the Committee met 2 (Two) times i.e. on February 12, 2022 and March 31, 2022.

The attendance of Committee members in these meetings is as under:

Name of the Member	No. of meetings attended
Mr. Divyesh B. Shah	2
Mr. Pinank Jayant Shah	2
Dr. Narendra Damodar Jadhav	2
Mr. Praveen Kumar Tripathi	2

## 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
2018-19	24th	Mapple Emerald, Rajokri, NH-8, New Delhi – 110 038	September 28, 2019	11:00 A.M.	3
2019-20	25th	Through VC/ OAVM	September 25, 2020	2:00 P.M.	9
2020-21	26th	Through VC/ OAVM	September 23, 2021	4:30 P.M.	5

### (B) Extraordinary General Meetings during the FY 2021-22

The Company during the financial year conducted as Extraordinary General Meeting on November 17, 2021 through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) and passed five special resolutions to offer, issue and allot up to 612,24,490 fully paid-up equity shares on Preferential Basis and special resolution for the appointment of Mr. Anish Williams, as Whole-time Director and Key Managerial Personnel designated as Executive Director and in Extraordinary General Meeting held on December 9, 2021, one Ordinary resolution was passed for appointment of Statutory Auditors.

### (C) Postal Ballot during the Financial Year 2021-22

6 (Six) Special Resolutions were passed through Postal Ballot results of which were declared on April 16, 2021. No Special Resolution requiring Postal Ballot is being proposed on or before the ensuing AGM of the Company.

## 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 normally published in the leading newspapers viz. Business Standard (English and Hindi), Financial Express (English) and Jansatta (Hindi).
- (ii) News, Release, etc.: The Company has its own website <https://www.dhani.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 presentations etc. are regularly posted on the website.
- (iii) Presentation to institutional investors or analysts: The presentations whenever made to the institutional investors or analysts, are uploaded on the website of the Company, and also sent to the Stock Exchange for dissemination.
- (iv) Management's Discussion and Analysis Report has been included in the Annual Report, which forms a part of the Annual Report.

## 6. GENERAL SHAREHOLDERS' INFORMATION

### (A) Company Registration Details

The Company is registered in the National Capital Territory (NCT) of Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74110DL1995PLC069631.

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

The 27<sup>th</sup> AGM of the Company would be held on the day, date, time and venue as mentioned in the Notice convening the said AGM. The Company is conducting AGM through Video Conferencing /Other Audio Visual Mode in accordance with the relaxations granted by the Ministry of Corporate Affairs /SEBI.

### (C) Financial year:

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

### (D) Dividend Payment Date

No dividend was declared and paid during the Financial Year 2021-22.

### (E) Date of Book Closure

The dates of book closure are as mentioned in the notice convening the 27<sup>th</sup> AGM of the Company.

### (F) Listing on Stock Exchanges

The Company's fully paid up equity shares (FPS), partly paid up equity shares (PPS) and GDRs are listed at the following stock exchanges:

<b>Equity Shares (FPS &amp; PPS):</b> <b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	<b>Global Depository Receipts (GDRs):</b> Luxembourg Stock Exchange Societe de la Bourse de Luxembourg, Il av de la Porte – Neuve, L-2227, Luxembourg.
<b>National Stock Exchange of India Limited (NSE)</b> "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	

The listing fees for the financial year 2022-23, have been paid to BSE and NSE.

## Report on Corporate Governance (Contd)

### (G) Stock Code

BSE Limited	FPS: 532960, PPS: 890145
National Stock Exchange of India Ltd.	FPS: DHANI-EQ, PPS: DHANIPP
ISIN for Dematerialization	FPS: INE274G01010 PPS: IN9274G01034

### (H) Stock Market Price at National Stock Exchange of India Ltd (NSE) and BSE Ltd (BSE)

- (a) The monthly high and low market prices of Fully Paid-up Equity Shares of face value of ₹ 2/- each, at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year ended March 31, 2022 are as under:

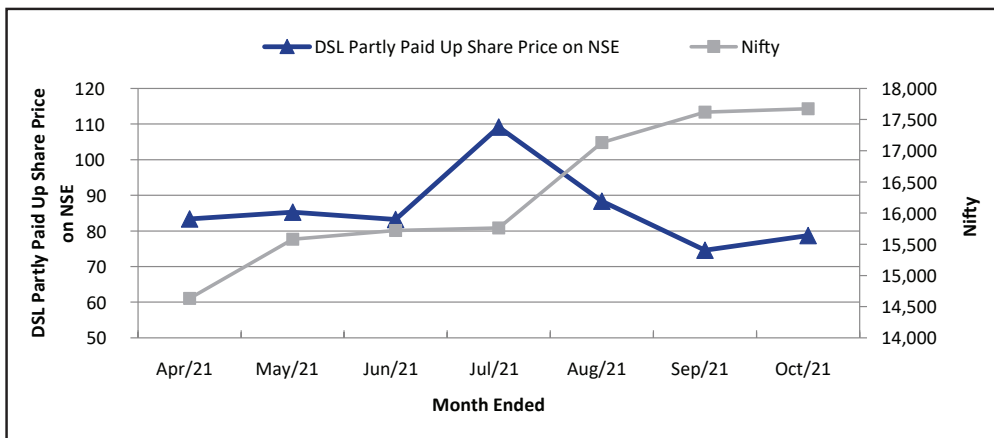
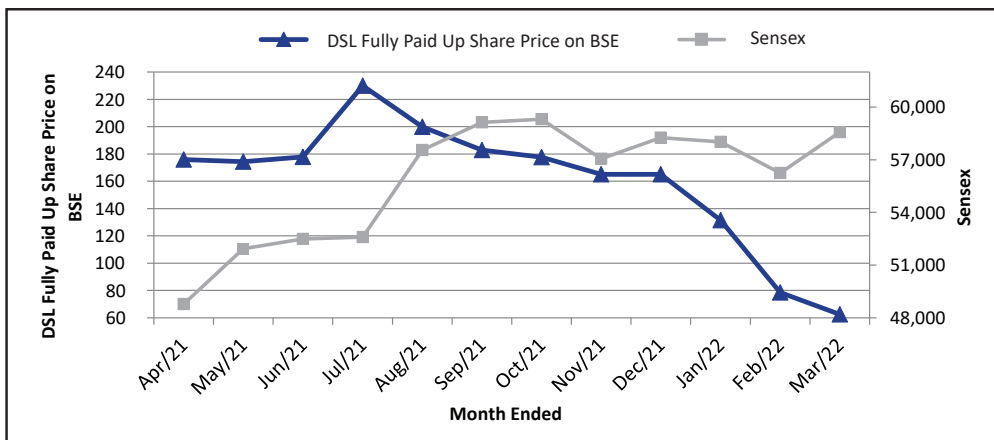
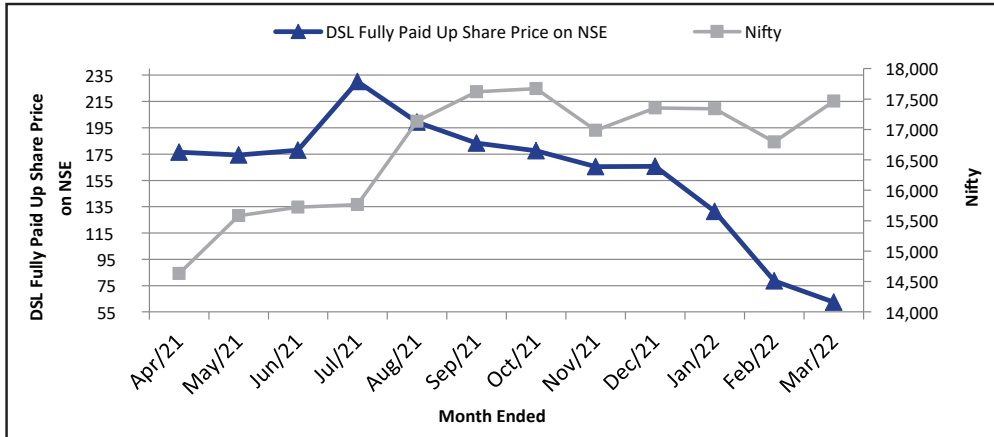
Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-21	228.00	155.10	227.95	154.75
May-21	184.00	165.45	183.80	165.40
Jun-21	214.80	167.30	214.95	167.30
Jul-21	242.90	172.40	242.40	169.20
Aug-21	238.45	175.00	238.30	175.20
Sep-21	211.00	176.40	211.00	176.50
Oct-21	232.00	175.50	231.80	175.60
Nov-21	193.65	161.70	193.30	161.75
Dec-21	178.70	139.20	178.90	139.40
Jan-22	166.50	122.60	166.50	128.65
Feb-22	160.90	67.05	161.00	67.10
Mar-22	82.35	58.10	82.45	58.30

- (b) The high and low market prices of Partly Paid-up Equity Shares of face value of ₹ 2/- each, at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year ended March 31, 2022 are as under:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-21	116.35	79.55	116.65	79.05
May-21	85.7	73.95	86.10	74.00
Jun-21	106.55	80.00	107.20	78.10
Jul-21	115.00	75.80	114.95	75.65
Aug-21	112.40	76.15	112.90	76.00
Sep-21	94.15	73.05	94.00	74.00
Oct-21	82.00	73.50	82.00	73.50

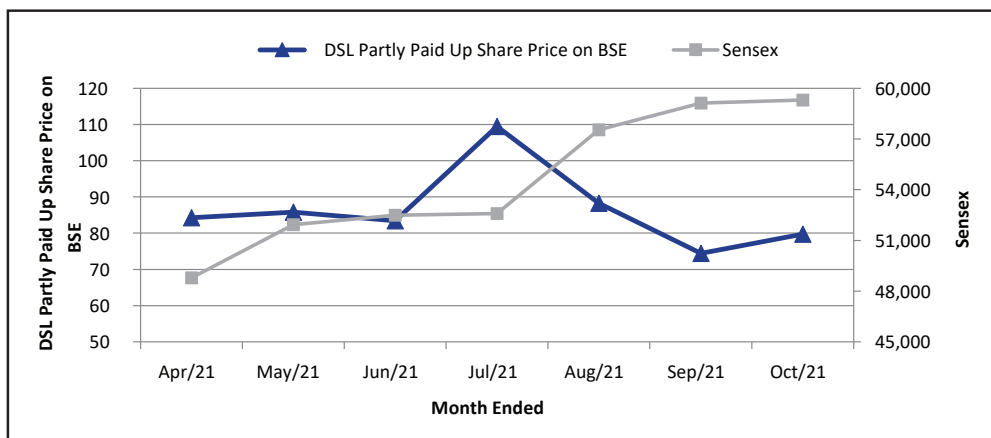
*During the period from October 13, 2021 till March 31, 2022, trading in partly paid-up equity shares was suspended on NSE & BSE in view of the record dates for payment of Third and Final call.*

(I) Performance of the Company in comparison to broad – based indices



During the period from October 13, 2021 till March 31, 2022, trading in partly paid-up equity shares was suspended on NSE & BSE in view of the record dates for payment of Third and Final call.

## Report on Corporate Governance (Contd)



During the period from October 13, 2021 till March 31, 2022, trading in partly paid-up equity shares was suspended on NSE & BSE in view of the record dates for payment of Third and Final call.

### (J) Registrar and Transfer Agents

M/s Skyline Financial Services Pvt. Ltd are the Registrar and Transfer Agents of the Company for handling the share/debentures/securities related matters both in physical and dematerialized mode and for other correspondence.

The contact details of RTA are as under:

**Skyline Financial Services Pvt. Ltd**

Unit: Dhani Services Limited

D-153 A 1st Floor Okhla Industrial Area Phase-1 New Delhi-110020

Tel: 011-40450193 TO 197, Fax: 011-26812682

E-mails: [compliances@skylinerta.com](mailto:compliances@skylinerta.com), [info@skylinerta.com](mailto:info@skylinerta.com)

Website: [www.skylinerta.com](http://www.skylinerta.com)

### (K) Share Transfer System

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

(L) (i) (a) **Distribution of shareholding of fully paid up equity shares of face value of ₹ 2/- each, as on March 31, 2022:**

S. No.	Category	No. of holders	% to total holders	Total Shares	Amount (face value) (₹)	% of Amount
1	1-5000	187196	98.44	51,763,882	103,527,764.00	8.61
2	5001- 10000	1443	0.76	10,578,565	21,157,130.00	1.76
3	10001- 20000	691	0.36	10,011,977	20,023,954.00	1.67
4	20001- 30000	269	0.14	6,692,919	13,385,838.00	1.11
5	30001- 40000	111	0.06	3,870,323	7,740,646.00	0.64
6	40001- 50000	82	0.04	3,767,466	7,534,932.00	0.63
7	50001- 100000	174	0.09	13,074,669	26,149,338.00	2.18
8	100001 & Above	204	0.11	501,239,303	1,002,478,606.00	83.40
	<b>Total:</b>	<b>190,170</b>	<b>100.00</b>	<b>600,999,104</b>	<b>1,201,998,208</b>	<b>100.00</b>

(i) (b) **Distribution of shareholding of partly paid up equity shares of face value of ₹ 2/- each with paid up value of ₹ 1.10 each as on March 31, 2022:** (Voting Rights i.r.o these partly paid-up shares are proportionate to the amount paid up on such shares).

S. No.	Category	No. of holders	% to total holders	Total Shares	Amount (paid-up value) (₹)	% of Amount
1	1-5000	3,495	97.14	833,535	916,888.50	9.31
2	5001- 10000	43	1.20	308,813	339,694.30	3.45
3	10001- 20000	22	0.61	311,555	342,710.50	3.48
4	20001- 30000	11	0.31	269,933	296,926.30	3.02
5	30001- 40000	6	0.17	220,746	242,820.60	2.47
6	40001- 50000	1	0.03	43,440	47,784.00	0.49
7	50001- 100000	9	0.25	583,248	641,572.80	6.52
8	100001& Above	11	0.31	6,377,536	7,015,289.60	71.27
	<b>Total:</b>	<b>3,598</b>	<b>100.00</b>	<b>8,948,806</b>	<b>9,843,686.60</b>	<b>100.00</b>



## Report on Corporate Governance (Contd)

### (ii) Shareholding pattern as on March 31, 2022:

Sr. No.	Category	No. of Shares			% holding
		Fully paid up equity shares	Partly Paid up equity shares *	Total No. of Shares	
1	Promoters	20,130,8166	0	20,130,8166	33.00
2	Banks /Mutual Funds/Indian Financial Institutions/Alternate Investment Funds	4,333,898	0	4,333,898	0.71
3	FII/FPIs	133,500,297	0	133,500,297	21.89
4	Bodies Corporate	81,854,076	38,84,466	85,738,542	14.06
5	Indian Public (Employees/HUF/ Public/Trusts/Directors)	167,673,000	5,053,807	172,726,807	28.32
6	NRIs	2,534,119	8190	25,42,309	0.42
7	GDRs (Shares underlying)	2038	0	2,038	0.00
8	Other foreign entities (Foreign companies)	52,79,883	0	52,79,883	0.87
9	NBFCs Registered with RBI	23,100	2343	25,443	0.00
10	Others(Clearing Members/IEPF)	4,490,527	0	4,490,527	0.74
<b>Total</b>		<b>600,999,104</b>	<b>8,948,806</b>	<b>609,947,910</b>	<b>100.00</b>

\* Voting Rights i.r.o partly paid-up shares are proportionate to the amount paid up on such shares.

### (M) Dematerialization of shares and liquidity

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

As on March 31, 2022, 99.99% equity shares of the Company representing 60,99,39,181 out of a total of 60,99,47,910 equity shares were held in dematerialized form and the balance 8,729 equity shares representing 0.001% of the total equity capital of the Company were held in physical form.

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

### (N) Outstanding GDRs/Convertible Instruments

As on March 31, 2022, the number of outstanding GDRs were 2,038. Each GDR represents one fully paid up equity share of ₹ 2/- each in the Company. Also as on March 31, 2022, an aggregate of 20,070,600 Employees Stock options are in force. As and when these stock options are exercised, the paid-up equity share capital of the Company shall stand increased accordingly.

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

During FY 2021-22, the Company doesn't have Commodity price risk. Further, the Company has not borrowed any loans in foreign currency. The working capital of the Company doesn't comprise of any amount in foreign currency.

**(P) Plant Location: Not applicable****(Q) Address for Correspondence**

## (i) Registered Office:

1/1 E, First Floor, East Patel Nagar,  
New Delhi-110008, E-mail: [support@dhani.com](mailto:support@dhani.com),  
Tel: 011-41052775, Fax: 011-42137986  
Website: [www.dhani.com](http://www.dhani.com)

## (ii) Corporate Office:

1. One International Centre, Tower 1, 4th Floor, S. B. Marg, Elphinstone (W), Mumbai - 400013 T. +91 22 6189 9016 F. +91 22 6189 9001

**(R) Profiles of Directors seeking appointment/ re-appointment have been captured in the Notice convening the 27th Annual General Meeting of the Company.****(S) Credit Ratings**

Not applicable

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

During the Financial Year 2021-22, the Company did not allot any shares through preferential allotment or qualified Institutional placement.

Further during the Financial Year 2021-22, third and final call money was received on partly paid-up rights equity shares and there is no deviation as regards the utilization of funds from the objects stated in the Letter of Offers for Rights Issue.

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

Total fees for all services paid by the listed entity and its subsidiaries (excluding GST), for FY 2021-22, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:-

Particulars	₹
Audit Fee	1,49,85,000.00
Certification Fee	2,55,000.00
Out of pocket expenses	34,602.00
Fee for Draft Shelf Prospectus	0
<b>Total</b>	<b>1,52,74,602.00</b>

**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 Regulations, is annexed to and forms a part of this Report.

## Report on Corporate Governance (Contd)

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

Number of complaints filed during the financial year 2021-22	Number of complaints disposed of during the financial year 2021-22	Number of complaints pending at the end of financial year 2021-22
0	0	0

### 9. OTHER DISCLOSURES

#### (i) Subsidiary Companies

During the year under review one subsidiary namely Arbutus Constructions Limited got struck off w.e.f. December 22, 2021 and Indiabulls Asset Reconstruction Company Limited become the material unlisted subsidiary of the Company during the financial year 2021-22. The Company has formulated a Policy for determining material subsidiaries, pursuant to the provisions of the SEBI LODR Regulations, which is available on the website of the Company at: [https://www.dhani.com/services/wp-content/uploads/2020/12/IVL\\_Policy\\_for\\_Determining\\_Material\\_Subsiary\\_1598077992.pdf](https://www.dhani.com/services/wp-content/uploads/2020/12/IVL_Policy_for_Determining_Material_Subsiary_1598077992.pdf)

#### (ii) MCA Inspection

During the year FY 2021-22 the Company had paid ₹ 19,81,000 as compounding fee and penalty for the adjudication, basis the order(s) issued by the office of Regional Director, Northern Region & Registrar of Companies (ROC), NCT of Delhi & Haryana, in connection with Compounding Applications /Adjudication Applications filed under Section 441 & Section 454 of the Companies Act, 2013 with the ROC for Compounding/ Adjudication of offences, under various provisions of the Companies Act and Rules made thereunder.

#### (iii) Related Party Transactions

All the related party transactions, entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. There are no materially significant related party transactions entered by the Company with its Key Management Personnel or other designated persons which may have potential conflict with the interest of the Company at large. The updated Policy on materiality of Related Party Transactions and also on dealing with such transactions is available on the website of the Company at [https://www.dhani.com/services/wp-content/uploads/2021/07/DSL\\_Policy\\_for\\_Dealing\\_with\\_Related\\_Party\\_Transactions.pdf](https://www.dhani.com/services/wp-content/uploads/2021/07/DSL_Policy_for_Dealing_with_Related_Party_Transactions.pdf)

#### (iv) CEO / CFO Certification

- The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued certificate pursuant to the Regulation 33(2)(a) of SEBI LODR Regulations, certifying that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.
- The CEO and CFO have also 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.

#### (v) No Disqualification Certificate from Company Secretary in Practice

Certificate from Practising Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, Ministry of Corporate Affairs or any such other Statutory Authority, as stipulated under Regulation 34(3) of the SEBI LODR, is attached to this Report.

**(vi) Codes of the Company****(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 at [https://www.dhani.com/services/wp-content/uploads/2020/12/code-of-conduct-for-board-members-and-senior-management\\_1564991994.pdf](https://www.dhani.com/services/wp-content/uploads/2020/12/code-of-conduct-for-board-members-and-senior-management_1564991994.pdf)

All Board Members and Senior Management personnel have affirmed compliance with the Code. A declaration signed by the Chief Executive Officer 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 SEBI (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.

**(vii) 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 at: [https://www.dhani.com/services/wp-content/uploads/2021/05/whistleblower\\_policy\\_dhani\\_2021.pdf](https://www.dhani.com/services/wp-content/uploads/2021/05/whistleblower_policy_dhani_2021.pdf)

**(viii) Strictures and Penalties**

Except as mentioned in Annexure(s) to Directors' Report forming part of Annual Report, during the last three financial years including the year under review, no penalty was imposed by BSE Limited and National Stock Exchange of India Limited.

**(ix) Details of compliance with mandatory requirements and adoption of discretionary requirements pursuant to SEBI LODR**

The Company has complied with all the mandatory requirements pursuant to SEBI LODR in letter as well as in spirit. The details of these compliances have been given in the relevant sections of this Report. The status on compliance with the discretionary requirements is given at the end of the Report.

## Report on Corporate Governance (Contd)

### 9. DISCRETIONARY REQUIREMENTS

#### (A) Non-Executive Chairman

The Company has an Executive-Chairman and hence the requirements recommended as to a Non-Executive Chairman under the Regulation 27(1) Read with Clause A Part E Schedule II of SEBI (LODR) Regulations, 2015 are not required to be adopted by the Company.

#### (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 website.

#### (C) Unqualified Financial Statements

The Auditors' Report on the audited 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.

#### (D) Separate posts of chairperson and chief executive officer

Mr. Sameer Gehlaut is appointed as Executive Director designated as Chairman and CEO of the Company, hence, the applicable requirements in terms of Regulation 27(1) read with Clause (D) Part E Schedule II of SEBI (LODR) Regulations, 2015 are not required to be adopted by the Company.

#### DE) Reporting of Internal Auditor

The Internal Auditor of the Company reports to CFO and has direct access to the Audit Committee.

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 Regulations.

#### 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 March 31, 2022 is in compliance with the requirements as prescribed under Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI LODR Regulations, to the extent applicable to the Company.*

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

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

Date: May 30, 2022

Place: London

Sd/-  
**Sameer Gehlaut**  
Chief Executive Officer

**CEO/CFO certification pursuant to regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors  
**Dhani Services Limited**

As required by Regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm to the Board that:

- A. We have reviewed financial statements including the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
- (1) There were no significant changes in internal control over financial reporting during the year;
  - (2) There were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
**Sameer Gehlaut**  
Chief Executive Officer  
Date: May 30, 2022  
Place: London

Sd/-  
**Rajeev Lochan Agrawal**  
Chief Financial Officer  
Date: May 30, 2022  
Place: Mumbai

## Report on Corporate Governance (Contd)

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**The Members of**

**Dhani Services Limited**

(Formerly known as Indiabulls Ventures Limited)

1/1E, First Floor, East Patel Nagar,

New Delhi West Delhi -110008

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Dhani Services Limited** having CIN **L74110DL1995PLC069631** and having registered office at 1/1E, First Floor, East Patel Nagar, New Delhi West Delhi -110008 (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs (MCA) or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in the Company *
1.	Mr. Sameer Gehlaut	00060783	28/08/2017
2.	Mr. Divyesh Bharatkumar Shah	00010933	09/03/2005
3.	Mr. Pinank Jayant Shah	07859798	28/08/2017
4.	Mr. Anish Ernest Williams	03314110	21/12/2020
5.	Mr. Sandeep Narhar Kadam	09343578	07/10/2021
6.	Mr. Gagan Banga**	00010894	29/09/2017
7.	Mr. Praveen Kumar Tripathi	02167497	16/09/2019
8.	Dr. Narendra Damodar Jadhav	02435444	23/08/2020
9.	Mrs. Fantry Mein Jaswal	07011247	23/08/2020
10.	Mr. Rakesh Mohan Garg	08970794	25/11/2020
11.	Mr. Vijay Chugh	07112794	21/12/2020
12.	Prof. Mohanbir Singh Sawhney	07136864	07/10/2021

\*the date of appointment is as per the MCA Portal.

\*\* Mr. Gagan Banga had resigned w.e.f. March 14, 2022.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For MARG & Associates  
Company Secretaries**

Sd/-

**CS Riya Luthra**

(Managing Partner)

**Membership No- A-53802;**

**COP- 24472**

**UDIN: A053802D000805212**

Date: 17/08/2022

Place: New Delhi



## Report on Corporate Governance (Contd)

### CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To  
The Members of  
**Dhani Services Limited**  
(Formerly known as Indiabulls Ventures Limited)  
1/1E, First Floor, East Patel Nagar,  
New Delhi West Delhi -110008

We have examined the compliance of conditions of Corporate Governance by Dhani Services Limited (“the Company”), for the year ended March 31, 2022, 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

We state that the compliance of conditions of Corporate Governance is the responsibility of the Company’s management and, our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with 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, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended March 31, 2022.

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

**For MARG & Associates**  
**Company Secretaries**

Sd/-  
**CS Riya Luthra**  
(Managing Partner)  
**Membership No- A-53802;**  
**COP- 24472**  
**UDIN: A053802D000805212**  
Date: 17/08/2022  
Place: New Delhi

# Independent Auditors' Report

To the members of Dhani Services Limited (formerly known as Indiabulls Ventures Limited)

## Report on the audit of the consolidated financial statements

### Opinion

We have audited the accompanying consolidated financial statements of **Dhani Services Limited** (formerly known as Indiabulls Ventures Limited) (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated statement of profit and loss (including Other Comprehensive Income), the Consolidated Cash flow Statement and the Consolidated statement of changes in Equity for the year then ended, and notes to 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, and based on the consideration of reports of other auditors on financial statements of subsidiaries as was audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (hereinafter referred to as "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 and Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, of consolidated state of affairs (financial position) of the Group as at 31 March 2022, the consolidated loss (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year then ended.

### Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. 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 obtained by us along with the consideration of audit report of the other auditors referred to in "Other matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Emphasis of matters

- We draw attention to the note 50 of the accompanying consolidated financial statement (CFS) regarding the requirement of obtaining the Certificate of registration (CoR) for the Holding Company from the Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) under the Category of Core Investment Company (CIC). The management is of the view that basis their present business operations and applicable financial criteria, the Company qualifies to fall under the category of an unregistered CIC and has written to RBI for their view in this regard, response to which is awaited. The management is further of the view that the possible non-compliance with such requirement is not expected to have material impact on the accompanying Statement.
- We draw attention to Note 46 of the CFS, which describes that the impact assessment of COVID-19 pandemic on the financial position of the Group in a continuing process and the Company's management believes that they have considered all the possible impact of known events in preparation of the respective financial statements (Auditor of Dhani loan and services have mentioned about the same in their report on audit of consolidated financial results under emphasis of matter).

## Independent Auditors' Report (Contd.)

• We refer to the 'Emphasis of Matter' paragraphs issued by the independent auditors of a certain trusts vide their respective audit report. Which also forms the 'Emphasis of Matter' paragraph in our audit report of the accompanying consolidated Ind AS financial statements of the Group. We draw your attention to note 59 to the accompanying financial statements which describes that the management has sold the loan portfolios of certain trusts to asset reconstruction Company ('ARC'). Board of respective trusts have passed resolution to approve the above-mentioned transaction for a purchase consideration. These arrangements were executed through an 'Assignment agreement' and certain such Trusts have been closed during the year.

Our opinion is not modified in respect of these matters of emphasis.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate with respect to the Holding Company.

We have reproduced the key audit matters determined and communicated by the auditors of Dhani Loans and Services Limited (subsidiary company) in their audit reports.

Key Audit Matters	Auditor's Response
<p>a) Impairment of Loans (expected credit loss - ECL) (Refer note 6 to the Financial Statements)</p> <p>In accordance with the requirements of Ind AS 109, the Company is required to provide for impairment of its financial assets using the expected credit loss ('ECL') approach which involves an estimation of the probability of loss on the financial assets over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management in respect of following matters:</p> <p>(i) Classification and staging of loan portfolio, and estimation of behavioural life.</p> <p>(ii) Estimation of losses in respect of those classes of loans which had no or minimal historical defaults.</p>	<p>Principal Audit Procedures</p> <ul style="list-style-type: none"> <li>• Read and assessed the Company's accounting policies for the process of estimation of impairment of financial assets and whether such policy was in accordance with the requirements of Ind AS 109 and the governance framework approved by the Board of Directors pursuant to the applicable Reserve Bank of India guidelines/directions.</li> <li>• Evaluated the appropriateness of the Company's assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets and their appropriateness for determining the probability of default (PD) and loss-given default (LGD) rates.</li> <li>• Tested the operating effectiveness of the controls for application of the staging criteria. Assessed the additional considerations applied by the Management for staging of loans.</li> </ul>

Key Audit Matters	Auditor's Response
<p>(iii) Management overlay for macro-economic factors and the impact of CoVID -19 pandemic and estimation of their impact on the credit quality of the loans. In accordance with the guidance in Ind AS 109, the management overlay estimate takes into account reasonably and supportable information without incurring significant cost. The actual credit losses for the next 12 months could be significantly different than the ECL estimates prepared by the Company depending upon the impact and duration of the pandemic and various regulatory and policy measures announced by the Government.</p> <p>(iv) Further, the Company has restructured loans on account of COVID-19 related regulatory measures. This has resulted in increased management estimation over determination of provision for such restructured loans.</p> <p>a) Impairment of Loans (expected credit loss - ECL) (Refer note 6 to the Financial Statements) (continued)</p> <p>(v) The disclosures (including disclosures prescribed by RBI) regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.</p> <p>The Company has developed a financial model that derives key assumptions used within the provision calculation such as probability of default (PD) and loss given default (LGD). The output of such model is then applied to the calculation for the provision for expected credit loss calculation with other information including the exposure at default (EAD).</p> <p>Given the high degree of management's judgement involved in estimation of ECL, it is an area of material uncertainty and a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Performed tests (on sample basis) to verify the completeness and accuracy of the input data used to determine the PD and LGD rates and agreed such data with the underlying books of accounts and records.</li> <li>• Performed inquiries with the Company's management to assess the impact of COVID-19 on the current economic environment and business activities of the Company.</li> <li>• Tested the arithmetical accuracy of calculation of the provision for ECL performed by the Company.</li> <li>• Tested assumptions used by the management in determining the overlay for macro-economic factors (including CoVID-19 pandemic)</li> <li>• Tested key controls and details over restructuring process in respect of eligibility, approval and modification of terms.</li> <li>• Assessed the appropriateness and sufficiency of disclosures in the Financial Statements in respect of provision for EC.</li> </ul>

## Independent Auditors' Report (Contd.)

Key Audit Matters	Auditor's Response
<p>b) De-recognition of financial assets (Refer Note 47 to the Standalone Financial Statements)</p> <p>The Company has, during the year ended March 31, 2022, assigned loans amounting to Rs. 12,684.73 lakhs for managing its funding requirements and recorded net income of Rs. 124.18 lakhs in the Statement of Profit and Loss. In accordance with Ind AS 109, de-recognition of financial assets (loans) transferred by the Company through assignment is based on the 'risk and reward' model and a 'control' model. In case de-recognition criteria are met, the financial assets assigned 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 (EIS) receivable) is recognized as income in the Statement of Profit and Loss for the year.</p> <p>The Company also records a servicing asset and servicing liability at their fair value for the right retained for servicing the financial asset for the service contract and the related costs to be incurred.</p> <p>The assessment of derecognition criteria being met involves significant judgements and furthermore the measurement of the related EIS receivable income, servicing asset and liability 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 the same has been considered a key audit matter.</p>	<p>Principal audit procedures</p> <ul style="list-style-type: none"> <li>Assessed (on sample basis) assignment agreements to evaluate whether the de-recognition criteria have been met.</li> <li>Assessed the significant estimates and judgments, including the discount rate and expected remaining life of the portfolio transferred used by the Company for computation of excess interest spread receivable, servicing asset and servicing liability.</li> <li>Tested the arithmetical accuracy of computation of the excess interest spread receivable, servicing asset and servicing liability.</li> <li>Assessed the disclosures included in the Financial Statements with respect to de-recognition in accordance with the requirements of Ind AS 109 and Ind AS 107.</li> </ul>

### Managements and Board of Directors responsibility for the consolidated financial statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective management and Board of Directors of the companies included in the consolidated financial statements are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 the 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 financial statements/consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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 respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each Company.

#### **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:

- A. 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.
- B. 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.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statement and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of

## Independent Auditors' Report (Contd.)

our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in 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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other matters

- A. We did not audit the annual financial statements of 20 subsidiaries and 21 trusts included in the statement, whose financial statements reflect total assets of Rs. 1,050,852 lakh as at March 31, 2022, total revenues of Rs. 152,064 lakh, total net loss after tax Rs. 77,958 lakh, total comprehensive loss of Rs. 78,295 lakh and cash outflows (net) Rs. 61,311 lakh for the year ended on that date, as considered in the statement. These annual financial statements / financial information have been audited by other respective auditor whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph above.
- B. The Statement includes the annual financial statements/ financial information of 4 subsidiaries, which have not been audited, whose annual financial statements / financial information reflect total assets of Rs. 11,909 lakh as at March 31, 2022, total revenues of Rs. 0, total net loss after tax of Rs. 3,006 lakh, total comprehensive loss of Rs. 3,287 and cash inflow (net) of Rs. 5,015 lakh for the year then ended, as considered in the Statement. These financial statements / financial information have been certified and furnished to us by Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion, and according to the information and explanations given to us by the management, these financial statements/ financial information are not material to the Group.
- C. Further, these subsidiaries, are located outside India, whose annual financial statements / financial information have been prepared in accordance with accounting principles generally accepted in their respective countries. The Holding Company's management has converted the annual financial statements / financial information of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our opinion, in so far as it relates to the balances and affairs of these subsidiaries is based on such unaudited financial statements / financial information and the conversion adjustments prepared by the management of the Holding Company.
- D. The consolidated financial statements of the Company for the year ended March 31, 2021, were audited by the predecessor auditor and they had issued unmodified audit opinion thereon vide their report dated 18 June, 2021.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the other matter paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

### Report on other legal and regulatory requirements

1. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.
2. As required by Section 143(3) of the Act, based on our audit 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors.
  - C. The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - D. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - E. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of subsidiary companies which are companies incorporated in India, none of the directors of the subsidiary companies which are companies incorporated in India, is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
  - F. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting.
    - G. With respect to the other matters 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 remuneration paid by the Group, which are companies incorporated in India, where applicable, to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - H. 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
    - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 49 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 2022;



## Independent Auditors' Report (Contd.)

- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies covered under the Act, during the year ended 31 March 2022; and
- iv. Reporting on rule 11(e):
- (a) the respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of its subsidiaries to or in any other person(s) or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) the respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and to the other auditors of such subsidiaries respectively, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of its subsidiaries from any person(s) or entity(ies), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of its subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. During the year, the Company and Subsidiary companies have not declared/paid any dividend. Accordingly, reporting under section 123 of the Act is not applicable;

**For Sharp & Tannan Associates**  
Chartered Accountants  
Firm's Registration no. 109983W  
by the hand of

**Tirtharaj Khot**  
Partner  
Membership no.(F) 037457  
UDIN: 22037457AMPBVP8350

## Annexure A to the Independent Auditor's Report

Referred to in paragraph (F) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

### Report on the Internal Financial Controls

#### Under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

#### Opinion

We have audited the Internal Financial Controls over Financial Reporting of **Dhani Services Limited** (formerly Indiabulls Ventures Limited) (hereinafter referred as "the Holding Company"), its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), as of 31 March 2022 in conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors referred to in other matters paragraph below, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the respective companies 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').

#### Managements and Board of Directors responsibility for internal financial controls

The respective Company's Management and Board of Directors of the of the Holding company and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. 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 its 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.

#### Auditors' responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting 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 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 over financial reporting 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 controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 and the audit evidence obtained by other auditors of the subsidiary companies, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's which are companies incorporated in India, internal financial controls system over financial reporting.

## Independent Auditors' Report (Contd.)

### Other matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to these subsidiaries, which are companies incorporated in India, is solely based on corresponding reports of the auditors of such Companies.

### Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 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 over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Sharp & Tannan Associates**  
Chartered Accountants  
Firm's Registration no. 109983W  
by the hand of

**Tirtharaj Khot**  
Partner  
Membership no.(F) 037457  
UDIN: 22037457AMPBVP8350

Mumbai, 30 May 2022

**Annexure I to the Independent Auditor's Report on consolidated financial results of DHANI SERVICES LIMITED (formerly Indiabulls Ventures Limited) for the quarter and year ended 31 March 2022**

Sr. No.	Name of the Company
1.	Auxesia Soft Solutions Limited
2.	Dhani Health Middle East FZ LLC (Dubai)
3.	Dhani Limited (Jersey)
4.	Devata Tradelink Limited
5.	Dhani LTD (UK)
6.	Evinos Buildwell Limited
7.	Evinos Developers Limited
8.	Gyansagar Buildtech Limited
9.	Krathis Buildcon Limited
10.	Krathis Developers Limited
11.	Pushpanjali Finsolution Limited
12.	TranServ Limited
13.	Indiabulls Consumer Products Limited
14.	Dhani Healthcare Limited (formerly Pushpanjali Fincon Limited)
15.	Dhani Stocks Limited
16.	Jwala Technology Systems Private Limited
17.	Euler Systems INC (USA)
18.	Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited)
19.	Indiabulls Investment Advisors Limited
20.	Savren Medicare Limited (formerly Savren Buildwell Limited)
21.	Indiabulls Distribution services Limited
22.	Indiabulls Alternate Investments Limited
23.	Indiabulls Infra Resources Limited
24.	Indiabulls Asset Reconstruction Company Limited
25.	Indiabulls ARC III Trust
26.	Indiabulls ARC IV Trust
27.	Indiabulls ARC V Trust
28.	Indiabulls ARC VI Trust
29.	Indiabulls ARC VII Trust
30.	Indiabulls ARC VIII Trust
31.	Indiabulls ARC X Trust
32.	Indiabulls ARC XII Trust
33.	Indiabulls ARC XIII Trust
34.	Indiabulls ARC XV Trust
35.	Indiabulls ARC XVI Trust
36.	Indiabulls ARC XVII Trust
37.	Indiabulls ARC XVIII Trust
38.	Indiabulls ARC XIX Trust
39.	Indiabulls ARC XX Trust
40.	Indiabulls ARC-XXI Trust
41.	Indiabulls ARC-XXII Trust
42.	Indiabulls ARC-XXIII Trust
43.	Indiabulls ARC-XXIV Trust
44.	Indiabulls ARC-XXVI Trust
45.	Indiabulls ARC-XXVII Trust

# Consolidated Balance Sheet

as at 31 March 2022

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

	Notes	As at 31 March 2022	As at 31 March 2021
<b>I. ASSETS</b>			
<b>(1) Financial assets</b>			
(a) Cash and cash equivalents	6	65,240.24	1,23,595.03
(b) Bank balance other than cash and cash equivalents	7	70,398.32	79,613.84
(c) Receivables			
Trade receivables	8	12,810.07	14,027.67
Other receivables	9	2,064.54	6,969.91
(d) Loans	10	4,09,715.47	4,59,885.26
(e) Investments	11	58,811.17	1,42,031.59
(f) Other financial assets	12	33,657.66	39,560.79
<b>Total financial assets</b>		<b>6,52,697.47</b>	<b>8,65,684.09</b>
<b>(2) Non-financial assets</b>			
(a) Inventories	13	10,670.53	90.45
(b) Current tax assets (net)	14	21,410.55	18,137.97
(c) Deferred tax assets (net)	15	26,116.75	20,877.80
(d) Investment property	16A	767.65	-
(e) Property, plant and equipment	16B	11,393.30	6,900.47
(f) Capital work-in-progress	16C	-	123.88
(g) Right-of-use assets	16D	21,974.91	15,159.78
(h) Intangible assets under development	16E	696.11	478.08
(i) Goodwill	16F	6,797.16	6,797.16
(j) Other intangible assets	16G	12,741.46	12,065.50
(k) Other non-financial assets	17	97,587.05	66,581.18
<b>Total non-financial assets</b>		<b>2,10,155.47</b>	<b>1,47,212.27</b>
<b>TOTAL ASSETS</b>		<b>8,62,852.94</b>	<b>10,12,896.36</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>(1) Financial liabilities</b>			
(a) Payables			
Trade payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		0.12	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		12,627.19	3,897.61
Other payables	19		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		11,356.70	13,197.22
(b) Debt securities	20	54,506.34	77,060.33
(c) Borrowings (other than debt securities)	21	1,70,437.87	2,80,387.50
(d) Lease liabilities	22	23,241.10	16,408.66
(e) Other financial liabilities	23	54,132.77	52,923.32
<b>Total financial liabilities</b>		<b>3,26,302.09</b>	<b>4,43,874.64</b>
<b>(2) Non-financial liabilities</b>			
(a) Current tax liabilities (net)	24	609.92	1,095.71
(b) Provisions	25	3,860.46	3,024.96
(c) Deferred tax liabilities (net)	26	443.11	774.65
(d) Other non-financial liabilities	27	4,533.93	2,880.71
<b>Total non-financial liabilities</b>		<b>9,447.42</b>	<b>7,776.03</b>
<b>(3) Equity</b>			
(a) Equity share capital	28	12,119.22	11,454.24
(b) Other equity	29	4,94,199.40	5,06,775.40
<b>Equity attributable to the owners of the Holding Company</b>		<b>5,06,318.62</b>	<b>5,18,229.64</b>
Non controlling interests		20,784.81	43,016.05
<b>Total equity</b>		<b>5,27,103.43</b>	<b>5,61,245.69</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>8,62,852.94</b>	<b>10,12,896.36</b>

The accompanying notes form an integral part of these consolidated financial statements.  
This is the consolidated balance sheet referred to in our report of even date.

For **Sharp & Tannan Associates**  
Chartered Accountants  
Firm Registration No. 109983W

For and on behalf of the Board of Directors

**Tirtharaj Khot**  
Partner  
Membership No.: 037457

**Sameer Gehlout**  
Chairman & CEO  
DIN: 00060783

**Divyesh B. Shah**  
Whole Time Director &  
Chief Operating Officer  
DIN: 00010933

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Lalit Sharma**  
Company Secretary

Place: Mumbai  
Date: 30 May 2022

Place: London  
Date: 30 May 2022

Place: Mumbai  
Date: 30 May 2022

Place: Gurugram  
Date: 30 May 2022

Place: Gurugram  
Date: 30 May 2022

# Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

(All amounts are in Indian Rupees in lakh unless stated otherwise)

	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>I. Revenue from operations</b>			
Interest income	30	48,850.31	1,01,205.38
Dividend income	31	11.62	9.41
Fees and commission income	32	65,101.16	26,239.29
Net gain on fair value changes	33	1,910.17	3,622.30
Net gain on derecognition of financial assets	34	12,069.94	-
Sale of products	35	15,500.65	25.24
<b>Total revenue from operations</b>		<b>1,43,443.85</b>	<b>1,31,101.62</b>
II. Other income	36	3,098.17	5,244.08
<b>III. Total income (I + II)</b>		<b>1,46,542.02</b>	<b>1,36,345.70</b>
<b>IV. Expenses</b>			
Finance costs	37	27,501.56	49,132.11
Fees and commission expense	38	13,736.13	5,934.52
Net loss on derecognition of financial assets	34	-	3.11
Impairment of financial assets	39	38,376.03	27,759.20
Purchases of Stock-in-trade		26,680.76	113.52
Changes in Inventories of stock-in-trade and others	40	(10,459.85)	(90.45)
Employee benefits expenses	41	66,361.59	38,726.70
Depreciation and amortisation	42	9,498.93	8,395.38
Other expenses	43	64,932.19	27,243.01
<b>Total expenses</b>		<b>2,36,627.34</b>	<b>1,57,217.10</b>
<b>V. Profit/(loss) before tax (III - IV)</b>		<b>(90,085.32)</b>	<b>(20,871.40)</b>
<b>VI. Tax expense:</b>	44		
Current tax		1,978.80	6,028.03
Income-tax of earlier years		(445.68)	28.03
Deferred tax (credit)/charge		(5,581.49)	(3,950.56)
		<b>(4,048.37)</b>	<b>2,105.50</b>
<b>VII. Profit/(loss) for the year (V - VI)</b>		<b>(86,036.95)</b>	<b>(22,976.90)</b>
<b>VIII. Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement (gain)/loss on defined benefit plans		227.59	583.21
(b) Equity instruments through other comprehensive income		1,251.41	151.83
(ii) Income-tax relating to items that will not be reclassified to profit or loss		(57.93)	(146.96)
(iii) Items that will be reclassified to profit or loss			
(a) Changes in fair valuation of financial assets		(673.71)	(357.00)
(b) Exchange differences on translation of foreign operations		(281.05)	(18.13)
(iv) Income-tax relating to items that will be reclassified to profit or loss		46.75	89.85
<b>Total other comprehensive income (net of taxes)</b>		<b>513.06</b>	<b>302.80</b>
<b>IX. Total comprehensive income for the year (IX + X)</b>		<b>(85,523.89)</b>	<b>(22,674.10)</b>
<b>Net profit after tax attributable to -</b>			
Owners of the Holding Company		(86,635.46)	(22,505.40)
Non controlling interests		598.51	(471.50)
		<b>(86,036.95)</b>	<b>(22,976.90)</b>
<b>Other comprehensive income attributable to -</b>			
Owners of the Holding Company		513.06	302.80
Non controlling interests		-	-
		<b>513.06</b>	<b>302.80</b>
<b>Total comprehensive income attributable to -</b>			
Owners of the Holding Company		(86,122.40)	(22,202.60)
Non controlling interests		598.51	(471.50)
		<b>(85,523.89)</b>	<b>(22,674.10)</b>
<b>X. Earnings per equity share (₹) :</b>	45		
Basic		(15.30)	(4.16)
Diluted		(15.30)	(4.16)
Face value per equity share (₹)		2.00	2.00

The accompanying notes form an integral part of these consolidated financial statements.  
This is consolidated statement of profit and loss referred to in our report of even date.

For **Sharp & Tannan Associates** For and on behalf of the Board of Directors  
Chartered Accountants

Firm Registration No. 109983W

**Tirtharaj Khot**

Partner

Membership No.: 037457

Place: Mumbai  
Date: 30 May 2022

**Sameer Gehlaut**

Chairman & CEO

DIN: 00060783

Place: London  
Date: 30 May 2022

**Divyesh B. Shah**

Whole Time Director &  
Chief Operating Officer  
DIN: 00010933

Place: Mumbai  
Date: 30 May 2022

**Rajeev Lochan Agrawal**

Chief Financial Officer

Place: Gurugram  
Date: 30 May 2022

**Lalit Sharma**

Company Secretary

Place: Gurugram  
Date: 30 May 2022

## Consolidated Statement of Cash Flows

for the year ended 31 March 2022

*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities :		
Profit/(Loss) before tax	(90,085.32)	(20,871.40)
<b>Adjustments for:</b>		
Depreciation, amortisation and impairment	9,498.93	8,395.38
Loss/(profit) on sale of property, plant and equipment (net)	171.85	744.94
Profit on sale of investment property	-	(3,579.20)
Provision for employee benefits (net)	1,063.09	167.96
Provision for capital advances	0.65	24.74
Impairment on financial assets	(32,670.77)	27,759.20
Loss/(gain) on sale of loan portfolio through assignment	(13,012.55)	(102.44)
Excess provisions for expenses no longer required written back	(494.19)	(724.95)
Liabilities written back	(1,253.21)	(790.03)
Unrealised loss/(gain) on foreign exchange fluctuations (net)	-	16.09
Interest expenses on leasing arrangement	1,954.15	1,800.84
Net (gain)/loss on fair value changes	145.92	(132.36)
Share based payments expense	4,493.89	(143.26)
Effective interest rate adjustment for financial instruments	299.74	2,127.03
<b>Operating profit before working capital changes</b>	<b>(1,19,887.82)</b>	<b>14,692.54</b>
<b>Adjustments for :</b>		
(Increase)/ decrease in trade receivables	(5,093.53)	3,934.62
(Increase)/decrease in other receivables	4,905.37	(94.80)
(Increase)/ decrease in loans	61,348.47	24,277.28
(Increase)/ decrease in Inventory	(10,580.08)	(90.45)
(Increase)/ decrease in other financial assets	29,742.35	42,881.03
Increase/ decrease in non financial assets	(36,197.68)	(6,420.92)
Increase/(decrease) in trade payable	8,729.70	(4,613.43)
Increase/ (decrease) in other payable	(1,346.33)	9,870.92
Increase/(decrease) in other financial liabilities	538.30	22,182.80
Increase/ (decrease) in provisions	-	(330.66)
Increase/(decrease) in non-financial liabilities	2,906.43	(6,469.56)
<b>Cash generated from operating activities</b>	<b>(64,934.82)</b>	<b>99,819.37</b>
Income-taxes paid/ (refund) (net)	(5,291.67)	(7,282.84)
<b>Net cash generated from operating activities</b> <b>A</b>	<b>(70,226.49)</b>	<b>92,536.53</b>
<b>Cash flows from investing activities :</b>		
Purchase of property, plant and equipments, intangible assets under development and intangible assets (including capital advances)	(14,520.39)	(3,387.92)
Proceeds from sale of property, plant and equipments and refund of capital advance	8,504.79	208.92
Proceeds from sale of investment property	-	30,700.00
Purchase of investment property	(767.65)	-
Payment made on acquisition of subsidiary	-	(2,891.79)
Proceeds from investment (net)	84,203.10	(78,335.15)
<b>Net cash used in generated from/ (used in) investing activities</b> <b>B</b>	<b>77,419.85</b>	<b>(53,705.94)</b>

## Consolidated Statement of Cash Flows (Contd.)

for the year ended 31 March 2022

(All amounts are in Indian Rupees in lakh unless stated otherwise)

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Cash flows from financing activities :</b>			
Proceeds from issue of equity shares (including securities premium)		79,467.25	58,791.38
Dividends paid (including amount transferred to Investor Education and Protection Fund)		(81.64)	(59.61)
Purchase of treasury shares		(7,062.34)	(20,759.60)
Lease payments		(5,820.86)	(5,424.01)
Repayment of debt securities		(41,448.50)	(66,076.95)
Proceeds from debt securities		19,057.22	52,500.00
Repayment of borrowings (other than debt securities)		(1,35,446.29)	(1,76,934.82)
Proceeds from borrowings (other than debt securities)		11,200.00	41,123.80
<b>Net cash (used in)/ generated from financing activities</b>	<b>C</b>	<b>(80,135.16)</b>	<b>(1,16,839.81)</b>
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	<b>D</b>	<b>(72,941.80)</b>	<b>(78,009.22)</b>
Currency translation reserve	<b>E</b>	-	(17.67)
Cash and cash equivalent of subsidiary acquired	<b>F</b>	-	36.36
Cash and cash equivalents at the beginning of the year	<b>G</b>	1,23,095.03	2,01,085.55
<b>Cash and cash equivalents at the end of the year (D+E+F+G)</b>		<b>50,153.23</b>	<b>1,23,095.03</b>

### Notes:

1. The above statement of cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) -7 'Statement of Cash Flows' as specified under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Cash and cash equivalents as at the end of the year include:	At at 31 March 2022	As at 31 March 2021
Cash and cash equivalents (as per note 6 to the financial statements) *	65,240.24	1,23,595.03
Less: Bank overdraft facilities (as per note - 21 to the financial statements)	(15,087.01)	(500.00)
	<b>50,153.23</b>	<b>1,23,095.03</b>

\*Refer note 7(i) for restriction of cash and cash equivalents

3 For disclosures relating to change in liabilities arising from financing activities refer note- 51. The accompanying notes form an integral part of these consolidated financial statements. This is consolidated statement of cash flows referred to in our report of even date.

For **Sharp & Tannan Associates**  
Chartered Accountants  
Firm Registration No. 109983W

For and on behalf of the Board of Directors

**Tirtharaj Khot**  
Partner

**Sameer Gehlaut**  
Chairman & CEO

**Divyesh B. Shah**  
Whole Time Director &  
Chief Operating Officer  
DIN: 00010933

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Lalit Sharma**  
Company Secretary

Membership No.: 037457

DIN: 00060783

Place: Mumbai  
Date: 30 May 2022

Place: London  
Date: 30 May 2022

Place: Mumbai  
Date: 30 May 2022

Place: Gurugram  
Date: 30 May 2022

Place: Gurugram  
Date: 30 May 2022



# Standalone Statement of Changes in Equity

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

A		Equity share capital (refer note - 28)		Balance as at 1 April 2020		Changes during the year		Balance as at 31 March 2021		Changes during the year		Balance as at 31 March 2022				
		Particulars	Balance as at 1 April 2020	Balance as at 31 March 2021	Changes during the year		Balance as at 31 March 2021		Changes during the year		Balance as at 31 March 2022					
		Equity share capital	10,222.47	11,454.24	1,231.77		11,454.24		664.98		12,119.22					
B.		Other equity (refer note - 29)														
Particulars	Treasury shares	Reserves and surplus														
		Equity component of compulsorily convertible debentures	Reserve fund	Capital reserve	Securities premium	Capital redemption reserve	General reserve	Share options outstanding account	Retained earnings	Other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Total attributable to equity shareholders of the Holding Company	Total non-controlling interest	Total		
	Balance as at 1 April 2020	(18,305.73)	1,30,719.26	13,270.00	747.31	3,09,822.36	5,033.69	4,197.55	8,181.40	37,890.47	164.18	792.47	-	4,92,512.96	56,038.13	5,48,551.09
	Profit/(loss) for the year	-	-	-	-	-	-	-	(22,504.95)	-	-	-	-	(22,504.95)	(471.50)	(22,976.45)
	Other comprehensive income (net of tax)	-	-	-	-	-	-	-	436.25	151.83	(267.15)	-	-	320.93	-	320.93
	Issue of equity shares	-	(1,30,719.26)	-	-	1,88,421.55	-	-	-	-	-	-	-	57,702.29	-	57,702.29
	Expenses on issue of partly paid up shares	-	-	-	-	(15.50)	-	-	-	-	-	-	-	(15.50)	-	(15.50)
	Acquisition of own shares	(20,759.60)	-	-	-	-	-	-	-	-	-	-	-	(20,759.60)	-	(20,759.60)
	Non-controlling interests on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,550.58)	(12,550.58)
	Share based options lapsed	-	-	-	-	-	-	(3,541.16)	3,541.16	-	-	-	-	-	-	-
	Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(319.34)	-	-	-	(18.13)	(337.47)	-	(337.47)
	Share based payment expense	-	-	-	-	-	-	-	(143.26)	-	-	-	-	(143.26)	-	(143.26)
	Balance as at 31 March 2021	(39,065.33)	13,270.00	747.31	4,98,228.41	5,033.69	4,197.55	4,96.98	19,043.59	316.01	525.32	(18.13)	5,06,775.40	43,016.05	5,49,791.45	

# Standalone Statement of Changes in Equity

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Particulars	Treasury shares	Equity component of compulsorily convertible debentures	Reserves and surplus					Other comprehensive income			Total non-controlling interest	Total			
			Reserve fund	Capital reserve	Securities premium	Capital redemption reserve	General reserve	Share options outstanding account	Retained earnings	Equity instruments			Change in fair value of loan assets	Exchange differences on translating the financial statements of a foreign operation	Total attributable to equity shareholders of the Holding Company
Balance as at 1 April 2021	(39,065.33)	-	13,270.00	747.31	4,98,228.41	5,033.69	4,197.55	4,496.98	19,043.59	316.01	525.32	(18.13)	5,06,775.40	43,016.05	5,49,791.45
Profit/(loss) for the year	-	-	-	-	-	-	-	-	(86,635.44)	-	-	-	(86,635.44)	598.51	(86,036.93)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(238.37)	1,128.61	(504.15)	-	386.09	-	386.09
Issue of equity shares	-	-	-	-	79,133.21	-	-	-	-	-	-	-	79,133.21	-	79,133.21
Expenses on issue of partly paid up shares	-	-	-	-	(49.89)	-	-	-	-	-	-	-	(49.89)	-	(49.89)
Acquisition of own shares	(7,062.34)	-	-	-	-	-	-	-	-	-	-	-	(7,062.34)	-	(7,062.34)
Transfer to change in value of loan assets	-	-	-	-	-	-	-	-	(2,841.52)	-	-	-	(2,841.52)	-	(2,841.52)
Transfer from retained earnings	-	-	-	-	800.82	-	-	-	(800.82)	-	-	-	-	-	-
Non-controlling interests on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(22,829.75)	(22,829.75)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	281.05	-	-	(281.05)	-	-	-
Share based payment expense	-	-	-	-	-	-	-	4,493.89	-	-	-	-	4,493.89	-	4,493.89
Balance as at 31 March 2022	(46,127.67)	-	13,270.00	747.31	5,77,311.73	5,834.51	4,197.55	8,990.87	(71,191.51)	1,444.62	21.17	(299.18)	4,94,199.40	20,784.81	5,14,984.21

(i) The Company has not paid any dividend during financial year ended 31 March 2022. (previous year: Nil)

The accompanying notes form an integral part of these consolidated financial statements.  
This is consolidated statement of changes in equity referred to in our report of even date.

For **Sharp & Tandan Associates**  
Chartered Accountants  
Firm Registration No. 109983W

For and on behalf of the Board of Directors

**Tirtharaj Khot**  
Partner  
Membership No.: 037457  
Place: Mumbai  
Date: 30 May 2022

**Sameer Gehlaut**  
Chairman & CEO  
DIN: 00060783  
Place: London  
Date: 30 May 2022

**Divyesh B. Shah**  
Whole Time Director &  
Chief Operating Officer  
DIN: 00010933  
Place: Mumbai  
Date: 30 May 2022

**Rajeev Lochan Agrawal**  
Chief Financial Officer  
Place: Gurugram  
Date: 30 May 2022

**Lalit Sharma**  
Company Secretary  
Place: Gurugram  
Date: 30 May 2022

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

### Note - 1

#### Group overview

"Dhani Services Limited (formerly Indiabulls Ventures Limited) ('DSL', 'the Holding Company', 'the Company') along with its subsidiaries and associate, collectively referred to as 'the Group' in following notes. The Group's primary businesses are ""Broking and Related activities"", ""Financing and Related activities"" and ""Asset Reconstruction and Related activities"". Broking and related activities include business as a stock broker on the National Stock Exchange of India Limited ('NSE') and the BSE Limited ('BSE'), business as a commodity broker on the Multi Commodity Exchange of India Limited and the National Commodity and Derivative Exchange Limited, business of cross selling of real estate and providing other ancillary services relating to broking activities. Financing and Related activities include personal loans, business installment loans etc. Asset Reconstruction and Related activities include asset reconstruction business of stressed assets.

On 2 April 2008, the equity shares of the Holding Company were listed on the NSE and the BSE after the demerger of the Holding Company from Indiabulls Financial Services Limited (erstwhile holding company) vide Scheme of Arrangement. The Holding Company is domiciled in India and its registered office is situated at 1/1 E, First Floor, East Patel Nagar, New Delhi – 110008."

### Note - 2

#### General information and statement of compliance with Ind AS

These consolidated financial statements ('financial statements') have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies during the periods presented in this consolidated financial statements.

These consolidated financial statements for the year ended 31 March 2022 are the consolidated financial statements which has been prepared in accordance with Ind AS.

The consolidated financial statements for the year ended 31 March 2022 were authorized and approved for issue by the Board of Directors on 30 May 2022.

### Note - 3

#### 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 as explained in relevant accounting policies. These consolidated financial statements of the Company are presented in Indian Rupees (INR) which is also the Company's functional currency.

### Note - 4

#### Basis of consolidation

##### Subsidiaries

The consolidated financial statements comprise financial statements of the Holding Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls 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 the relevant activities of the entity. The Group can have

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss [including other comprehensive income ('OCI')] of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

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

### Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control those policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Interest in associates are accounted for using the equity method, after initially being recognized at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting principles and policies of the Group. The consolidated statement of profit and loss (including the other comprehensive income) includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interests in associates.

### Business combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group. Acquisition costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values. Goodwill is measured as excess of the aggregate of the fair value of the consideration transferred, the amount recognized for non-controlling interests and fair value of any previous interest held, over the fair value of the net of identifiable assets acquired and liabilities assumed. If the fair value of the net of identifiable assets acquired and liabilities assumed is in excess of the aggregate mentioned above, the resulting gain on bargain purchase is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

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

### Note - 5

#### I Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

##### Significant management judgements

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

**Business model assessment** - The Group determines the business model at a level that reflects how groups 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 derecognised 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.

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

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

**Expected credit loss ('ECL')** – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Group makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

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

##### Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

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 utility of assets.

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

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

### II 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, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

#### a. Property, plant and equipment

##### Recognition and initial measurement

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

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

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortised over the duration of the lease.

Asset class	Useful life
Furniture and fixtures	10 years
Vehicles	8-10 years
Office equipment	5 years
Computer equipment	3 years
Server and Networks	6 years
Leasehold improvements	Lower of useful life of the asset or lease term

Property, plant and equipment individually costing up to INR 5,000 are fully depreciated in the year of acquisition. Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

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

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

### De-recognition

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

### b. Intangible assets

#### Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation method, useful lives and residual value)

Asset class	Useful life
Software	3 - 10 years
Licences	Over the period of license

Intangible assets are amortised from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

The Company had developed a software that is used to enhance the company's business in e-wallet segment. Useful life of that software were estimated 4 year basis the expected economic benefit from the software . However, pursuant to the policy of assessing the economic benefits at the end of each reporting period, the company has reassessed the expected pattern of consumption of economic benefit basis technical estimate of the software and expect benefits will flow to the Company till 10 years.

### c. Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Group can demonstrate following recognition requirements:

- The development costs can be measured reliably;
- The project is technically and commercially feasible;
- The Group intends to and has sufficient resources to complete the project;
- The Group has the ability to use or sell the such intangible asset; and
- The asset will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

### d. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

**Step 1: Identify contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2: Identify performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3: Determine the transaction price:** The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step 4: Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

**Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.**

The Group recognises revenue from the following sources:

### **Interest income**

Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. Interest income are recognised using the effective interest method ('EIR'). Calculation of the EIR includes all fees received or cost incurred that are incremental and directly attributable to the acquisition of a financial asset. Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets.

### **Income from assignment**

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss. EIS evaluated and adjusted for ECL and expected prepayment.

### **Interest on investments and deposits**

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

### **Brokerage income**

Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract.

### **Management fee**

Management fee is recognised as revenue on accrual basis based on contractual arrangement, when there is no uncertainty in the ultimate realisation/collection.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

### **Recovery/incentive fee**

Recovery/incentive fee is recognised as revenue on accrual basis based on contractual arrangement, when there is no uncertainty in the ultimate realisation/collection.

### **Commission income**

Commissions / brokerage from distribution of financial products are recognised on accrual basis upon allotment of the securities to the applicant.

### **Revenue from Digital Wallet Service & Merchant Fee**

Revenue from digital services is recognized for providing payment gateway aggregation services and as a platform for merchant transactions executed through the wallets provided to customers through payment gateways, on a periodic basis as and when transactions are settled. Wallet maintenance fees in relation to facilitating wallet transactions and maintenance of related technical platforms is recognized on an accrual basis. Merchant fees from wallet transaction are recognized on the basis of successful pay-out of wallet usage to the respective merchants. The settlements are done daily for such transactions with the merchants. Revenue from banking correspondence services are recognised on accrual basis in accordance with the terms and conditions of the underlying mandates entered into with bank. The Group provides card enabled prepaid payment program management and remittance services. In such contracts, revenue is recognised as and when transactions are done through cards.

### **Depository account maintenance income**

Depository account maintenance income is recognised on accrual basis and as at the time when the right to receive is established by the reporting date.

### **Pharmaceutical Products**

In respect of sale of pharmaceutical products, where the performance obligation is satisfied at a point in time, revenue is recognised when the control of goods is transferred to the customer.

### **Consultation Income**

Revenue from consultation, is recognised as the underlying services has performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

### **Dividend income**

Dividend income is recognised when the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

### **Net gain on fair value changes**

The Group designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Group recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

### **Miscellaneous income**

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

### e. Borrowing costs

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

### f. Taxation

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

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside consolidated profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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 consolidated 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 is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

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. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside consolidated statement of profit and loss (either in other comprehensive income or in equity).

### g. Employee benefits

#### Short-term employee benefits

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

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

### Other long-term employee benefits

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

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

#### Defined contribution plans

The Group has a defined contribution plans namely provident fund, pension fund, labour welfare fund and employees state insurance scheme. The contribution made by the Group in respect of these plans are charged to the consolidated statement of profit and loss.

#### Defined benefit plans

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 as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

#### h. Share based payments

The Holding Company has formulated various Employees Stock Option Schemes. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in consolidated statement of profit and loss, with a corresponding adjustment to equity.

#### i. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

#### j. Provisions, contingent assets and contingent liabilities

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

#### Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

### k. Financial instruments

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

#### Subsequent measurement

- Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:

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

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

- Investments in equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

- Investments in mutual funds** – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

**Level 1 financial instruments:** Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole. Based on the Group's business model for managing the investments, the Group has classified its investments and securities for trade at FVTPL. Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments."

### De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Group's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Group has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

### Financial liabilities

#### Subsequent measurement

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

#### De-recognition of financial liabilities

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

#### Convertible debentures

Convertible debentures are separated into liability and equity components basis the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as financial liability measured at amortised cost until it is extinguished on conversion. The remainder of the proceeds is recognised in equity since conversion option meets the fixed for fixed criteria.

#### Offsetting of financial instruments

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

### I. Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Group factors historical trends and forward looking information to assess expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

### Loan assets

The Group follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) – LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) – EAD is based on the amounts the Group expects to be owed at the time of default. For a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

### Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

### Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

### Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument in consolidated statement of profit and loss.

### m. Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the consolidated statement of profit and loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

### n. Earnings per equity share

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

For the purpose of calculating diluted earnings per equity 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.

### o. Segment reporting

The Group identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance.

### p. Foreign currency

#### Functional and presentation currency

Items included in the financial statement of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements have been prepared and presented in Indian Rupees (INR), which is the Holding Company's functional and presentation currency.

#### Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

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

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

*(All amounts in Indian Rupees in lakh unless stated otherwise)*

### q. Investment property

Investment properties are land and buildings that are held for long term lease rental yields and/or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising buildings are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on buildings is provided over the estimated useful lives of 60 years. The residual values, estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the Statement of Profit and Loss when the changes arise.

An investment property is de-recognised when either the investment property has been disposed of or do not meet the criteria of investment property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

### r. Classification of leases –

The Group enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

#### Leases

upto 31 March 2019, assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

For any new contracts entered into on or after 1 April 2019, the Group considers whether a contract is, or contains a lease (the transition approach has been explained and disclosed in Note 48). A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

#### Classification of leases

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

#### Recognition and initial measurement

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

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



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

*(All amounts in Indian Rupees in lakh unless stated otherwise)*

### Recognition and initial measurement

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

### Subsequent measurement

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

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

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

### s. Treasury shares

The Company had created "Indiabulls Ventures Limited - Employee Welfare Trust" ('Trust') for the implementation of schemes namely employees stock options plans, employees stock purchase plan and stock appreciation rights plan. During the year ended 31 March 2021, name of the Trust has been changed to "Udaan Employee Welfare Trust" ("Udaan-EWT"). The Company treats Udaan-EWT as its extension and the Company's own shares held by Udaan-EWT are treated as treasury shares. Treasury shares are presented as a deduction from other equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

### t. Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but not distributed at the end of the reporting period, being appropriately authorised and no longer at the discretion of the Company. The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### u. Inventory

Items of Inventories are valued at lower of cost or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on Weighted Average basis. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Net Realizable Value represents the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### v. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

#### Balance Sheet

##### - "Ind AS 103(Business Combinations) – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian

Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements."

##### - Ind AS 16 (Property, Plant & Equipment) – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements."

##### - Ind AS 37 (Provisions, Contingent Liabilities & Contingent Assets) – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements."

##### - Ind AS 109 (Financial Instruments) – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements."

##### - The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 6	As at 31 March 2022	As at 31 March 2021
<b>Cash and cash equivalents</b>		
Cash on hand	8.53	7.53
Cheques on hand	2,341.38	-
Balance with banks:		
- in current accounts	50,546.27	58,972.39
- Fixed deposit having a maturity of three months or less (including interest accrued) (refer 7(i))	12,344.06	64,615.11
	<b>65,240.24</b>	<b>1,23,595.03</b>

Note - 7	As at 31 March 2022	As at 31 March 2021
<b>Bank balance other than cash and cash equivalents</b>		
Fixed deposits having a maturity of more than three months (including interest accrued) (refer 7(i) below)	59,969.50	69,874.13
In earmarked balances:		
- Earmarked accounts	10,286.17	9,516.23
- Unpaid dividend accounts	141.84	223.48
	<b>70,398.32</b>	<b>79,613.84</b>

(i) Bank deposits include:	As at 31 March 2022	As at 31 March 2021
a) Deposits pledged with the National Stock Exchange of India, BSE Limited, NSE Clearing Limited, Multi Commodity Exchange of India Limited and National Commodity and Derivative Exchange Limited for the purpose of base capital and additional base capital.	38,763.37	36,749.25
b) Deposits pledged with banks for overdraft facilities availed by the Group.	800.00	13,059.79
c) Deposits pledged with bank against bank guarantees issued in favour of Unique Identification Authority of India.	25.00	50.18
d) Deposits pledged with bank against bank guarantees issued in favour of National Stock Exchange of India Limited for right issue of the Holding Company.	-	1,700.00
e) Deposits pledged for arbitration matters.	46.62	46.03
f) Deposits pledged with State Commission, New Delhi for appeal filed by the Holding Company in a consumer dispute matter.	0.25	0.25
g) Deposits pledged with Value added tax/ Sales tax authorities	2.90	2.90
h) Deposits pledged for securitisations	-	23,350.24

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 8 Trade receivables	As at 31 March 2022	As at 31 March 2021
Receivables considered good (unsecured)	12,810.07	14,027.67
Receivables which have significant increase in credit risk	4,706.78	4,315.78
<b>Total - gross</b>	<b>17,516.85</b>	<b>18,343.45</b>
Less: Impairment loss allowance	(4,706.78)	(4,315.78)
<b>Total - net</b>	<b>12,810.07</b>	<b>14,027.67</b>
Outstanding for following periods from due date of payment and where no due date of payment is specified in that case disclosure shall be from the date of the transaction.		
<b>Trade receivables includes:</b>		
Debts due by directors or other officers	-	-
Due from others	17,516.85	18,343.45

### Trade Receivables aging schedule as at 31 March 2022

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	4,381.87	2,155.36	863.01	1,671.02	3,738.81	12,810.07
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	40.41	96.73	119.44	1,112.04	1,112.28	2,480.90
(iii) Undisputed Trade Receivables - credit impaired	(40.41)	(96.73)	(119.44)	(1,112.04)	(1,112.28)	(2,480.90)
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	56.16	134.24	165.91	372.68	1,496.89	2,225.88
(vi) Disputed Trade Receivables - credit impaired	(56.16)	(134.24)	(165.91)	(372.68)	(1,496.89)	(2,225.88)

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Trade Receivables aging schedule as at 31 March 2021

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	4,240.91	534.46	2,856.78	3,334.93	3,060.59	14,027.67
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	200.37	66.01	1,189.54	1,800.60	484.14	3,740.66
(iii) Undisputed Trade Receivables - credit impaired	(200.37)	(66.01)	(1,189.54)	(1,800.60)	(484.14)	(3,740.66)
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	25.86	5.22	89.92	202.99	251.13	575.12
(vi) Disputed Trade Receivables - credit impaired	(25.86)	(5.22)	(89.92)	(202.99)	(251.13)	(575.12)

Note - 9 Other receivables	As at 31 March 2022	As at 31 March 2021
Receivables considered good (unsecured)	4,363.32	6,969.91
Receivables which have significant increase in credit risk	854.57	4,207.65
<b>Total - gross</b>	<b>5,217.89</b>	<b>11,177.56</b>
Less: Impairment loss allowance	(3,153.35)	(4,207.65)
<b>Total - net</b>	<b>2,064.54</b>	<b>6,969.91</b>
<b>Other receivables includes:</b>		
Debts due by directors or other officers	-	-
Due from others	5,217.89	11,177.56

Note - 10 Loans	As at 31 March 2022		
	At amortised cost	At fair value through other comprehensive income	Total
(a) Loans			
- Secured	1,33,770.38	1,053.85	1,34,824.23
- Unsecured	3,26,144.17	923.12	3,27,067.29
(b) Margin funding loan receivables (secured, considered good)	3,247.35	-	3,247.35
Less: Margin received	(153.21)	-	(153.21)
<b>Total gross</b>	<b>4,63,008.69</b>	<b>1,976.97</b>	<b>4,64,985.66</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 10 Loans	As at 31 March 2022		
	At amortised cost	At fair value through other comprehensive income	Total
Total Gross	4,63,008.69	1,976.97	4,64,985.66
Less: Impairment loss allowance	(55,254.76)	(15.43)	(55,270.19)
<b>Total net</b>	<b>4,07,753.93</b>	<b>1,961.54</b>	<b>4,09,715.47</b>
(i) Secured by tangible assets	1,36,864.52	1,053.85	1,37,918.37
(ii) Secured by other assets	-	-	-
(iii) Unsecured	3,26,144.17	923.12	3,27,067.29
<b>Total gross</b>	<b>4,63,008.69</b>	<b>1,976.97</b>	<b>4,64,985.66</b>
Less: Impairment loss allowance	(55,254.76)	(15.43)	(55,270.19)
<b>Total net</b>	<b>4,07,753.93</b>	<b>1,961.54</b>	<b>4,09,715.47</b>
<b>Loans in India</b>			
(i) Public sector	-	-	-
(ii) Others	4,63,008.69	1,976.97	4,64,985.66
<b>Total gross</b>	<b>4,63,008.69</b>	<b>1,976.97</b>	<b>4,64,985.66</b>
Less: Impairment loss allowance	(55,254.76)	(15.43)	(55,270.19)
<b>Total net</b>	<b>4,07,753.93</b>	<b>1,961.54</b>	<b>4,09,715.47</b>

	As at 31 March 2021		
	At amortised cost	At fair value through other comprehensive income	Total
(a) Loans			
- Secured	1,76,434.32	1,633.14	1,78,067.46
- Unsecured	3,28,242.73	16,151.17	3,44,393.90
(b) Margin funding loan receivables (secured, considered good)	123.85	-	123.85
Less: Margin received	(16.09)	-	(16.09)
<b>Total gross</b>	<b>5,04,784.81</b>	<b>17,784.31</b>	<b>5,22,569.12</b>
<b>Total Gross</b>	<b>5,04,784.81</b>	<b>17,784.31</b>	<b>5,22,569.12</b>
Less: Impairment loss allowance	(62,449.77)	(234.09)	(62,683.86)
<b>Total net</b>	<b>4,42,335.04</b>	<b>17,550.22</b>	<b>4,59,885.26</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 11 Investments	As at 31 March 2022			
	At Amortised cost	At fair value through profit or loss	At cost	Total
Mutual funds	-	35,950.15	-	35,950.15
Security Receipts	-	3,793.51	-	3,793.51
Equity instruments	1,567.51	-	-	1,567.51
Investment in SR	17,500.00	-	-	17,500.00
<b>Total (A)</b>	<b>19,067.51</b>	<b>39,743.66</b>	-	<b>58,811.17</b>
(i) Investments outside India	-	-	-	-
(ii) Investments in India	19,067.51	39,743.66	-	58,811.17
<b>Total (B)</b>	<b>19,067.51</b>	<b>39,743.66</b>	-	<b>58,811.17</b>
Less: Allowance for Impairment loss ( C)	-	-	-	-
<b>Total (D) = (A)-(C)</b>	<b>19,067.51</b>	<b>39,743.66</b>	-	<b>58,811.17</b>

Investments	As at 31 March 2021			
	At Amortised cost	At fair value through profit or loss	At cost	Total
Mutual funds	-	1,37,776.30	-	1,37,776.30
Security Receipts	-	3,939.19	-	3,939.19
Equity instruments	316.10	-	-	316.10
<b>Total (A)</b>	<b>316.10</b>	<b>1,41,715.49</b>	-	<b>1,42,031.59</b>
(i) Investments in India	316.10	1,41,715.49	-	1,42,031.59
(ii) Investments outside India	-	-	-	-
<b>Total (B)</b>	<b>316.10</b>	<b>1,41,715.49</b>	-	<b>1,42,031.59</b>
Less: Allowance for Impairment loss ( C)	-	-	-	-
<b>Total (D) = (A)-(C)</b>	<b>316.10</b>	<b>1,41,715.49</b>	-	<b>1,42,031.59</b>

Note - 12 Other financial assets	As at 31 March 2022	As at 31 March 2021
(a) Loan notes and escrow receivable (refer footnote 1 below)		
Considered good	-	779.17
(b) Loan to employees	201.42	241.16
(c) Security deposits		
<b>Secured (refer foot note 2 below)</b>		
(i) Deposit for underwriting/ distribution of real estate projects	-	12,538.20
<b>Unsecured, considered good</b>		
(i) Deposits (including margin money) with stock exchanges	2,448.03	2,422.12
(ii) Deposits for underwriting/distribution of real estate projects	28,569.84	15,062.22
(iii) Deposits with others	692.26	570.85
<b>Unsecured, considered doubtful</b>		
(i) Deposits with others	13.32	33.42
	<b>31,710.13</b>	<b>30,593.39</b>
(d) Receivable on assigned loans	1,524.79	8,479.86
Less: Impairment loss allowance	(24.44)	(1,635.59)
(e) Others recoverable	245.76	1,102.80
	<b>33,657.66</b>	<b>39,560.79</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Footnotes:

- (1) During the year ended 31 March 2012, the Company had sold 586,193 shares held by it in Copal Partners Limited to Moody's Group UK LTD for the consideration of ₹ 2,319.93 lakh vide the share purchase deed. Out of the total consideration of ₹ 2,319.93 lakh receivable from Moody's Group UK LTD, ₹ 779.17 lakh (including foreign exchange gain) was outstanding as at 31 March 2021 in the form of Loan Notes of the Moody's Group UK LTD and Escrow account. In current year the company has impaired these balances.
- (2) Secured by way of mortgage/pledge/hypothecation of residential real estate properties of the respective parties in favour of the group.

Note - 13 Inventories	As at 31 March 2022	As at 31 March 2021
(a) Stock-in-Trade	10,670.53	90.45
	<b>10,670.53</b>	<b>90.45</b>

Note - 14 Current tax assets (net)	As at 31 March 2022	As at 31 March 2021
Advance Income-tax (including tax deducted at source) (Net of provision for taxation)	21,410.55	18,137.97
	<b>21,410.55</b>	<b>18,137.97</b>

Note - 15 Deferred tax assets (net)	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax assets:</b>		
Provision for doubtful debts, advances and security deposits	280.52	366.06
Provision for contingencies	0.11	382.41
Impairment loss allowance	10,339.68	13,061.87
Disallowances u/s. 40A(7) of the Income-tax Act, 1961	511.18	521.91
Disallowances u/s. 43B of the Income-tax Act, 1961	158.30	234.51
Difference between tax balance and book balance of fixed assets	142.14	157.83
Tax losses carried forward	11,139.77	5,224.40
Financial assets measured at amortised cost	1,145.10	1,200.83
Share based payments	1,987.59	1,145.40
Minimum alternate tax credit entitlement*	1,568.46	1,568.46
Leases liabilities	17.60	19.03
Effect of reversal of financing component from revenue	5.45	34.13
Others	578.37	253.35
<b>Deferred tax assets (A):</b>	<b>27,880.65</b>	<b>24,170.19</b>
<b>Deferred tax liability:</b>		
Financial assets measured at fair value through profit and loss	-	-
Financial assets measured at fair value through other comprehensive income	129.93	176.68
Difference between book balance and tax balance of fixed assets	1,320.66	838.84
Derecognition of financial instruments measured under amortised cost category	279.93	2,231.70
Financial liabilities measured at amortised cost	33.38	41.55
Others	-	3.62
<b>Deferred tax liability (B):</b>	<b>1,763.90</b>	<b>3,292.39</b>
<b>Deferred tax assets (net) C = (A) - (B)</b>	<b>26,116.75</b>	<b>20,877.80</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Movement in deferred tax assets (net) for the year ended 31 March 2022	As at 1 April 2021	Recognised in profit and loss	Recognised in other comprehensive income	Recognised in other equity	As at 31 March 2022
<b>Deferred tax assets:</b>					
Provision for doubtful debts, advances and security deposits	366.06	(85.54)	-	-	280.52
Provision for contingencies	382.41	(382.30)	-	-	0.11
Impairment loss allowance	13,061.87	(2,722.19)	-	-	10,339.68
Disallowances u/s. 40A(7) of the Income-tax Act, 1961	521.91	(10.73)	-	-	511.18
Disallowances u/s. 43B of the Income-tax Act, 1961	234.51	(18.28)	(57.93)	-	158.30
Difference between tax balance and book balance of fixed assets	157.83	(15.69)	-	-	142.14
Tax losses carried forward	5,224.40	5,915.37	-	-	11,139.77
Financial assets measured at amortised cost	1,200.83	(55.73)	-	-	1,145.10
Financial assets measured at fair value through profit and loss	-	6.38	-	-	6.38
Share based payments	1,145.40	842.19	-	-	1,987.59
Minimum alternate tax credit entitlement*	1,568.46	-	-	-	1,568.46
Leases liabilities	19.03	(1.43)	-	-	17.60
Effect of reversal of financing component from revenue	34.13	(28.68)	-	-	5.45
Others	253.35	278.27	46.75	-	578.37
<b>Deferred tax assets (A):</b>	<b>24,170.19</b>	<b>3,721.64</b>	<b>(11.18)</b>	<b>-</b>	<b>27,880.65</b>
<b>Deferred tax liabilities:</b>					
Financial assets measured at fair value through profit and loss	-	-	-	-	(6.38)
Difference between book balance and tax balance of fixed assets	838.84	481.82	-	-	1,320.66
Financial assets measured at fair value through other comprehensive income	176.68	(46.75)	-	-	129.93
Derecognition of financial instruments measured under amortised cost category	2,231.70	(1,951.77)	-	-	279.93
Financial liabilities measured at amortised cost	41.55	(8.17)	-	-	33.38
Others	3.62	(3.62)	-	-	-
<b>Deferred tax liabilities (B):</b>	<b>3,292.39</b>	<b>(1,528.49)</b>	<b>-</b>	<b>-</b>	<b>1,763.90</b>
	<b>8,950.48</b>				<b>-</b>
<b>Deferred tax assets (net) C = (A) - (B)</b>	<b>20,877.80</b>	<b>5,250.13</b>	<b>(11.18)</b>	<b>-</b>	<b>26,116.75</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Movement in deferred tax assets (net) for the year ended 31 March 2021	As at 1 April 2020	Recognised in profit and loss	Recognised in other comprehensive income	Recognised in other equity	As at 31 March 2021
<b>Deferred tax assets:</b>					
Provision for doubtful debts, advances and security deposits	339.39	26.67	-	-	366.06
Provision for contingencies	535.18	(152.77)	-	-	382.41
Impairment loss allowance	15,397.76	(2,335.89)	-	-	13,061.87
Disallowances u/s. 40A(7) of the Income-tax Act, 1961	596.01	(74.10)	-	-	521.91
Disallowances u/s. 43B of the Income-tax Act, 1961	290.50	90.97	(146.96)	-	234.51
Difference between tax balance and book balance of fixed assets	130.46	27.37	-	-	157.83
Tax losses carried forward	4,803.62	420.78	-	-	5,224.40
Financial assets measured at amortised cost	1,918.41	(717.58)	-	-	1,200.83
Financial liabilities measured at amortised cost	322.71	(322.71)	-	-	-
Share based payments	2,070.03	(924.63)	-	-	1,145.40
Compulsorily convertible debentures	1,012.89	(1,012.89)	-	-	-
Minimum alternate tax credit entitlement*	1,666.05	(100.29)	-	2.70	1,568.46
Leases liabilities	19.50	(0.47)	-	-	19.03
Others	409.75	(282.14)	89.85	35.89	253.35
<b>Deferred tax assets (A):</b>	<b>29,512.26</b>	<b>(5,323.55)</b>	<b>(57.11)</b>	<b>38.59</b>	<b>24,170.19</b>
<b>Deferred tax liabilities:</b>					
Financial assets measured at fair value through profit and loss	-	-	-	-	-
Difference between book balance and tax balance of fixed assets	752.19	86.65	-	-	838.84
Financial assets measured at fair value through other comprehensive income	266.53	(89.85)	-	-	176.68
Derecognition of financial instruments measured under amortised cost category	11,224.15	(8,992.45)	-	-	2,231.70
Financial liabilities measured at amortised cost	-	41.55	-	-	41.55
<b>Others</b>	<b>-</b>	<b>3.62</b>	<b>-</b>	<b>-</b>	<b>3.62</b>
<b>Deferred tax liabilities (B):</b>	<b>12,242.87</b>	<b>(8,950.48)</b>	<b>-</b>	<b>-</b>	<b>3,292.39</b>
<b>Deferred tax assets (net) C = (A) - (B)</b>	<b>17,269.39</b>	<b>3,626.93</b>	<b>(57.11)</b>	<b>38.59</b>	<b>20,877.80</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 16A Investment Property	Land	Building	Total
<b>Gross block (at cost)</b>			
<b>As at 1 April 2020</b>	26,919.79	205.21	27,125.00
Additions during the year	-	-	-
Sales/adjustment during the year	26,919.79	205.21	27,125.00
<b>As at 31 March 2021</b>	-	-	-
Additions during the year	-	767.65	767.65
Sales/adjustment during the year	-	-	-
<b>As at 31 March 2022</b>	-	<b>767.65</b>	<b>767.65</b>
<b>Accumulated depreciation</b>			
<b>As at 1 April 2020</b>	-	<b>2.50</b>	<b>2.50</b>
Depreciation during the year	-	1.70	1.70
Sales/adjustment during the year	-	4.20	4.20
<b>As at 31 March 2021</b>	-	-	-
Depreciation during the year	-	-	-
Sales/adjustment during the year	-	-	-
<b>As at 31 March 2022</b>	-	-	-
<b>Net Block as at 31 March 2021</b>	-	-	-
<b>Net Block as at 31 March 2022</b>	-	<b>767.65</b>	<b>767.65</b>

### Notes:

#### Disclosures relating to fair valuation of investment property:

Fair value of the above investment property as at 31 March 2022 is ₹ 505.00 lakh based on circle rate of the area in which property is situated.

The Group has not earned any rental income on the above properties.

Note - 16B Property, plant and equipment	Furniture and fixtures	Vehicles#	Office equipment	Computers	Server and networks	Leasehold improvements	Freehold land	Total
<b>Gross block (at cost)</b>								
<b>As at 1 April 2020</b>	<b>3,796.91</b>	<b>597.14</b>	<b>1,347.63</b>	<b>4,634.82</b>	<b>287.22</b>	<b>404.17</b>	<b>12.98</b>	<b>11,080.87</b>
Addition on acquisition of subsidiary	-	-	0.40	11.23	-	-	-	11.63
Additions during the year	1,666.96	-	192.92	116.99	153.31	-	-	2,130.18
Sales/adjustment during the year	777.54	94.32	204.48	81.10	-	188.34	-	1,345.78
<b>As at 31 March 2021</b>	<b>4,686.33</b>	<b>502.82</b>	<b>1,336.47</b>	<b>4,681.94</b>	<b>440.53</b>	<b>215.83</b>	<b>12.98</b>	<b>11,876.90</b>
Addition on acquisition of subsidiary	-	-	-	-	-	-	-	-
Additions during the year	1,136.01	-	965.27	3,815.32	513.13	644.30	-	7,074.03
Sales/adjustment during the year	144.34	-	27.31	100.53	-	9.38	-	281.56
<b>As at 31 March 2022</b>	<b>5,678.00</b>	<b>502.82</b>	<b>2,274.43</b>	<b>8,396.73</b>	<b>953.66</b>	<b>850.75</b>	<b>12.98</b>	<b>18,669.37</b>
<b>Accumulated depreciation</b>								
<b>As at 1 April 2020</b>	<b>339.20</b>	<b>243.47</b>	<b>376.41</b>	<b>2,157.37</b>	<b>21.44</b>	<b>189.88</b>	-	<b>3,327.77</b>
Addition on acquisition of subsidiary	-	-	0.37	6.33	-	-	-	6.70

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 16B Property, plant and equipment	Furniture and fixtures	Vehicles#	Office equipment	Computers	Server and networks	Leasehold improvements	Freehold land	Total
Depreciation during the year	452.68	85.57	262.15	1,096.19	60.36	64.31	-	2,021.26
Sales/adjustment during the year	123.44	54.23	75.70	51.18	-	74.75	-	379.30
<b>As at 31 March 2021</b>	<b>668.44</b>	<b>274.81</b>	<b>563.23</b>	<b>3,208.71</b>	<b>81.80</b>	<b>179.44</b>	-	<b>4,976.43</b>
Depreciation during the year	527.69	60.55	348.60	1,341.12	113.78	58.74	-	2,450.48
Sales/adjustment during the year	34.61	-	21.27	92.93	-	2.03	-	150.84
<b>As at 31 March 2022</b>	<b>1,161.52</b>	<b>335.36</b>	<b>890.56</b>	<b>4,456.90</b>	<b>195.58</b>	<b>236.15</b>	-	<b>7,276.07</b>
<b>Net Block as at 31 March 2021</b>	<b>4,017.89</b>	<b>228.01</b>	<b>773.24</b>	<b>1,473.23</b>	<b>358.73</b>	<b>36.39</b>	<b>12.98</b>	<b>6,900.47</b>
<b>Net Block as at 31 March 2022</b>	<b>4,516.48</b>	<b>167.46</b>	<b>1,383.87</b>	<b>3,939.83</b>	<b>758.08</b>	<b>614.60</b>	<b>12.98</b>	<b>11,393.30</b>

# Includes vehicles having carrying value of ₹ 10.23 lakhs (31 March 2021 ₹ 22.72 lakhs which are hypothecated to banks against the respective loans.

(a) Refer note 49B, for disclosure of contractual commitments to be executed on capital account for property, plant and equipment.

Note - 16C Capital work-in-progress	
<b>As at 1 April 2020</b>	-
Additions during the year	123.67
Capitalised during the year	-
<b>As at 31 March 2021</b>	<b>123.67</b>
Additions during the year	-
Capitalised during the year	123.67
<b>As at 31 March 2022</b>	<b>-</b>
<b>Note - 16D Right of use assets*</b>	<b>Building office premises</b>
<b>Gross block (at cost)</b>	
<b>As at 1 April 2020</b>	<b>29,115.19</b>
Additions during the year	11,886.44
Deletion during the year	(18,017.58)
<b>As at 31 March 2021</b>	<b>22,984.05</b>
Additions during the year	15,913.27
Deletion during the year	(5,785.09)
<b>As at 31 March 2022</b>	<b>33,112.23</b>
<b>Accumulated depreciation</b>	
<b>As at 1 April 2020</b>	<b>4,979.99</b>
Additions during the year	3,382.92
Deletion during the year	(538.64)
<b>As at 31 March 2021</b>	<b>7,824.27</b>
Additions during the year	3,884.02
Deletion during the year	(570.97)
<b>As at 31 March 2022</b>	<b>11,137.32</b>
<b>Net block as at 31 March 2021</b>	<b>15,159.78</b>
<b>Net block as at 31 March 2022</b>	<b>21,974.91</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 16E Intangible assets under development	
<b>As at 1 April 2020</b>	<b>608.12</b>
Additions during the year	558.40
Capitalised during the year	688.44
<b>As at 31 March 2021</b>	<b>478.08</b>
Additions during the year	2,577.23
Capitalised during the year	2,359.20
<b>As at 31 March 2022</b>	<b>696.11</b>
<b>As at 31 March 2021</b>	<b>478.08</b>
<b>As at 31 March 2022</b>	<b>696.11</b>

Note - 16F Goodwill on consolidation	Goodwill
<b>As at 1 April 2020</b>	3,906.43
Add: Adjustment on acquisition	2,890.73
Less: Adjustment on disposal of subsidiary	-
<b>As at 31 March 2021</b>	<b>6,797.16</b>
Add: Adjustment on acquisition/disposal of subsidiary(ies)	-
Less: Adjustment on disposal of subsidiary	-
<b>As at 31 March 2022</b>	<b>6,797.16</b>

Note - 16G Other intangible assets	Software	Licence	Total
<b>Gross block (at cost)</b>			
<b>As at 1 April 2020</b>	20,677.12	-	20,677.12
Additions during the year	2,429.79	16.80	2,446.59
Sales/adjustment during the year	-	-	-
<b>As at 31 March 2021</b>	<b>23,106.91</b>	<b>16.80</b>	<b>23,123.71</b>
Additions during the year	3,885.34	9.57	3,894.91
Sales/adjustment during the year	54.56	-	54.56
<b>As at 31 March 2022</b>	<b>26,937.69</b>	<b>26.37</b>	<b>26,964.06</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 16G Other intangible assets	Software	Licence	Total
<b>Accumulated depreciation</b>			
<b>As at 1 April 2020</b>	<b>8,068.71</b>	-	<b>8,068.71</b>
Amortisation during the year	2,961.14	0.81	2,961.95
Impairment during the year	27.55	-	27.55
Sales/adjustment during the year	-	-	-
<b>As at 31 March 2021</b>	<b>11,057.40</b>	<b>0.81</b>	<b>11,058.21</b>
Amortisation during the year	3,159.77	4.66	3,164.43
Impairment during the year	-	-	-
Sales/adjustment during the year	0.05	-	0.05
<b>As at 31 March 2022</b>	<b>14,217.12</b>	<b>5.47</b>	<b>14,222.59</b>
<b>Net block as at 31 March 2021</b>	<b>12,049.51</b>	<b>15.99</b>	<b>12,065.50</b>
<b>Net block as at 31 March 2022</b>	<b>12,720.57</b>	<b>20.90</b>	<b>12,741.47</b>

Note - 17 Other non-financial assets	As at 31 March 2022	As at 31 March 2021
(a) Capital advances	39,985.67	45,177.48
(b) Prepaid expenses	2,696.33	1,253.05
(c) Balance with government authorities	11,306.98	5,448.83
(d) Advance against assigned assets	-	-
(e) Advances to suppliers	4,055.32	1,441.97
(f) Unamortised Customer and Card acquisition cost	38,736.72	12,353.31
(g) Others (net)	806.03	906.54
	<b>97,587.05</b>	<b>66,581.18</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 18 Trade payables	As at 31 March 2022	As at 31 March 2021
(a) Total outstanding due to micro enterprises and small enterprises <sup>(i)</sup>	0.12	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	12,627.19	3,897.61
	<b>12,627.31</b>	<b>3,897.61</b>

### Trade Payables aging schedule

Particulars	As at 31 March 2022				
	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.12	-	-	-	0.12
(ii) Others	12,550.10	69.59	7.50	-	12,627.19
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Particulars	As at 31 March 2021				
	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	3,884.13	11.06	0.46	1.96	3,897.61
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

- (i) Based on and to the extent of the information received by the Group from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

	As at 31 March 2022	As at 31 March 2021
Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	0.12	-
Interest due thereon	-	-
Interest paid by the Group in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period / year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid as at end of the period / year	-	-

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 19 Other payables	As at 31 March 2022	As at 31 March 2021
(a) Total outstanding due to micro enterprises and small enterprises <sup>(i)</sup>	-	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	11,356.70	13,197.22
	<b>11,356.70</b>	<b>13,197.22</b>

(i) Based on and to the extent of the information received by the Group from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

	As at 31 March 2022	As at 31 March 2021
Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	-
Interest due thereon	-	-
Interest paid by the Group in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period / year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid as at end of the period / year	-	-

Note - 20 Debt securities (at amortised cost)	As at 31 March 2022	As at 31 March 2021
<b>Secured</b>		
Non-convertible debentures (refer 'a' below)	54,506.34	77,060.33
<b>Total</b>	<b>54,506.34</b>	<b>77,060.33</b>
Debt securities in India	54,506.34	77,060.33
Debt securities outside India	-	-
<b>Total</b>	<b>54,506.34</b>	<b>77,060.33</b>

Non-convertible debentures is secured by way of first ranking pari-passu charge on the current assets (including investments) of the Company, both present and future; and on present and future loan assets of the Company, including all monies receivable for the principal amount and interest thereon.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### (a) Secured redeemable non convertible debentures (payable at par unless otherwise stated) issued by subsidiary company (Dhani Loans and Services Limited):

Interest rate/ Effective yield	Face value (Amount in ₹)	Issue date	Redemption date	As at 31 March 2022			
					Amount	Impact of interest accrued and Ind AS	Total outstanding amount
10.40%	1,000.00	8-Mar-2019	8-May-2022	3,24,981	3,249.81	25.84	3,275.65
10.90%	1,000.00	8-Mar-2019	8-May-2022	7,55,369	7,553.69	65.10	7,618.79
10.90% (Effective yield)	1,000.00	8-Mar-2019	8-May-2022	2,35,842	2,358.42	879.01	3,237.43
10.50%	1,000.00	8-Mar-2019	8-Mar-2024	4,70,084	4,700.84	7.90	4,708.74
11.00%	1,000.00	8-Mar-2019	8-Mar-2024	2,60,712	2,607.12	6.13	2,613.25
11.00% (Effective yield)	1,000.00	8-Mar-2019	8-Mar-2024	1,93,776	1,937.76	717.33	2,655.09
9.95%	1,000.00	27-Jun-2019	27-Jun-2022	1,23,709	1,237.09	(1.74)	1,235.35
10.41%	1,000.00	27-Jun-2019	27-Jun-2022	1,22,095	1,220.95	93.52	1,314.47
10.40% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2022	42,780	427.80	132.39	560.19
10.13%	1,000.00	27-Jun-2019	27-Jun-2024	1,56,425	1,564.25	(36.11)	1,528.14
10.61%	1,000.00	27-Jun-2019	27-Jun-2024	1,28,003	1,280.03	72.20	1,352.23
10.60% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2024	43,856	438.56	129.08	567.64
9.81%	1,000.00	6-Sep-2019	6-Sep-2022	29,704	297.04	2.00	299.04
10.27%	1,000.00	6-Sep-2019	6-Sep-2022	22,470	224.70	13.06	237.76
10.25% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2022	8,556	85.56	24.16	109.72
10.04%	1,000.00	6-Sep-2019	6-Sep-2024	37,907	379.07	0.61	379.68
10.52%	1,000.00	6-Sep-2019	6-Sep-2024	1,18,099	1,180.99	64.06	1,245.05
10.50% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2024	10,362	103.62	29.49	133.11
9.50%	10,00,000.00	17-Nov-2020	17-May-2022	250	2,500.00	83.15	2,583.15
10.00 % (Effective yield)	1,000.00	2-Feb-2022	7-Feb-2023	12,86,428	12,864.28	(103.63)	12,760.65
10.50%	1,000.00	2-Feb-2022	2-Feb-2024	38,820	388.20	(2.51)	385.69
10.50 % (Effective yield)	1,000.00	2-Feb-2022	2-Feb-2024	47,849	478.49	(4.50)	473.99
10.03%	1,000.00	2-Feb-2022	2-Feb-2024	70,965	709.65	(17.83)	691.82
11.00%	1,000.00	2-Feb-2022	31-Jan-2025	1,13,954	1,139.54	(7.25)	1,132.29
11.00 % (Effective yield)	1,000.00	2-Feb-2022	31-Jan-2025	91,679	916.79	(8.59)	908.20
10.49%	1,000.00	2-Feb-2022	31-Jan-2025	2,56,028	2,560.28	(61.06)	2,499.22
<b>Total</b>					<b>52,404.53</b>	<b>2,101.81</b>	<b>54,506.34</b>

Particulars	Face value (Amount in ₹)	Issue date	Redemption date	As at 31 March 2021			
					Amount	Impact of interest accrued and Ind AS	Total outstanding amount
10.75%	1,000.00	8-Mar-2019	8-May-2021	37,74,710	37,747	245	37,993
10.75% (Effective yield)	1,000.00	8-Mar-2019	8-May-2021	2,46,579	2,465.79	576.90	3,042.69
10.40%	1,000.00	8-Mar-2019	8-May-2022	3,24,981	3,249.81	1.80	3,251.61
10.90%	1,000.00	8-Mar-2019	8-May-2022	7,55,369	7,553.69	9.38	7,563.07
10.90% (Effective yield)	1,000.00	8-Mar-2019	8-May-2022	2,35,842	2,358.42	547.36	2,905.78
10.50%	1,000.00	8-Mar-2019	8-Mar-2024	4,70,084	4,700.84	(17.15)	4,683.69
11.00%	1,000.00	8-Mar-2019	8-Mar-2024	2,60,712	2,607.12	(7.71)	2,599.41

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Interest rate/ Effective yield	Face value (Amount in ₹)	Issue date	Redemption date	As at 31 March 2022			
					Amount	Impact of interest accrued and Ind AS	Total outstanding amount
11.00% (Effective yield)	1,000.00	8-Mar-2019	8-Mar-2024	1,93,776	1,937.76	445.94	2,383.70
10.27%	1,000.00	27-Jun-2019	27-Jun-2021	71,822	718.22	52.99	771.21
10.25% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2021	34,800	348.00	62.80	410.80
9.95%	1,000.00	27-Jun-2019	27-Jun-2022	1,23,709	1,237.09	(28.45)	1,208.64
10.41%	1,000.00	27-Jun-2019	27-Jun-2022	1,22,095	1,220.95	70.32	1,291.27
10.40% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2022	42,780	427.80	71.02	498.82
10.13%	1,000.00	27-Jun-2019	27-Jun-2024	1,56,425	1,564.25	(57.59)	1,506.66
10.61%	1,000.00	27-Jun-2019	27-Jun-2024	1,28,003	1,280.03	58.00	1,338.03
10.60% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2024	43,856	438.56	68.40	506.96
10.12%	1,000.00	6-Sep-2019	6-Sep-2021	12,129	121.29	6.80	128.09
10.10% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2021	4,810	48.10	7.67	55.77
9.81%	1,000.00	6-Sep-2019	6-Sep-2022	29,704	297.04	(0.05)	296.99
10.27%	1,000.00	6-Sep-2019	6-Sep-2022	22,470	224.70	11.89	236.59
10.25% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2022	8,556	85.56	13.51	99.07
10.04%	1,000.00	6-Sep-2019	6-Sep-2024	37,907	379.07	(1.22)	377.85
10.52%	1,000.00	6-Sep-2019	6-Sep-2024	1,18,099	1,180.99	60.42	1,241.41
10.50% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2024	10,362	103.62	16.45	120.07
9.50%	10,00,000.00	17-Nov-2020	17-May-2022	250	2,500.00	49.64	2,549.64
<b>Total</b>					<b>74,795.80</b>	<b>2,264.53</b>	<b>77,060.33</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 21	As at 31 March 2022	As at 31 March 2021
<b>Borrowings (other than debt securities) (at amortised cost)</b>		
<b>(a) Secured</b>		
From banks		
- Term loans (refer 'i' below)	77,101.17	1,39,805.74
- Vehicle loans (refer 'ii' below)	1.04	30.16
From Financial institution (refer 'i' below)	25,748.65	57,912.89
Loans repayable on demand from banks		
- Bank overdraft (refer 'iii' below)	15,087.01	500.00
Other Loans		
- Liability against securitised assets (refer 'iv' below and note 59)	-	40,838.71
<b>(b) Unsecured</b>		
From others (unsecured)		
- Term loan (refer 'v' below)	52,500.00	41,300.00
<b>Total</b>	<b>1,70,437.87</b>	<b>2,80,387.50</b>
Borrowings in India	1,70,437.87	2,80,387.50
Borrowings outside India	-	-
<b>Total</b>	<b>1,70,437.87</b>	<b>2,80,387.50</b>

### (i) Term loan from banks and financial institutions include

Particulars	Security	As at 31 March 2022		
		Principal outstanding	Impact of interest accrued and Ind AS	Total outstanding amount
<b>Canara Bank (eSyndicate Bank) :</b> This loan is repayable in 16 quarterly equated instalments with moratorium period of 12 months from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	First pari passu charge over standard receivables and current assets (including cash & cash equivalents).	2,500.00	(0.17)	2,499.83
<b>Indian Overseas Bank :</b> This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over book debts/ receivables/ loan portfolio/ all current assets (including investments in liquid mutual fund including cash & cash equivalents).	14,927.59	(13.58)	14,914.01

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Particulars	Security	As at 31 March 2022		
		Principal outstanding	Impact of interest accrued and Ind AS	Total outstanding amount
<p><b>Bank of Baroda (eVijaya Bank) :</b> This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.</p>	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	14,947.13	(8.64)	14,938.49
<p><b>Punjab &amp; Sind Bank :</b> This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.</p>	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	24,953.72	(1.37)	24,952.35
<p><b>Union Bank of India :</b> This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.</p>	First pari passu charge on standard receivables and current assets.	14,711.89	(8.70)	14,703.19
<p><b>National Bank for Agriculture and Rural Development :</b> This loan is repayable in five years with instalments of Rs. 7,500.00 lakh each to be paid for the first six instalments and instalments of Rs. 1,000.00 lakh each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year 2023-24.</p>	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	4,000.00	62.15	4,062.15
<p><b>National Bank for Agriculture and Rural Development :</b> This loan is repayable in five years with instalments of Rs. 4,500.00 lakh each to be paid for the first six instalments and instalments of Rs. 600.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.</p>	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	3,000.00	43.89	3,043.89

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Particulars	Security	As at 31 March 2022		
		Principal outstanding	Impact of interest accrued and Ind AS	Total outstanding amount
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in five years with instalments of Rs. 5,460.00 lakh each to be paid for the first six instalments and instalments of Rs. 728.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	3,640.00	53.35	3,693.35
<b>South Indian Bank</b> : This loan is repayable in 3 equated instalments of Rs. 2,500 lakh each at the end of 3rd, 4th and 5th year after a moratorium period of 24 months.	First pari passu charge over loans and advances, receivables & other current assets (including cash & cash equivalents and investments in debt mutual funds).	5,000.00	(14.33)	4,985.67
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in 20 equated quarterly instalments Loan repayment commencing from March 2021 with last instalment falling due in year 2025-26.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	15,000.00	(50.75)	14,949.25
<b>Total</b>		<b>1,02,680.33</b>	<b>61.85</b>	<b>1,02,742.18</b>

Particulars	Security	As at 31 March 2021		
		Principal outstanding	Impact of interest accrued and Ind AS	Total outstanding amount
Canara Bank (eSyndicate Bank) : This loan is repayable in 16 quarterly equated instalments with moratorium period of 12 months from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	First pari passu charge over standard receivables and current assets (including cash & cash equivalents).	5,000.00	(1.24)	4,998.76

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Particulars	Security	As at 31 March 2021		
		Principal outstanding	Impact of interest accrued and Ind AS	Total outstanding amount
<b>Indian Overseas Bank</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over book debts/ receivables/ loan portfolio/ all current assets (including investments in liquid mutual fund including cash & cash equivalents).	30,000.00	(54.26)	29,945.74
<b>Bank of Baroda (eVijaya Bank)</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	30,000.00	(51.84)	29,948.16
<b>Punjab &amp; Sind Bank</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	50,000.00	(5.76)	49,994.24
<b>Union Bank of India</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	First pari passu charge on standard receivables and current assets.	15,000.00	(20.90)	14,979.10
<b>RBL Bank</b> : This loan is repayable in 13 equated quarterly instalments with first instalment due at the end of 3 months from the date of disbursement. Loan repayment commencing from September 2018 with last instalment falling due in year 2021-22.	Pari passu charge on loans and advances, receivables & current assets (including cash and cash equivalents & investment in debt mutual fund).	1,538.46	(0.62)	1,537.84

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Particulars	Security	As at 31 March 2021		
		Principal outstanding	Impact of interest accrued and Ind AS	Total outstanding amount
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in five years with instalments of Rs. 7,500.00 lakh each to be paid for the first six instalments and instalments of Rs. 1,000.00 lakh each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year 2023-24.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	12,500.00	197.78	12,697.78
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in five years with instalments of Rs. 4,500.00 lakh each to be paid for the first six instalments and instalments of Rs. 600.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	12,000.00	182.13	12,182.13
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in five years with instalments of Rs. 5,460.00 lakh each to be paid for the first six instalments and instalments of Rs. 728.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	14,560.00	221.29	14,781.29
<b>South Indian Bank</b> : This loan is repayable in 3 equated instalments of Rs. 2,500 lakh each at the end of 3rd, 4th and 5th year after a moratorium period of 24 months.	First pari passu charge over loans and advances, receivables & other current assets (including cash & cash equivalents and investments in debt mutual funds).	7,500.00	(30.08)	7,469.92
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in 20 equated quarterly instalments Loan repayment commencing from March 2021 with last instalment falling due in year 2025-26.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	19,000.00	(80.30)	18,919.70
<b>Total</b>		<b>1,97,098.46</b>	<b>356.20</b>	<b>1,97,454.66</b>

Interest rate on term loans from bank and financial institutions varies from 8.15% to 10.75% per annum (31 March 2021 - 8.15% to 10.75% per annum).

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

- ii) Vehicle loans are secured against hypothecation of the vehicles purchased. The rate of interest of such term loans ranges between 8.75% to 10.30% per annum (as at 31 March 2021: 8.75% to 10.30% per annum). The loans are repayable in equated monthly installments of 5 years. There is no continuing default as on the Balance Sheet date in repayment of the loans or interest amounts.

iii) **Loans repayable on demand/Bank Overdraft from banks includes:**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>RBL Bank Limited</b> : This Working capital demand loan is repayable between 7 days to 6 Months. Pari passu charge on loans and advances, receivables & current assets (including cash and cash equivalents & investment in debt mutual fund).	15,004.01	500.00
<b>Total</b>	<b>15,004.01</b>	<b>500.00</b>

Interest rate on loans repayable on demand from banks are 9.80% per annum (31 March 2020 - 5.5 % to 11.25 % per annum).

iv) **Securitisation liabilities :**

In the course of its finance activity, the Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty. Securitisation liabilities includes following arrangements:

Particulars	As at 31 March 2022	As at 31 March 2021
ICICI Bank	-	4,393.93
IDFC first bank	-	33,468.54
Axis Bank	-	2,976.24
<b>Total</b>	<b>-</b>	<b>40,838.71</b>

Interest rate on securitisation liabilities varies from 10.00% to 12.06% per annum (31 March 2021 - 10.00% to 12.06% per annum).

- v) Unsecured term loans carry rate of interest of 10% per annum (31 March 2021 : 10%) and are repayable within 36 months from the date of disbursement of respective loans.

Note - 22 Lease liabilities	As at 31 March 2022	As at 31 March 2021
Lease liabilities (refer note - 48)	23,241.10	16,408.66
	23,241.10	16,408.66



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 23 Other financial liabilities	As at 31 March 2022	As at 31 March 2021
Unpaid dividends (refer 'i' below)	141.84	223.48
<b>Others:</b>		
Margin from customers	14,754.46	13,957.74
Temporary overdrawn bank balances as per books (refer 'ii' below)	7,504.83	-
Interest accrued on assigned loan	4,231.47	3,902.04
Expenses payable	3,217.77	2,192.78
Amount held on behalf of agents for remittance business	-	11.32
Amount held on behalf of merchants from digital wallet business	12,483.38	382.91
Amount payable on assigned/secured loans (refer 'iii' below)	8,991.86	27,998.87
Amounts held on behalf of customers in digital wallets	2,800.74	4,223.26
Other payable	6.42	30.92
	<b>54,132.77</b>	<b>52,923.32</b>

- (i) In respect of amounts mentioned under Section 124 (5) of the Companies Act, 2013, the Company has credited ₹ 59.24 lakh (31 March 2021: ₹ 88.84) to the Investor Education and Protection Fund.
- (ii) Temporary overdraft as per books represent cheques issued in excess of funds in the bank
- (iii) Amount payable on assigned/secured loans represent the amount collected on sale down portfolio where cash flows are required to pass to the counterparty either through direct assignment or pass through credit.

Note - 24 Current tax liabilities (net)	As at 31 March 2022	As at 31 March 2021
Provision for taxation	609.92	1,095.71
(Net of advance tax and tax deducted at source)		
	<b>609.92</b>	<b>1,095.71</b>

Note - 25 Provisions	As at 31 March 2022	As at 31 March 2021
<b>Provision for employee benefits:</b>		
Provision for gratuity (refer note - 52)	2,728.27	2,123.96
Provision for compensated absences	1,132.19	901.00
	<b>3,860.46</b>	<b>3,024.96</b>

Note - 26 Deferred tax liabilities	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities	443.11	774.65
	<b>443.11</b>	<b>774.65</b>

Movement in deferred tax assets (net)	Balance as at 1 April 2021	Recognised in profit and loss	Recognised in other comprehensive income	Recognised in goodwill	Balance as at 31 March 2022
Difference between tax balance and book balance of fixed assets	766.21	(323.10)	-	-	443.11
Fair valuation of investments	8.44	(8.44)	-	-	-
Deferred tax liabilities	774.65	(331.54)	-	-	443.11

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Movement in deferred tax assets (net)	Balance as at 1 April 2020	Recognised in profit and loss	Recognised in other comprehensive income	Recognised in goodwill	Balance as at 31 March 2021
Difference between tax balance and book balance of fixed assets	1,089.32	(323.11)	-	-	766.21
Fair valuation of investments	8.96	(0.52)	-	-	8.44
Deferred tax liabilities	1,098.28	(323.63)	-	-	774.65

Note - 27 Other non-financial liabilities	As at 31 March 2022	As at 31 March 2021
Revenue received in advance (refer note 'a' below)	45.12	63.44
Advance from customers	1,068.29	1,023.50
Statutory dues payables	3,420.52	1,793.77
	<b>4,533.93</b>	<b>2,880.71</b>
<b>(a) Reconciliation of revenue received in advance</b>		
Opening balance	63.44	688.79
Add: Advances received during the year	528.50	3,419.13
Less: Revenue recognised during the year	546.82	4,044.48
<b>Closing balance</b>	<b>45.12</b>	<b>63.44</b>

Note - 28 Equity share capital	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
<b>(i) Authorised</b>				
Equity shares of face value of ₹ 2 each	1,00,00,00,000	20,000.00	1,00,00,00,000	20,000.00
	1,00,00,00,000	20,000.00	1,00,00,00,000	20,000.00
<b>(ii) Issued</b>				
Equity shares of face value of ₹ 2 each	60,09,99,104	12,019.98	51,87,14,892	10,542.30
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 1.10 paid up)	89,48,806	98.44	8,29,09,118	912.00
	60,99,47,910	12,118.42	60,16,24,010	11,454.30
<b>(iii) Subscribed and paid up</b>				
Equity shares of face value of ₹ 2 each fully paid up	60,09,99,104	12,019.98	52,71,14,892	10,542.30
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 1.10 paid up)	89,48,806	98.44	8,28,23,994	911.07
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 0.80 paid up)	-	-	85,124	0.68
Amount paid up on shares forfeited	-	0.80	-	0.19
	<b>60,99,47,910</b>	<b>12,119.22</b>	<b>61,00,24,010</b>	<b>11,454.24</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### (iv) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year :

Equity shares, fully paid-up	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	52,71,14,892	10,542.30	46,55,29,440	9,310.59
Add: Partly paid up shares converted into fully paid up shares	7,38,84,212	1,477.68	-	-
Add: Shares issued on conversion of CCDs	-	-	2,79,85,452	559.71
Add: Shares issued through preferential allotment	-	-	3,36,00,000	672.00
Less: Shares bought back and extinguished during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>60,09,99,104</b>	<b>12,019.98</b>	<b>52,71,14,892</b>	<b>10,542.30</b>

Equity shares, partly paid-up	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	8,29,09,118	911.74	8,29,09,118	911.68
Add: Amount received on 2nd call at ₹ 0.30 per share	-	664.98	-	0.06
Less: Shares converted into fully paid up shares	(7,38,84,212)	(1,477.68)	-	-
Less: Shares forfeited on non payment of 1st call	(76,100)	(0.61)	-	-
<b>Balance at the end of the year</b>	<b>89,48,806</b>	<b>98.43</b>	<b>8,29,09,118</b>	<b>911.74</b>

### (v) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of equity shares having a face value of ₹ 2 per share. Each holder of fully paid up equity share is entitled to one vote per share. Voting rights of each holder of partly paid up equity share is proportionate to the paid up amount of such share. The final dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Holders of Global Depository Receipts ('GDRs') will be entitled to receive dividends, subject to the terms of the deposit agreement, to the same extent as the holders of equity shares, less the fees and expenses payable under such deposit agreement and any Indian tax applicable to such dividends. Holders of GDRs don't have voting rights with respect to the deposited shares. The GDRs can not be transferred to any person located in India including Indian residents or ineligible investors except as permitted by Indian laws and regulations.

### (vi) Shares held by shareholders each holding more than 5% shares:

	As at 31 March 2022		As at 31 March 2021	
	No. of shares held*	% of Holding	No. of shares held*	% of Holding
Sameer Gehlaut	3,42,52,493	5.62	3,42,52,493	5.62
Orthia Properties Private Limited	4,72,48,080	7.75	4,24,23,777	6.96
Orthia Constructions Private Limited	3,70,74,335	6.08	3,70,74,335	6.08
Zelkova Builders Private Limited	4,89,33,258	8.02	3,09,33,258	5.07
Tamarind Capital Pte Ltd*	N.A.	N.A.	8,67,70,833	14.23
Jasmine Capital Investments Pte Ltd*	N.A.	N.A.	5,30,29,167	8.69

\* As on 31 March 2022, Tamarind Capital Pte Ltd. And Jasmine Capital Investments Pte Ltd. held less than 5% shares in the Company

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### (vii) Shares reserved for issue under options:

10,270,600 equity shares (as at 31 March 2021: 99,72,800 equity shares) of face value of ₹ 2 each are reserved under various option schemes of the Company (Refer note - 54)

(viii) The Group has not issued any bonus shares during the current year and five years immediately preceding current year.

### (ix) Shareholding Promoters

#### Shareholding by promoters at the end of the year

Promoter Name	No. of Shares	% of total shares	% change during the year
Sameer Gehlaut	3,42,52,493	5.61	Nil
Zekova Builders Private Limited	4,89,33,258	8.02	2.95
Orthia Properties Private Limited	4,72,48,080	7.75	0.80
Orthia Constructions Private Limited	3,70,74,335	6.08	Nil
Inuus Properties Private Limited	1,70,00,000	2.79	Nil
Inuus Developers Private Limited	1,68,00,000	2.75	Nil
<b>Total</b>	<b>20,13,08,166</b>		

(x) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue. During the year ended 31 March 2020, the Company had bought back 66,666,666 fully paid up equity shares of the Company at ₹ 150 per equity share through tender route.

(xi) 54,433 shares (31 March 2021: 54,433 shares) of face value of ₹ 2 per share represent the shares underlying GDRs. Each GDR represents one underlying equity share.

Note - 29 Other equity	As at 30 March 2021	As at 31 March 2020
Treasury shares	(46,127.67)	(39,065.33)
Reserve fund	13,270.00	13,270.00
Capital reserve	747.31	747.31
Securities premium	5,77,311.73	4,98,228.36
Capital redemption reserve (refer note- 65)	5,834.51	5,033.69
General reserve	4,197.55	4,197.55
Share options outstanding account	8,990.87	4,496.98
Retained earnings	(71,191.51)	19,043.59
Change in fair value of loan assets through other comprehensive income	21.17	525.32
Equity instruments through other comprehensive income	1,444.62	316.02
Currency Translation Reserve	(299.18)	(18.13)
<b>Total attributable to equity shareholders of the Holding Company</b>	<b>4,94,199.40</b>	<b>5,06,775.36</b>
Total non- controlling interest	20,784.81	43,016.05
<b>Total other equity</b>	<b>5,14,984.21</b>	<b>5,49,791.41</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

*(All amounts in Indian Rupees in lakh unless stated otherwise)*

### **Nature and purpose of other reserves:**

#### **Treasury shares**

This reserve represents Company's own equity shares held by the Udaan Employee Welfare Trust (formerly Indiabulls Ventures Limited - Employees Welfare Trust) which is created under Dhani Services Limited - Employee Stock Benefit Scheme 2019 (ESBS 2019) (formerly Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2019), Dhani Services Limited - Employee Stock Benefit Scheme 2020 (ESBS 2020) (formerly Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2020) and Dhani Services Limited - Employee Stock Benefit Scheme 2021 (ESBS 2021). Treasury shares are acquired for the purpose of issuing equity shares to employees under Company's ESBS 2019, ESBS 2020 and ESBS 2021.

#### **Equity component of compulsorily convertible debentures**

On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as financial liability measured at amortised cost until it is extinguished on conversion. The remainder of the proceeds is recognised in equity since conversion option meets the fixed for fixed criteria.

#### **Statutory reserves**

The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

#### **Capital reserve**

Capital reserve represents reserves created pursuant to the business combination upto year end.

#### **Securities premium**

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Act.

#### **Capital redemption reserve**

The same had been created in accordance with provision of the Act on account of redemption of preference shares and buy-back of equity shares.

#### **General reserve**

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

#### **Share option outstanding account**

The reserve is used to recognise the fair value of the options issued to employees of the Group under Group's employee stock option plan.

#### **Retained earnings**

Retained earnings represents surplus / accumulated earning of the Group and are available for distribution to shareholders

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Change in fair value of loan assets through other comprehensive income

This reserve has been created against change in business model for loan against property (“LAP”), business installments loan and personal loan from “hold to collect” to “hold to collect and sale”.

### Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income. The balance of the reserve represents such changes recognised net of amounts reclassified to retained earnings on disposal of such investments.

### Currency Translation Reserve

The exchange differences arising from the translation of financial statements of foreign subsidiaries with functional currency other than the Indian rupee is recognized in other comprehensive income and is presented within equity.

Note - 30 Interest income	For the year ended 31 March 2022	For the year ended 31 March 2021
On financial assets measured at amortised cost -		
<b>Interest on loans</b>		
- Interest from financing activities	39,414.50	82,133.83
- Interest on margin funding/delayed payments	1,564.53	954.67
- Interest on inter-corporate loans	2,193.93	6,392.77
<b>Interest on deposits with banks</b>		
- Interest on bank deposit	4,033.46	4,551.54
<b>Other interest income</b>		
- Unwinding of interest income	1,578.45	6,888.37
- Interest on Income-tax refund	65.44	239.82
- Interest on earnest money deposit	-	15.20
<b>On financial assets measured at fair value through profit or loss -</b>		
<b>Interest income from investments</b>		
- Interest on Investments in alternative fund	-	29.18
<b>Total</b>	<b>48,850.31</b>	<b>1,01,205.38</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 31	For the year ended	For the year ended
Dividend income	31 March 2022	31 March 2021
Dividend income on equity shares	11.62	9.41
<b>Total</b>	<b>11.62</b>	<b>9.41</b>
		-
		-
Note - 32	For the year ended	For the year ended
Fees and commission income	31 March 2022	31 March 2021
Brokerage and other related income	18,114.61	17,140.95
Management fee	1,848.03	1,543.80
Income from depository services	546.82	742.66
Remittance and merchant program	-	3.32
Digital wallet program	14,883.25	6,808.56
<b>Total</b>	<b>65,101.16</b>	<b>26,239.29</b>
Note - 33	For the year ended	For the year ended
Net gain/(loss) on fair value changes	31 March 2022	31 March 2021
On financial instruments at fair value through profit and loss:		
- (Loss) /gain on sale of investment / mutual funds	1,910.17	3,622.30
<b>Total net (loss) / gain on fair value changes</b>	<b>1,910.17</b>	<b>3,622.30</b>
<b>Fair value changes</b>		
- Realised	1,980.16	3,489.94
- Unrealised	(145.92)	132.36
<b>Total net (loss) / gain on fair value changes</b>	<b>1,834.24</b>	<b>3,622.30</b>
Note - 34	For the year ended	For the year ended
Net gain on derecognition of financial instruments under amortised cost category	31 March 2022	31 March 2021
Gain on sale of loan portfolio through assignment	10,274.75	(132.81)
Gain on derecognition of financial assets	1,795.19	129.70
	<b>12,069.94</b>	<b>(3.11)</b>
Note - 35	For the year ended	For the year ended
Sale of products	31 March 2022	31 March 2021
Sale of medicines	15,500.65	25.24
	<b>15,500.65</b>	<b>25.24</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 36 Other income	For the year ended 31 March 2022	For the year ended 31 March 2021
Excess provisions written back	494.19	724.95
Profit on sale of investment property	-	3,579.20
Liabilities written back	1,253.21	790.03
Gain on foreign exchange fluctuations	23.39	-
Gain on modification/derecognition of financial assets (net)	942.61	105.55
Miscellaneous income	384.75	44.35
<b>Total</b>	<b>3,098.17</b>	<b>5,244.08</b>

Note - 37 Finance costs	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>On financial liabilities measured at amortised cost -</b>		
<b>Interest on borrowings</b>		
- Term loans	17,653.14	26,857.87
- Inter-corporate loans	-	2,165.90
- Bank overdraft	359.13	418.78
- Vehicle loan	1.00	4.30
<b>Interest on debt securities</b>		-
- Liability component of compulsorily convertible debenture	-	82.55
- Non-convertible debentures	4,779.03	10,044.78
<b>Other interest expense</b>		
- Liability against securitised assets	2,367.20	7,523.87
- Liability against leases	1,954.15	1,800.84
- Taxes	222.29	111.24
<b>Other borrowing costs</b>	165.62	121.98
<b>Total</b>	<b>27,501.56</b>	<b>49,132.11</b>

Note - 38 Fees and commission expense	For the year ended 31 March 2022	For the year ended 31 March 2021
Transaction charges	630.16	543.72
Management and collection fee	12.56	49.72
Commission expense	1,752.57	95.59
Membership, depository and stock exchange fee	11,340.84	5,245.49
<b>Total</b>	<b>13,736.13</b>	<b>5,934.52</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 39 Impairment on financial instruments	For the year ended 31 March 2022	For the year ended 31 March 2021
Measured at amortised cost		
Impairment allowances on loans	119.82	11,118.53
Impairment allowances on trade receivables and others	41,910.98	(2,693.96)
Impairment allowances on interest spread on assigned assets	(1,611.15)	(280.12)
Loan, trade receivables and other assets write off (net of bad debt recovered)	(2,043.62)	19,614.75
<b>Total</b>	<b>38,376.03</b>	<b>27,759.20</b>

Note - 40 Changes in Inventories of stock-in- trade and others	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening Inventory		
- Stock-in-trade	90.45	-
Closing Inventory		
- Stock-in-trade	(10,550.30)	(90.45)
	<b>(10,459.85)</b>	<b>(90.45)</b>

Note - 41 Employee benefits expense	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	60,128.15	37,984.16
Contribution to provident fund and other funds	1,177.72	784.40
Share-based payments to employees	4,493.89	(143.26)
Staff welfare expenses	561.83	101.40
<b>Total</b>	<b>66,361.59</b>	<b>38,726.70</b>

Note - 42 Depreciation, amortisation and impairment	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 16B)	2,450.48	2,021.26
Depreciation on investment property(refer note 16A)	-	1.70
Amortisation of other intangible assets (refer note 16G)	3,164.43	2,961.95
Impairment of intangible assets	-	27.55
Depreciation on right of use assets (refer note 16D)	3,884.02	3,382.92
<b>Total</b>	<b>9,498.93</b>	<b>8,395.38</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 43 Other expenses	For the year ended 31 March 2022	For the year ended 31 March 2021
Lease rent (refer note 45)	928.95	664.92
Rates and taxes	1,236.77	1,589.21
Office maintenance	1,573.86	964.80
Repairs and maintenance - others	372.60	137.72
Travelling and conveyance	2,080.99	1,480.81
Communication costs	5,100.62	858.37
Leased line expenses	206.97	166.63
Printing and stationery	392.06	111.44
Software expenses	5,160.13	1,916.75
Electricity expenses	491.02	269.55
Director's sitting fee	30.50	27.50
Diagonstic Expenses	8.34	-
Legal and professional charges	12,346.54	7,666.16
Bank charges	899.18	2,677.46
Insurance	38.63	29.76
Stamp duty	32.86	134.00
Web hosting expenses	752.28	340.43
Recruitment expenses	79.47	182.48
Manpower hiring charges	2,110.65	502.71
Business promotion	30,065.34	5,663.37
Corporate social responsibility expenses (refer note 66)	534.74	867.65
Consumables	-	8.62
Provision for capital advances	0.65	24.74
Security Charges	3.29	115.41
Recovery incentive expense	72.19	14.51
Loss on sale/scrapping of property, plant and equipment	171.85	744.94
Loss on Foreign exchange fluctuation	-	16.09
Damage Cost	12.87	-
Impairment of asset (Fixed assets in Dubai and Euler- Tax )	157.06	-
Miscellaneous expenses	71.78	66.98
<b>Total</b>	<b>64,932.19</b>	<b>27,243.01</b>

Note - 44 Tax expense	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Current tax</b>		
Income-tax for current year	1,978.80	6,028.03
Income-tax for earlier years	(445.68)	28.03
<b>Deferred tax</b>		
Deferred tax charge/(credit)	(5,581.49)	(3,950.56)
<b>Income-tax expense reported in the statement of profit and loss</b>	<b>(4,048.37)</b>	<b>2,105.50</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

The major components of Income-tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Group at 25.17% (31 March 2021: 25.17%) and the reported tax expense in profit or loss are as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Reconciliation of effective tax rate</b>		
Accounting profit/ (loss) before tax expense	(90,085.32)	(20,871.40)
Income-tax rate	25.17%	25.17%
Expected tax (credit)/expense	<b>(22,672.67)</b>	<b>(5,252.91)</b>
Tax effect of adjustments to reconcile expected Income-tax expense to reported Income-tax expense:		
Tax impact on items exempt under Income-tax	(1,030.72)	(636.58)
Tax impact on deductions allowed under Income-tax	(6.06)	318.44
Tax impact of permanent differences	1,698.02	1,537.26
Income chargeable under capital gain (difference of tax rates)	-	(737.94)
Earlier years tax adjustments (net)	(50.37)	41.78
Tax impact of minimum alternate tax credit entitlement	-	-
Tax losses for which no deferred tax was recognised	18,065.13	6,653.63
Tax impact of difference in tax rate on certain items	206.81	66.65
Others	(258.51)	115.17
<b>Income-tax (credit)/expense</b>	<b>(4,048.37)</b>	<b>2,105.50</b>

### Note - 45

#### Earnings per equity share (EPS)

Disclosure in respect of Indian Accounting Standard – 33 'Earnings Per Share':

The basic earnings per equity share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Partly paid-up equity shares are treated as a fraction of an equity share to the extent they are entitled to participate in dividend relative to a fully paid-up equity share during the reporting period. Compulsory convertible debentures are treated as equivalent of equity share for the purpose of basic earnings per equity share. Treasury shares are adjusted for computation of weighted average equity shares. Diluted earnings per equity share is computed by considering the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential dilutive equity shares are adjusted for the potential dilutive effect of employee stock option plan and warrants as appropriate.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit available for equity shareholders	(86,635.46)	(22,505.40)
<b>Basic/diluted earnings per equity share:</b>		
Weighted average number of equity shares used for computing basic earnings per equity share	56,23,17,851	54,06,61,308
<b>Effect of dilution:</b>		
Add: Potential number of equity shares that could arise on exercise of employee stock options	63,54,070	65,83,434
Add: Potential number of equity shares that could arise on exercise of warrants	-	-
Weighted average number of equity shares used in computing diluted earnings per equity share	56,86,71,921	54,72,44,742
Face value of equity share (₹)	2	2
Earnings per equity share -		
- Basic (₹)	(15.30)	(4.16)
- Diluted (₹)	(15.30)	(4.16)

### Note - 46

#### Outbreak of the COVID-19 pandemic

Consequent to the outbreak of the COVID-19 pandemic, the Indian Government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the Government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restriction of business and individual activities led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The extent to which COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Group's performance and will depend on ongoing as well as future developments which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

The Group has recognised provisions as on 31 March 2022 to wards its loan assets based on the information available at this point of time in accordance with the expected credit loss method.

The Group believes that it has considered all the possible impact of the known events arising out of COVID-19 pandemic in the preparation of financial statements. However, the impact assessment of COVID-19 is a continuing process given its nature and duration. The Group will continue to monitor any material changes to future economic condition.

The Group's capital and liquidity position remains sufficient and would continue to be the focus area for the Group; accordingly, the Group does not expect a stress on its liquidity situation in the immediate future.

During the year to relieve COVID-19 pandemic related stress the Group's has invoked resolution for eligible borrower based on the parameters led down in accordance with the one-line restructuring policy approved by Board of Directors of the Company (of the Group) and in accordance with guidelines issued by the RBI on 6 August 2020.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Note 47

#### Acquisition of subsidiaries and non-controlling interest in financial year 2020-21

##### Acquisition of Jwala Technology Systems Private Limited

On 09 September 2020, the Group acquired 100% of the voting shares of Jwala Technology Systems Private Limited, a non-listed company based in New Delhi and carry on the business of software development, portal and other IT activities. The Group acquired Jwala Technology Systems Private Limited because it enlarges the range of products that can be offered to its customer.

The fair values of the identifiable assets and liabilities of Jwala Technology Systems Private Limited as at the date of acquisition were:

Particulars	Jwala Technology Systems Private Limited
<b>Financial Assets</b>	
Cash and cash equivalents	-
Trade receivables	41.45
Loans	-
	<b>41.45</b>
<b>Non-Financial Assets</b>	
Property, plant and equipment	4.93
Deferred tax assets(net)	38.59
Current tax assets (net)	37.41
Other current assets	4.42
	<b>85.35</b>
<b>Total Assets (A)</b>	<b>126.80</b>
<b>Financial liabilities</b>	
Long term borrowings	-
Short term borrowings	64.04
Other financial liabilities	26.82
	<b>90.86</b>
<b>Non-financial liabilities</b>	
Provisions	29.83
Other non-financial liabilities	11.22
	41.05
<b>Total liabilities (B)</b>	<b>131.91</b>
Fair Value of identifiable net assets (C=A-B)	(5.11)
Less: Cash paid to obtain control	1.00
Less: Investment in subsidiary	-
Less: Non-controlling interest	-
Less: deffered tax on intangible assets	-
Goodwill (C+D+E+G)	<b>(4.11)</b>

##### Acquisition of Euler Systems Inc.

On 07 September 2020, the Group acquired 100% of the voting shares of Euler Systems Inc., a non-listed company based in Delaware and carry on the business of software development, portal and other IT activities. The Group acquired Euler Systems Inc. because it enlarges the range of products and territory that can be offered to its customer.

**Summary of significant accounting policies and other explanatory information**

for the year ended 31 March 2022

*(All amounts in Indian Rupees in lakh unless stated otherwise)*

Particulars	Euler Systems Inc.
<b>Financial Assets</b>	
Cash and cash equivalents	12.22
Trade receivables	36.66
Loans	-
	48.88
<b>Non-Financial Assets</b>	
Property, plant and equipment	-
Deferred tax assets(net)	-
Current tax assets (net)	26.44
Other current assets	-
	26.44
<b>Total Assets (A)</b>	<b>75.32</b>
<b>Financial liabilities</b>	
Long term borrowings	-
Short term borrowings	-
Other financial liabilities	75.38
	75.38
<b>Non-financial liabilities</b>	
Provisions	-
Other non-financial liabilities	-
	-
<b>Total liabilities (B)</b>	<b>75.38</b>
<b>Fair Value of identifiable net assets (C=A-B)</b>	<b>(0.06)</b>
Less: Cash paid to obtain control	0.06
Less: Investment in subsidiary	-
Less: Non-controlling interest	-
Less: deffered tax on intangible assets	-
<b>Goodwill (C+D+E+G)</b>	<b>(0.00)</b>

**Acquisition of additional interest in TranServ Limited**

On 1 April 2020, the Group acquired remaining 58.00% interest in the voting shares of TranServ Limited, increasing its ownership interest to 100%. Cash consideration of Rs. 7,606.48 Lakh was paid to the non-controlling shareholders. Following is a schedule of additional interest acquired in TranServ Limited:

Particulars	Amount
Cash consideration paid to non-controlling shareholders	7,606.48
Carrying value of the additional interest in TranServ Limited	4,707.33
<b>Difference recognised as Goodwill</b>	<b>2,899.15</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Note - 48

#### Leases

The Group has leases for office buildings. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset "ROU" and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the 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.

#### A Lease payments not included in measurement of lease liability

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

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Short-term leases	928.95	664.92
Leases of low value assets	-	-
Variable lease payments	-	-

B Total cash outflow for leases for the year ended 31 March 2022 was ₹ 5,820.86 lakh (31 March 2021: ₹ 5,424.01 lakh).

C The Group has total commitment for short-term leases of ₹ Nil as at 31 March 2022 (as at 31 March 2021: ₹ Nil).

#### D Maturity of lease liabilities

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

31 March 2022	Minimum lease payment due						Total
	Within 1 year	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	More than 5 years	
Lease Payment	5,391.54	5,382.42	4,973.60	5,127.14	4,618.79	5,803.97	31,297.46
Interest Expense	2,159.64	1,829.70	1,490.45	1,119.26	712.47	744.84	8,056.36
<b>Net Present Value</b>	<b>3,231.90</b>	<b>3,552.72</b>	<b>3,483.15</b>	<b>4,007.88</b>	<b>3,906.32</b>	<b>5,059.13</b>	<b>23,241.10</b>

31 March 2021	Minimum lease payment due						Total
	Within 1 year	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	More than 5 years	
Lease Payment	3,791.21	3,625.61	3,408.88	3,418.54	3,404.47	4,500.76	22,149.47
Interest Expense	1,542.95	1,303.52	1,086.10	846.93	571.58	389.73	5,740.81
<b>Net Present Value</b>	<b>2,248.26</b>	<b>2,322.09</b>	<b>2,322.78</b>	<b>2,571.61</b>	<b>2,832.89</b>	<b>4,111.03</b>	<b>16,408.66</b>

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2022 is of ₹ Nil (as at 31 March 2021: ₹ Nil).

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

**F** The table below describe the nature of the company's lease activities by type of right of use asset recognised on balance sheet:

Year	Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
As at 31 March 2022	Office Building	427	6 Month to 108 Month	79.91 Months	-	-	427.00
As at 31 March 2021	Office Building	298	6 Month to 108 Month	81.02 Months	-	-	298.00

**G** The total future cash outflows as at 31 March 2022 for leases that had not yet commenced is of ₹ 10.82 lakh (31 March 2021: ₹ 95.60 lakh).

**H** The following is the movement in lease liabilities during the year:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Opening balance</b>	16,408.66	25,624.32
Adjustment on account of Ind AS 116	-	-
Additions	19,100.97	11,836.24
Finance cost accrued during the period	1,954.08	1,800.85
Deletion	(8,401.75)	(17,428.74)
Payment of lease liabilities	(5,820.86)	(5,424.01)
<b>Closing balance</b>	<b>23,241.10</b>	<b>16,408.66</b>

### Note - 49

**A. Contingent liabilities not provided for in respect of:**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Claims against the group not acknowledged as debts in respect of -</b>		
- Cases under Arbitration and Conciliation Act, 1996 (refer note (i) below)	41.86	34.10
- Cases under Income-tax Act, 1961 (refer note (ii) to (iv) below)	4,721.06	4,612.22
<b>Total</b>	<b>4,762.92</b>	<b>4,646.32</b>

(i) The Group is involved in various legal proceedings as respondents/ defendants for various claims including those related to conduct of its business. In respect of these claims, the Group believes, these claims do not constitute material litigation matters and with its meritorious defences the ultimate disposition of these matters will not have material adverse effect on its financial statements/ position.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

(ii) Demand pending u/s 143(3) read with section 153A of the Income-tax Act, 1961:

	Financial Years	Authority	As at 31 March 2022	As at 31 March 2021
Disallowance under Income Tax Act, 1961	2010-11	CIT (Appeal)	90.97	90.97
Disallowance under Income Tax Act, 1961	2011-12	ITAT	33.02	33.02
Disallowance under Income Tax Act, 1961	2012-13	ITAT	4.21	4.21
Disallowance under Income Tax Act, 1961	2013-14	ITAT	43.33	43.33
Disallowance under Income Tax Act, 1961	2014-15	ITAT	40.66	40.66
Disallowance under Income Tax Act, 1961	2015-16	CIT (Appeal)	18.32	18.32
Disallowance under Income Tax Act, 1961	2016-17	ITAT	67.17	67.17

The Group has deposited ₹ 60.08 lakh against the above demands.

(iii) Demand pending u/s 143(3) of the Income Tax Act, 1961

	Financial Year	Authority	As at 31 March 2022	As at 31 March 2021
Disallowance under Income Tax Act, 1961	2010-11	High Court	313.58	313.58
Disallowance under Income Tax Act, 1961	2010-11	ITAT *	-	275.24
Disallowance under Income Tax Act, 1961	2011-12	High Court	1,032.11	1,032.11
Disallowance under Income Tax Act, 1961	2012-13	ITAT *	17.37	17.37
Disallowance under Income Tax Act, 1961	2017-18	CIT (Appeals)	56.72	56.72
Disallowance under Income Tax Act, 1961	2013-14	CIT (Appeals)	-	95.04
Disallowance under Income Tax Act, 1961	2017-18	CIT (Appeals)	588.41	-
Disallowance under Income Tax Act, 1961	2017-18	CIT (Appeals)#	2,524.48	2,524.48

\* Income tax department has filed an appeal against the order of CIT(A).

# Subsequent to the year end, the Company has received order u/s 143(3) of the Income-tax Act, 1961 for demand of ₹ 2,524.48 lakh for financial year 2017-18. The Company is in process of filing appeal against the said order.

B. Commitments:

Particulars	As at 31 March 2022	As at 31 March 2021
Capital commitments for purchase of property, plant and equipment (net of capital advances paid)	15,947.36	16,582.14

### Note - 50

The Holding Company was carrying on the business of stock broking which was demerged during the financial year 2019-20. Accordingly, as at and during the year ended 31 March 2021 and 2022, the financial assets of the Holding Company are more than fifty percent of its total assets and it's income from financial assets is more than fifty percent of the gross income. The Holding Company's present business activities consists of providing loans and making investments in group companies, consequentially, the Holding Company may be required to apply and obtain the Certificate of Registration (CoR) from Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) under the category of Core Investment Company (CIC). The management is of the view that basis of their present business operations and financials, the Holding Company qualifies to fall under the category of an unregistered CIC and has written to RBI for their views in this regard, response to which is still awaited, the management is also of the view that the possible non compliance with such requirement is not expected to have a material impact on the accompanying financial results.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Note- 51

#### Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt securities)	Lease Liabilities	Total
<b>Balance as at 1 April 2020</b>	<b>89,486.58</b>	<b>4,25,847.56</b>	<b>25,624.33</b>	<b>5,40,958.47</b>
Adjustment on account of Ind AS 116	-	-	-	-
<b>Cash flows:</b>				
- Repayment	(66,076.95)	(1,87,290.60)	(5,424.01)	(2,58,791.56)
- Proceeds	52,500.00	41,123.80	-	93,623.80
<b>Non cash:</b>				
- Amortisation of upfront fees	1,161.65	965.38	-	2,127.03
- Accrued Interest	115.86	(710.64)	-	(594.78)
- Addition during the year (net)	-	-	(5,592.50)	(5,592.50)
- Others	(126.81)	452.00	1,800.84	2,126.03
<b>Balance as at 31 March 2021</b>	<b>77,060.33</b>	<b>2,80,387.50</b>	<b>16,408.66</b>	<b>3,73,856.49</b>
<b>Cash flows:</b>				
- Repayment	(41,448.50)	(1,35,446.29)	(5,820.86)	(1,82,715.65)
- Proceeds	19,057.22	11,200.00	-	30,257.22
<b>Non cash:</b>				
- Amortisation of upfront fees	112.09	187.64	-	299.73
- Accrued Interest	(274.80)	(477.98)	-	(752.78)
- Addition/(deletion) during the year (net)	-	-	10,699.22	10,699.22
- Others	-	14,587.00	1,954.08	16,541.08
<b>Balance as at 31 March 2022</b>	<b>54,506.34</b>	<b>1,70,437.87</b>	<b>23,241.10</b>	<b>2,48,185.31</b>

### Note - 52

#### Employee benefits

##### (i) Defined contribution plans:

During the year, the Group has recognized the following amounts in the statement of profit and loss in respect of defined contribution plans:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Contribution made to employees' provident fund organisation	60.38	124.13
Contribution made to employees' state insurance corporation	421.68	602.53
Contribution to labour welfare fund	16.10	13.47
Contribution to employees' national pension scheme	13.43	43.35
<b>Total</b>	<b>511.59</b>	<b>783.48</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### (ii) Defined benefit plans:

The Group operates unfunded gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Group at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the organisation, whichever is earlier. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of “The Payment of Gratuity Act, 1972”.

#### Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan’s liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan’s liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan’s liability.

Based on the actuarial valuation report, the following table sets out the status of the gratuity plan and the amounts recognized in the Group’s financial statements as at balance sheet date:

#### a) Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of obligation	2,728.27	2,123.96
Fair value of plan assets	-	-
<b>Net obligation recognised in balance sheet as provision</b>	<b>2,728.27</b>	<b>2,123.96</b>

#### b) Reconciliation of present value of defined benefit obligation:

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	2,123.96	2,341.56
Current service cost	864.03	606.43
Interest cost	157.49	143.43
Past service cost	-	-
Actuarial loss recognised in other comprehensive income :		
- Demographic assumptions	-	-
- Financial assumptions	(92.01)	0.79
- Experience adjustment	(135.03)	(584.00)
Benefits paid	(190.17)	(389.00)
Acquisition adjustments on acquisition of subsidiary/ transfer of employees	-	4.75
<b>Balance at the end of the year</b>	<b>2,728.27</b>	<b>2,123.96</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### c) Expense recognised in profit or loss:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	864.03	606.43
Interest cost	157.49	143.43
Past service cost	-	-
<b>Total</b>	<b>1,021.52</b>	<b>749.86</b>

### d) Remeasurement recognised in other comprehensive income:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial loss on defined benefit obligations	(227.04)	(583.21)
<b>Total</b>	<b>(227.04)</b>	<b>(583.21)</b>

### e) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting dates:

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	6.79%	6.79%
Salary escalation rate	5.00%	5.00%
Retirement age (years)	60	60
Withdrawal rate		
Up to 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%
Weighted average duration	15.17	15.80

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Mortality rates inclusive of provision for disability -100% of IALM (2012-14) (previous year: 100% of IALM (2012-14))

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table (previous year Indian Assured Lives Mortality (2012-14) Ultimate table).

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### f) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(204.60)	221.92	(158.44)	175.88
Salary escalation rate (0.5% movement)	231.59	(205.05)	178.15	(161.73)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

### g) Expected maturity analysis of the defined benefit plans in future years

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 1 year	33.86	30.39
Between 1-2 years	31.04	23.58
Between 2-5 years	169.89	129.46
Over 5 years	2,492.93	1,940.53
<b>Total</b>	<b>2,727.72</b>	<b>2,123.96</b>
Expected contribution for the next annual reporting period	1,948.12	1,223.39

### (iii) Other long term employee benefit plans

The company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. A provision of ₹ 773.51 lakhs has been created (31 March 2021: ₹ 9.45 lakhs provision reversed) for the year on the basis of actuarial valuation at the year end and credit to the statement of profit and loss.

#### Note - 53

##### Employee stock option schemes:

The Company has issued various Employees stock options scheme (ESOP / ESOS) for the benefit of the employees of the Company and its subsidiary companies.

##### A. Grants during the year:

The Group has established the "Udaan Employee Welfare Trust" ("Udaan – EWT") (earlier known as Indiabulls Ventures Limited - Employees Welfare Trust) ("Trust") for the implementation and management of its employees benefit scheme viz. the "Dhani Services Limited - Employee Stock Benefit Scheme – 2020" (Scheme) for the

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

benefit of the employees of the Company and its subsidiaries. Pursuant to Regulation 3(12) of the SEBI (Share Based Employee Benefits) Regulations, 2014, fully paid up equity shares of 9,300,000 lying in the Trust have been appropriated towards the Scheme for grant of Employees Stock Options (ESOPs) and Share Appreciations Rights (SARs) to the employees of the Company and its subsidiaries as permitted by SEBI. The company will treat these SARs as equity and therefore they will be treated as equity settled SARs and accounting has been done accordingly.

The Group has granted 35,00,000 and 1,82,00,000 employees stock options under DSL ESOP-2008 and DSL ESOP-2009 schemes respectively. Detail of same is as

Name of Scheme	DSL ESOP - 2008		DSL ESOP - 2009	
No. of options granted	18,00,000	17,00,000	84,00,000	98,00,000
Exercise price (₹)	68	150	150	68

### B. Employees Stock Options Schemes:

#### (i) Employees Stock Option Scheme - 2008 (DSL ESOP - 2008)

Total options under the scheme (Nos.) Options granted (Nos.)	DSL ESOP - 2008			
	20,00,000			
	97,00,000 (Regrant)	8,80,600 (Regrant)	18,00,000 (Regrant)	17,00,000 (Regrant)
Vesting period and percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	2 <sup>nd</sup> July each year, commencing 2 July 2017	25 <sup>th</sup> March each year, commencing 25 March 2019	25 <sup>th</sup> February each year, commencing 25 February 2023	01 <sup>st</sup> April each year, commencing 01 April 2022
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	24.15	254.85	68	150
<b>Outstanding at the beginning of 1 April 2020 (Nos.)</b>	<b>46,39,200</b>	<b>5,15,800</b>	-	-
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	14,400	4,29,000	-	-
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
<b>Outstanding as at 31 March 2021 (Nos.)</b>	<b>46,24,800</b>	<b>86,800</b>	-	-
Vested and exercisable as at 31 March 2021 (Nos.)	26,97,000	-	-	-
Remaining contractual life (weighted months)	54	73	-	-

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

<b>Outstanding at the beginning of 1 April 2021 (Nos.)</b>	<b>46,24,800</b>	<b>86,800</b>	-	-
Granted/ regranted during the year (Nos.)	-	-	18,00,000	17,00,000
Forfeited during the year (Nos.)	30,000	59,400	-	17,00,000
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-
<b>Outstanding as at 31 March 2022 (Nos.)</b>	<b>45,94,800</b>	<b>27,400</b>	<b>18,00,000</b>	-
Vested and exercisable as at 31 March 2022 (Nos.)	45,94,800	-	-	-
Remaining contractual life (weighted months)	42	72	95	-

Weighted average exercise price of share during the year ended 31 March 2022: Not applicable (31 March 2021: Not applicable).

### (ii) Employees Stock Option Scheme - 2009 (DSL - ESOP 2009)

	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009
Total options under the Scheme (Nos.)	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
Options granted (Nos.)	20,50,000	95,00,000	1,00,00,000	6,69,400
		(Regrant)	(Regrant)	(Regrant)
Vesting period and percentage	Ten years, 10% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	13 <sup>th</sup> April each year, commencing 13 April 2011	13 <sup>th</sup> May each year, commencing 13 May 2017	2 <sup>nd</sup> September each year, commencing 2 September 2018	25 <sup>th</sup> March each year, commencing 25 March 2019
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	31.35	16.00	219.65	254.85
<b>Outstanding at the beginning of 1 April 2020 (Nos.)</b>	<b>50,000</b>	<b>30,97,600</b>	<b>88,31,900</b>	<b>1,79,400</b>
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	5,72,000	61,46,300	1,79,400
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
<b>Outstanding as at 31 March 2021 (Nos.)</b>	<b>50,000</b>	<b>25,25,600</b>	<b>26,85,600</b>	-

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009
Vested and exercisable as at 31 March 2021 (Nos.)	50,000	12,62,800	-	-
Remaining contractual life (Weighted Months)	48	55	71	-
<b>Outstanding at the beginning of 1 April 2021 (Nos.)</b>	<b>50,000</b>	<b>25,25,600</b>	<b>26,85,600</b>	-
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	24,000	13,88,800	-
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
<b>Outstanding as at 31 March 2022 (Nos.)</b>	<b>50,000</b>	<b>25,01,600</b>	<b>12,96,800</b>	-
Vested and exercisable as at 31 March 2022 (Nos.)	50,000	25,01,600	-	-
Remaining contractual life (Weighted Months)	36	43	65	-

	DSL ESOP - 2009	DSL ESOP - 2009
Total options under the Scheme (Nos.)	2,00,00,000	2,00,00,000
Options granted (Nos.)	98,00,000	84,00,000
	(Regrant)	(Regrant)
Vesting period and percentage	Five years, 20% each year	Five years, 20% each year
Vesting date	25th February each year, commencing 25 February 2023	01st April each year, commencing 01 April 2022
Exercisable period	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	68.00	150.00
<b>Outstanding at the beginning of 1 April 2019 (Nos.)</b>	<b>98,80,000</b>	<b>2,19,400</b>
Granted/ regranted during the year (Nos.)	-	-
Forfeited during the year (Nos.)	1,95,500	-
Exercised during the year (Nos.)	8,52,600	40,000
Expired during the year (Nos.)	-	-
Surrendered and eligible for re-grant during the year (Nos.)	0	0
<b>Outstanding as at 31 March 2020 (Nos.)</b>	<b>88,31,900</b>	<b>1,79,400</b>
Vested and exercisable as at 31 March 2020 (Nos.)	30,34,400	47,760
Remaining contractual life (Weighted Months)	67	77



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

	DSL ESOP - 2009	DSL ESOP - 2009
<b>Outstanding at the beginning of 1 April 2020 (Nos.)</b>	-	-
Granted/ regranted during the year (Nos.)	-	-
Forfeited during the year (Nos.)	-	-
Exercised during the year (Nos.)	-	-
Expired during the year (Nos.)	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-
<b>Outstanding as at 31 March 2021 (Nos.)</b>	-	-
Vested and exercisable as at 31 March 2021 (Nos.)	-	-
Remaining contractual life (Weighted Months)	-	-
<b>Outstanding at the beginning of 1 April 2021 (Nos.)</b>	-	-
Granted/ regranted during the year (Nos.)	98,00,000	84,00,000
Forfeited during the year (Nos.)	-	84,00,000
Exercised during the year (Nos.)	-	-
Expired during the year (Nos.)	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-
<b>Outstanding as at 31 March 2022 (Nos.)</b>	<b>98,00,000</b>	-
Vested and exercisable as at 31 March 2022 (Nos.)	-	-
Remaining contractual life (Weighted Months)	95	-

Weighted average exercise price of share during the year ended 31 March 2022: Nil (31 March 2021: Nil)

### (iii) Dhani Services Limited - Employee Stock Benefit Scheme 2019 ("Scheme") ("DSL-ESBS 2019").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Company at its meeting held on 22 October 2019; and (b) a special resolution of the shareholders' of the Company passed through postal ballot on 4 December 2019, result of which were declared on 5 December 2019.

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2019 ("ESOP Plan 2019")
- Dhani Services Limited Employees Stock Purchase Plan 2019 ("ESP Plan 2019")
- Dhani Services Limited Stock Appreciation Rights Plan 2019 ("SARs Plan 2019")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the Company has set up "Udaan - Employee Welfare Trust" ("Trust") for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 10,500,000 (One Crore Five lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Company as on the date of approval of shareholders, from the secondary market. The Company has appropriated 10,400,000 fully paid up equity shares of the Company purchased by the Trust under the Scheme.

	DSL-ESBS 2019
Total options under the Scheme (Nos.)	1,05,00,000
Options granted (Nos.)	1,04,00,000
Vesting period and percentage	Three years, 33.33% each year

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

	DSL-ESBS 2019
Vesting date	17 <sup>th</sup> August each year, commencing 17 August 2021
Exercisable period	5 years from each vesting date
Exercise price (₹)	250.00
<b>Outstanding at the beginning of 1 April 2020 (Nos.)</b>	-
Granted during the year (Nos.)	1,04,00,000
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
<b>Outstanding as at 31 March 2021 (Nos.)</b>	<b>1,04,00,000</b>
Vested and exercisable as at 31 March 2021 (Nos.)	-
Remaining contractual life (Weighted Months)	77
<b>Outstanding at the beginning of 1 April 2021 (Nos.)</b>	<b>1,04,00,000</b>
Granted during the year (Nos.)	-
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered and eligible for re-grant during the year (Nos.)	-
<b>Outstanding as at 31 March 2022 (Nos.)</b>	<b>1,04,00,000</b>
Vested and exercisable as at 31 March 2022 (Nos.)	34,66,667
Remaining contractual life (Weighted Months)	65.00

### (iv) Dhani Services Limited - Employee Stock Benefit Scheme 2020 ("Scheme") ("DSL-ESBS 2020").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Company at its meeting held on 23 January 2020; and (b) a special resolution of the shareholders' of the Company passed through postal ballot on 20 March 2020, result of which were declared on 21 March 2020.

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2020 ("ESOP Plan 2020")
- Dhani Services Limited Employees Stock Purchase Plan 2020 ("ESP Plan 2020")
- Dhani Services Limited Stock Appreciation Rights Plan 2020 ("SARs Plan 2020")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the Company has set up "Udaan - Employees Welfare Trust" (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 9,300,000 (Ninety Three lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Company as on the date of approval of shareholders, from the secondary market. The Group has appropriated 93,00,000 fully paid up equity shares of the Company purchased by the Trust under the Scheme.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

	DSL-ESBS 2020
Total options under the Scheme (Nos.)	93,00,000
Options granted (Nos.)	93,00,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	7 <sup>th</sup> April each year, commencing 7 April 2021
Exercisable period	5 years from each vesting date
Exercise price (₹)	250
<b>Outstanding as at 1 April 2021 (Nos.)</b>	-
Granted/ regranted during the year (Nos.)	93,00,000
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered and eligible for re-grant during the year (Nos.)	-
<b>Outstanding as at 31 March 2022 (Nos.)</b>	<b>93,00,000</b>
Vested and exercisable as at 31 March 2022 (Nos.)	NA
Remaining contractual life (Weighted Months)	NA
Remaining contractual life (Weighted Months)	-

### (iv) Dhani Services Limited - Employee Stock Benefit Scheme 2021 ("Scheme") ("DSL-ESBS 2021").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Holding Company at its meeting held on 06 March 2021; and (b) a special resolution of the shareholders' of the Holding Company passed through postal ballot on 15 April 2021, result of which were declared on 16 April 2021.

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2021 ("ESOP Plan 2021")
- Dhani Services Limited Employees Stock Purchase Plan 2021 ("ESP Plan 2021")
- Dhani Services Limited Stock Appreciation Rights Plan 2021 ("SARs Plan 2021")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the Group has set up "Udaan - Employees Welfare Trust" (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 1,05,00,000 (One Crore Five lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Company as on the date of approval of shareholders, from the secondary market. The Group has not granted any options/ SARs under the said Scheme as at 31 March 2022.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### C. Fair Valuation:

The details of the Fair value of the options / SARs as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-

	DSL ESOP - 2008			
	97,00,000	8,80,600	18,00,000	17,00,000
	Options Regranted	Options Regranted	Options Regranted	Options Regranted
1. Exercise price (₹)	24.15	254.85	68.00	150.00
2. Expected volatility *	42.97%	47.15%	69.05%	69.18%
3. Option Life (Weighted Average) (in years)	6	6	6	6
4. Expected Dividends yield	10.82%	1.10%	1.01%	1.26%
5. Risk Free Interest rate	7.45%	7.56%	5.50%	5.25%
6. Fair value of the options (₹)	4.31	130.05	34.58	89.98

	DSL ESOP – 2009			
	20,50,000	95,00,000	1,00,00,000	6,69,400
	Options Regranted	Options Regranted	Options Regranted	Options Regranted
1. Exercise price (₹)	31.35	16	219.65	254.85
2. Expected volatility *	48.96%	40.74%	46.70%	47.15%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
4. Expected dividends yield	6.86%	16.33%	1.27%	1.10%
5. Risk free interest rate	8.05%	7.45%	6.54%	7.56%
6. Fair value of the options (₹)	9.39	1.38	106.31	130.05

\* The expected volatility was determined based on historical volatility data

	DSL ESOP - 2009		DSL-ESBS 2020	DSL-ESBS 2019
	98,00,000	84,00,000	93,00,000	1,04,00,000
	Options	Options	SARs	SARs
1. Exercise price (₹)	68	150.00	250	250
2. Expected volatility *	69.05%	69.18%	76.57%	68.45%
3. Expected forfeiture percentage on each vesting date	6	6	Nil	Nil
4. Expected dividends yield	1.01%	1.26%	1.26%	1.71%
5. Risk free interest rate	5.50%	5.25%	4.36%	4.17%
6. Fair value of the options (₹)	34.58	89.98	65.82	55.49

\* The expected volatility was determined based on historical volatility data.

### D. Share based payment expense:

The Group has recognised Share based payments expense to employees of ₹ 4,493.89 lakh (31 March 2021: ₹ 143.26 lakh reversal) in the statement of Profit and loss for the year ended 31 March 2022 as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Share based payments (reversal) / expense	4,493.89	(143.26)
	<b>4,493.89</b>	<b>(143.26)</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Note - 54

#### Segment reporting:

Segment information for the year ended 31 March 2022 as per Indian Accounting Standard 108 - 'Segment Reporting':

#### (A) Primary segment information (by business segments):

Particulars	For the year ended 31 March 2022						For the year ended 31 March 2021							
	Broking and related activities	Financing and related activities	Asset reconstruction and related activities	Healthcare related activity	Other operations	Inter-segment revenue	Total	Broking and related activities	Financing and related activities	Asset reconstruction and related activities	Healthcare related activity	Other operations	Inter-segment revenue	Total
(i) Segment revenue	13,422.89	1,06,124.56	6,479.61	18,498.52	350.69	(1,432.42)	1,43,443.85	15,190.16	1,08,505.43	16,821.17	582.55	4,377.53	(4,437.53)	1,31,101.62
(ii) Segment results	(9,902.98)	(16,658.46)	5,528.66	(63,128.03)	-	-	(78,160.81)	1,558.14	(22,112.83)	3,843.08	(4,913.85)	-	-	(21,625.46)
Unallocated income net of other unallocated expenditure							(6,858.90)							6,601.21
Interest expenditure							(5,065.61)							(5,847.15)
Profit before share of loss of an associate and tax							(90,085.32)							(20,871.40)
Share of loss in an associate							-							-
Profit before tax							(90,085.32)							(20,871.40)
Tax expense							(4,048.37)							(2,105.50)
Profit after tax							(86,036.95)							(22,976.90)
Total other comprehensive income							513.06							302.80
Total comprehensive income for the year							(85,523.89)							(22,674.10)
(iii) Segment assets	1,01,810.26	5,60,047.28	81,353.92	53,062.86	-	-	7,96,274.32	1,11,391.95	6,94,003.69	95,841.06	52,569.71	-	-	9,53,806.41
Unallocated corporate assets							66,578.62							59,089.95
Total assets							8,62,852.94							10,12,896.36
(iv) Segment liabilities	17,883.25	2,34,570.14	1,447.16	27,745.39	-	-	2,81,645.94	17,572.44	3,83,580.73	1,756.65	4,413.53	-	-	4,07,323.35
Unallocated corporate liabilities							54,103.57							44,327.32
Total liabilities							3,35,749.51							4,51,650.67
(v) Capital expenditure including capital advances given (net)														
Unallocated capital expenditure including capital advances							14,520.39							3,387.92
Total capital expenditure including capital advances							14,520.39							3,387.92
(vi) Depreciation and amortisation	765.52	6,004.96	1.51	1,316.30	-	-	8,088.29	991.08	7,175.27	20.80	180.54	-	-	8,367.69
Unallocated depreciation and amortisation							1,410.64							27.69
Total depreciation and amortisation							9,498.93							8,395.38
(vii) Non cash expenditure other than depreciation														
Unallocated non cash expenditure other than depreciation							(31,607.68)							27,927.16
Non cash expenditure other than depreciation							(31,607.68)							27,927.16

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### (B) Geographic information

Revenue from external customers	For the year ended March 31, 2022	For the year ended March 31, 2021
India	1,43,444	1,31,102
Outside India	0.00	0.10
<b>Total</b>	<b>1,43,443.85</b>	<b>1,31,102</b>

Non-current operating assets	As at March 31, 2022	As at March 31, 2021
India	47,571.78	34,679.04
Outside India	1.65	48.67
<b>Total</b>	<b>47,573.43</b>	<b>34,727.71</b>

Non-current assets for this purpose consist of property, plant and equipment, Capital work-in-progress, right-of-use assets, Intangible assets under development, investment property and other intangible assets.

- (C) The Group's primary business segments are reflected based on principal business activities carried on by the Holding Company and its subsidiary companies. The Group's primary businesses are 'Broking and Related activities' and 'Financing and Related activities'. Broking and related activities include business as a stock broker on the National Stock Exchange of India Limited and the BSE Limited, business as a commodity broker on the Multi Commodity Exchange of India Limited and the National Commodity and Derivative Exchange Limited, brokerage on cross-selling of real estate, and other ancillary services relating to broking activities. Financing and related activities include business of financing loans and other ancillary services. Asset reconstructions and related activities include business of asset reconstruction and securitisation and other ancillary services. Healthcare related activities includes sale of medicines from online portal.
- (D) Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.
- (E) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as disclosed in Note 3.

### Note - 55

#### Related party disclosures :

**Nature of relationship** : **Name of the related party**

#### (a) Detail of related parties :

**Key management personnel** :

- Mr. Sameer Gehlaut, Whole Time Director, Chairman and Chief Executive Officer (w.e.f. 25 September 2020)
- Mr. Divyesh B. Shah, Whole Time Director & Chief Operating Officer / Chief Executive Officer #
- Mr. Pinank Jayant Shah, Whole Time Director
- Mr. Gagan Banga, Non-executive Director (till 14th March 2022)
- Mr. Anish Ernest Williams, Whole Time Director (w.e.f. 20 October 2021)
- Mr. Praveen Kumar Tripathi

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Dr. Narendra Damodar Jadhav, Independent Director  
 Mrs. Fantry Mein Jaswal, Independent Director  
 Mr. Rakesh Mohan Garg, Independent Director  
 Mr. Vijay Chug, Independent Director  
 Mr. Alok Misra, Independent Director (till 27 August 2020)  
 : Mr. Shyam Lal Bansal, Independent Director (till 27 August 2020)  
 : Mrs. Rekha Gopal Warriar (till 23 May 2020)  
 : Mr. Mohanbir Singh Sawhney (w.e.f. 7 December 2021)  
 : Mr. Sandeep Narhar Kadam ( w.e.f . 7 December 2021)

**Person exercising significant influence** : Mr. Sameer Gehlaut (Chairman and Chief Executive Officer and Promoter)

# During the previous year, Mr. Divyesh B. Shah has been redesignated as Chief Operating Officer w.e.f. 28 August 2020.

(b) **Transactions with related parties :**

Nature of transactions	Key management personnel		Person exercising significant influence		Total	
	For the year ended		For the year ended		For the year ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Income</b>						
(i) Brokerage income	0.05	0.09	-	-	0.05	0.09
<b>Expenses</b>						
(i) Compensation to key management personnels:						
- Short term employee benefits	575.55	216.84	-	-	575.55	216.84
- Post employment benefits - gratuity	(2.00)	4.43	-	-	(2.00)	4.43
- Other long-term employee benefits - compensated absences	17.84	(33.54)	-	-	17.84	(33.54)
- Share based expenses	143.46	(203.61)	-	-	143.46	(203.61)
- Professional Expenses	18.95	-	-	-	18.95	-
- Others (Director sitting fees)	32.00	24.50	-	-	32.00	24.50
<b>Finance</b>						
(i) Call money received against right issue	10,161.64	-	-	-	10,161.64	-

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### (c) Balance outstanding at the end of the period :

Nature of transactions	Key management personnel		Person exercising significant influence		Total	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
(i) Margin from customers	463.72	92.94	-	-	463.72	92.94

Amount presented in brackets represents liabilities

Note: Related party relationships as given above are as identified by the Group.

### Note - 56

#### Financial instruments

##### A. Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at 31 March 2022	As at 31 March 2021
<b>Financial assets measured at fair value</b>			
Investments measured at -			
- Fair value through profit and loss	Note - 11	57,243.66	1,41,715.49
- Fair value through other comprehensive income	Note - 11	1,567.51	316.10
Loans measured at -			
- Fair value through other comprehensive income	Note - 10	1,961.54	17,550.22
<b>Financial assets measured at amortised cost</b>			
Cash and cash equivalents	Note - 6	65,240.24	1,23,595.03
Bank balance other than cash and cash equivalents	Note - 7	70,398.32	79,613.84
Receivables -			
(i) Trade receivables	Note - 8	12,810.07	14,027.67
(ii) Other receivables	Note - 9	2,064.54	6,969.91
Loans	Note - 10	4,07,753.93	4,42,335.04
Other financial assets	Note - 12	33,657.66	39,560.79
<b>Total</b>		<b>6,52,697.47</b>	<b>8,65,684.09</b>
<b>Financial liabilities measured at amortised cost</b>			
Trade payables	Note - 18	12,627.31	3,897.61
Other payables	Note - 19	11,356.70	13,197.22
Debt securities (including interest accrued)	Note - 20	54,506.34	77,060.33
Borrowings (other than debt securities) (including interest accrued)	Note - 21	1,70,437.87	2,80,387.50
Lease liabilities	Note - 22	23,241.10	16,408.66
Other financial liabilities	Note - 23	54,132.77	52,923.32
<b>Total</b>		<b>3,26,302.09</b>	<b>4,43,874.64</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### B. Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

**Level 1:** Quoted prices (unadjusted) for identical instruments in an active market;

**Level 2:** Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data (unobservable inputs).

#### B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2022	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Investments at fair value through profit and loss</b>				
Mutual funds and other funds	35,950.15	-	-	35,950.15
Unquoted security receipts	-	-	3,793.51	3,793.51
<b>Investments at fair value through other comprehensive income</b>				
Quoted equity instruments	1,567.51	-	-	1,567.51
Loans	-	-	1,961.54	1,961.54

As at 31 March 2021	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Investments at fair value through profit and loss</b>				
Debt securities	-	-	-	-
Mutual funds and other funds	1,37,776.30	-	-	1,37,776.30
Unquoted security receipts	-	-	3,939.19	3,939.19
<b>Investments at fair value through other comprehensive income</b>				
Quoted equity instruments	316.10	-	-	316.10
Loans	-	-	17,550.22	17,550.22

#### Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for quoted equity instruments and debt securities.
- for unquoted security receipts, adjusted discounted cash flow method (income approach) has been used.
- the use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value		Significant unobservable inputs
	As at 31 March 2022	As at 31 March 2021	
Unquoted security receipts	3,793.51	3,939.19	Estimated cash flows and discount rate
Loans	1,976.97	17,784.31	Estimated cash flows and discount rate

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Sensitivity analysis

Description	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Impact on fair value if change in internal rate of return - 'Unquoted security receipts'</b>		
- Impact due to increase of 0.5%	(13.02)	(13.52)
- Impact due to decrease of 0.5%	13.02	13.52
<b>Impact of change in rates on total comprehensive income statement - Loans</b>		
- Impact due to increase of 1.0%	22.81	151.12
- Impact due to decrease of 1.0%	(22.32)	(146.06)

The following table presents the changes in level 3 items for the periods ended 31 March 2022 and 31 March 2021:

Particulars	Loans	Unquoted security receipts
<b>As at 31 March 2020</b>	<b>49,057.18</b>	<b>4,494.02</b>
Add: Addition during the year	44,150.97	-
Less: Disposal/ redeemed during the year	(76,125.84)	(554.83)
Add: Gain recognised in statement of profit and loss	702.00	-
<b>As at 31 March 2021</b>	<b>17,784.31</b>	<b>3,939.19</b>
Add: Addition during the year	-	39.75
Less: Disposal/ redeemed during the year	(15,807.34)	(185.43)
Add: Gain recognised in statement of profit and loss	-	-
<b>As at 31 March 2022</b>	<b>1,976.97</b>	<b>3,793.51</b>

### B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	65,240.24	65,240.24	1,23,595.03	1,23,595.03
Bank balance other than cash and cash equivalents	70,398.32	70,398.32	79,613.84	79,613.84
Receivables -				
(i) Trade receivables	12,810.07	12,810.07	14,027.67	14,027.67
(ii) Other receivables	2,064.54	2,064.54	6,969.91	6,969.91
Loans	4,07,753.93	4,07,753.93	4,42,335.04	4,42,393.60
Other financial assets	33,657.66	33,657.66	39,560.79	39,068.17
<b>Total</b>	<b>5,91,924.76</b>	<b>5,91,924.76</b>	<b>7,06,102.28</b>	<b>7,05,668.22</b>
<b>Financial liabilities</b>				
Trade payables	12,627.31	12,627.31	3,897.61	3,897.61
Other payables	11,356.70	11,356.70	13,197.22	13,197.22
Debt securities	54,506.34	54,506.34	77,060.33	80,141.20
Borrowings (other than debt securities)	1,70,437.87	1,70,437.87	2,80,387.50	2,80,797.81
Lease Liabilities	23,241.10	23,241.10	16,408.66	16,382.74
Other financial liabilities	54,132.77	54,132.77	52,923.32	52,923.32
<b>Total</b>	<b>3,26,302.09</b>	<b>3,26,302.09</b>	<b>4,43,874.64</b>	<b>4,47,339.90</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

The management assessed that fair values of cash and cash equivalents, other financial assets and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Financial instruments measured at fair value and fair value of financial instruments carried at amortized cost

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value and sensitivity
Financial assets and liabilities measured at amortized cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates	Not applicable	Not applicable
Financial assets measured at FVTPL	NAV based method.	Not applicable	Not applicable
Financial assets measured at FVOCI	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates	The discount rate is the average lending rate at which the loans are disbursed	There is an inverse correlation. Higher the discount rate i.e average lending rate for the disbursed loans, lower the fair value of the assets

### Note - 57

#### Financial risk management

##### i. Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's board of directors has overall responsibility for the establishment and oversight of the Group risk management framework. The Group's risk are managed by a treasury department under policies approved by the board of directors. The board of directors provides written principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, Other bank balances, investments, loans, trade receivables and other financial assets	Ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, debt securities, trade payables, other payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required)
Market risk - foreign exchange	- Financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Forward contract/hedging, if required
Market risk - interest rate	- Variable rates borrowings and debt securities	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	- Investments in equity and debt securities, mutual funds	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

### A) Credit risk

'Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the company. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, bank balance other than cash and cash equivalents, investments, loan assets, trade receivables and other financial assets. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

#### a) Credit risk management

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

The Group provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, bank balance other than cash and cash equivalents, investments, loans, trade receivables, security deposits and other financial assets	Life time expected credit loss or 12 month expected credit loss
Moderate credit risk	Trade receivables, other receivables and loans	Life time expected credit loss
High credit risk	Loans, other receivables and security deposits	Life time expected credit loss or fully provided for

Assets are written off when there is no reasonable expectation of recovery. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

#### Financial assets that expose the entity to credit risk\*

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(i) Low credit risk</b>		
Cash and cash equivalents	65,240.24	1,23,595.03
Bank balance other than cash and cash equivalents	70,398.32	79,613.84
Trade receivables	12,810.07	14,027.67
Other receivables	4,363.32	6,969.91
Loans	2,73,873.20	2,85,813.30
Investments	58,811.17	1,42,031.59
Other financial assets	33,619.90	37,891.78

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(ii) Moderate credit risk</b>		
Trade receivables	904.52	1,198.90
Loans	1,35,959.33	77,794.67
<b>(iii) High credit risk</b>		
Loans	55,153.13	1,58,961.15
Other receivables	3,153.35	4,207.64
Trade receivables	3,802.26	3,113.88
Security deposits	37.76	1,669.01

\* These represent gross carrying values of financial assets, without deduction for expected credit losses

### Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

### Trade and other receivables

Credit risk related to trade and other receivables are managed by monitoring the recoverability of such amounts continuously.

### Loans

The Group closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process (wherever applicable) to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Group assesses increase in credit risk on an ongoing basis for amounts loan assets that become past due and default is considered to have occurred when amounts receivable become one year past due.

The major guidelines for selection of the client includes:

- The client's income and indebtedness levels
- The client must possess the required KYC documents
- Client must agree to follow the rules and regulations of the Group
- Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the Group undertakes credit bureau checks for every client. The credit bureau check helps the Group in identifying clients with poor repayment histories and multiple loans.

Category*	Inputs	Assumptions
Corporate borrowers	1. Historical data as per Industry trends	1. Recoverability assumptions for stage 3 loan assets and related assessment with value of collateral
Retail borrowers	2. Supplemental external information that could affect the borrowers behaviour	2. Management judgement is applied to determine the economic scenarios and the application of probability weights
	3. Discount rate is based on internal rate of return on the loan	

\* The Group has used forward looking information in form of GDP growth rate and unemployment rate specific to the sector.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

### Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits, interest spread on assigned assets and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

### b) Credit risk exposure

#### i) Expected credit losses for financial assets other than loans

As at 31 March 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	65,240.24	-	65,240.24
Bank balance other than cash and cash equivalents	70,398.32	-	70,398.32
Investments	58,811.17	-	58,811.17
Trade receivables	17,516.85	(4,706.78)	12,810.07
Other receivables	5,217.89	(3,153.35)	2,064.54
Margin funding loans	3,094.14	-	3,094.14
Other financial assets	33,695.42	(37.76)	33,657.66

As at 31 March 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,23,595.03	-	1,23,595.03
Bank balance other than cash and cash equivalents	79,613.84	-	79,613.84
Investments	1,42,031.59	-	1,42,031.59
Trade receivables	18,343.45	(4,315.78)	14,027.67
Other receivables	11,177.56	(4,207.65)	6,969.91
Margin funding loans	107.76	-	107.76
Other financial assets	41,229.80	(1,669.01)	39,560.79

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables	Other receivables	Other financial assets
<b>Loss allowance on 31 March 2020</b>	<b>8,293.58</b>	<b>4,749.17</b>	<b>1,935.81</b>
Impairment loss recognised during the year	300.00	-	-
Loss allowance written back	(1,385.55)	(541.52)	(266.80)
Write - offs	(2,892.25)	-	-
<b>Total Loss allowance on 31 March 2021</b>	<b>4,315.78</b>	<b>4,207.65</b>	<b>1,669.01</b>
Impairment loss recognised during the year	685.38	-	-
Loss allowance written back	(294.38)	(1,054.30)	(1,631.25)
Write - offs	-	-	-
<b>Loss allowance on 31 March 2022</b>	<b>4,706.78</b>	<b>3,153.35</b>	<b>37.76</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Concentration of financial assets excluding loans

The Group carries on the business as stock broker on the National Stock Exchange of India Limited (“NSE”) and the BSE Limited (“BSE”), commodities broker on Multi Commodity Exchange of India Limited (“MCX”) and National Commodity & Derivatives Exchange Limited (“NCDEX”), depository participants, broking of underwriting/distribution of real estate projects on behalf of developers and renders other related ancillary services. The Group’s outstanding receivables are for stock broking on stock exchange’s, broking of underwriting/distribution of real estate projects and depository participants. Other financial assets majorly represents margin funding loans and deposits given for business purposes.

### ii) Expected credit losses for loans

*Definition of default:*

The Group considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of default, Exposure at default and Loss given default.

#### Changes in the gross carrying amount in relation to loans given from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
<b>Gross carrying amount as at 1 April 2020</b>	<b>4,41,245.94</b>	<b>22,201.47</b>	<b>1,20,277.08</b>
Assets originated and acquired	4,35,045.91	-	5,077.57
Net transfer between stages	(5,90,478.55)	55,593.20	52,021.88
Assets derecognised (excluding write offs)	-	-	(18,415.38)
<b>Gross carrying amount as at 31 March 2021</b>	<b>2,85,813.30</b>	<b>77,794.67</b>	<b>1,58,961.15</b>
Assets originated and acquired	8,13,059.86	-	69,606.75
Net transfer between stages	(9,28,866.48)	58,226.63	63,529.44
Assets derecognised (excluding write offs)	(6.36)	(61.97)	(51,077.72)
<b>Gross carrying amount as at 31 March 2022</b>	<b>1,70,000.32</b>	<b>1,35,959.33</b>	<b>2,41,019.62</b>

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Stage 1	Stage 2	Stage 3
<b>Loss allowance on 1 April 2020</b>	<b>40,991.10</b>	<b>6,343.86</b>	<b>13,293.45</b>
Increase of provision due to assets originated and purchased during the year	2,443.43	-	-
Net transfer between stages and write back	(41,314.47)	2,343.38	53,514.70
Loss allowance written back	-	-	(14,931.59)
<b>Loss allowance on 31 March 2021</b>	<b>2,120.06</b>	<b>8,687.24</b>	<b>51,876.57</b>
Increase of provision due to assets originated and purchased during the year	9,617.22	-	-
Net transfer between stages and write back	(9,863.62)	3,390.23	32,456.02
Loss allowance written back	(0.10)	(6.20)	(43,127.03)
<b>Loss allowance on 31 March 2022</b>	<b>1,873.56</b>	<b>12,071.27</b>	<b>41,205.56</b>

### c) Concentration of loans

Prudent risk management involves the minimisation of concentration risk by diversifying the loan portfolio. Setting up exposure limit for particular industry, sector, geographical area, product, etc. is essential to reduce the concentration of the loan portfolio.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Particulars	As at 31 March 2022	As at 31 March 2021
Retail borrowers	3,14,584.40	2,98,726.53
Borrowers other than retail borrowers	1,47,307.12	2,23,734.83
<b>Total</b>	<b>4,61,891.52</b>	<b>5,22,461.36</b>

### Loans secured against collateral

Group's secured portfolio has security base as follows:

Particulars	Value of loans	
	As at 31 March 2022	As at 31 March 2021
Secured by tangible assets	1,37,918.37	1,78,175.22
Secured by other assets	-	-

Wherever required, the Group holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, pledge of securities, guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts, etc.

The Group does not physically possess properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are more than 90 days past due, possession of property may be initiated. Possessed property is disposed of in the manner prescribed under the regulatory guidance to recover outstanding debt.

## B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Group maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Group's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Group also takes into account liquidity of the market in which the entity operates.

### i) Financing arrangements

The Group had access to the following funding facilities:

As at 31 March 2022	Total facility	Drawn	Undrawn
- Expiring within one year	25,630.00	15,083.01	10,546.99
- Expiring beyond one year	85,000.00	52,500.00	32,500.00
<b>Total</b>	<b>1,10,630.00</b>	<b>67,583.01</b>	<b>43,046.99</b>

As at 31 March 2021	Total facility	Drawn	Undrawn
- Expiring within one year	41,630.00	500.00	41,130.00
- Expiring beyond one year	1,10,000.00	41,300.00	68,700.00
<b>Total</b>	<b>1,51,630.00</b>	<b>41,800.00</b>	<b>1,09,830.00</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### ii) Maturities of financial assets and liabilities

The tables below analyse the Group financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2022	Less than 1 year	1-3 years	More than 3 years	Total
Cash and cash equivalent	65,240.24	-	-	65,240.24
Bank balances other than cash and cash equivalent	68,159.24	2,239.07	-	70,398.31
Trade receivables	13,192.60	3,441.73	-	16,634.33
Other receivable	1,383.97	680.57	-	2,064.54
Loans	4,09,365.08	1,82,299.18	1,33,051.97	7,24,716.23
Investments	57,358.41	46,545.96	6,06,543.99	7,10,448.36
Other financial assets	31,812.31	4,182.83	1,268.73	37,263.87
<b>Total undiscounted financial assets</b>	<b>6,46,511.85</b>	<b>2,39,389.34</b>	<b>7,40,864.69</b>	<b>16,26,765.88</b>
Debt securities	36,157.38	23,056.21	-	59,213.59
Borrowings (other than debt securities)	2,05,092.00	61,964.34	1,14,381.23	3,81,437.57
Trade payables	13,143.73	-	-	13,143.73
Other payables	11,356.71	-	-	11,356.71
Lease Liabilities	4,484.67	8,023.05	12,828.19	25,335.91
Other financial liabilities	55,890.47	1,712.14	2,235.44	59,838.05
<b>Total undiscounted financial liabilities</b>	<b>3,26,124.96</b>	<b>94,755.74</b>	<b>1,29,444.86</b>	<b>5,50,325.56</b>
<b>Net undiscounted financial assets/(liabilities)</b>	<b>3,20,386.89</b>	<b>1,44,633.60</b>	<b>6,11,419.83</b>	<b>10,76,440.32</b>

As at 31 March 2021	Less than 1 year	1-3 years	More than 3 years	Total
Non-derivatives				
Cash and cash equivalent	1,23,596.24	-	-	1,23,596.24
Bank balances other than cash and cash equivalent	79,409.37	310.98	1.00	79,721.35
Trade receivables	12,707.08	5,146.84	628.91	18,482.83
Other receivable	851.48	8,790.93	1,535.14	11,177.55
Loans	2,48,285.45	2,26,888.38	2,31,334.98	7,06,508.81
Investments	1,34,328.77	5,006.83	2,695.99	1,42,031.59
<b>Other financial assets</b>	<b>32,355.79</b>	<b>6,747.21</b>	<b>5,820.20</b>	<b>44,923.20</b>
<b>Total undiscounted financial assets</b>	<b>6,31,534.20</b>	<b>2,52,891.17</b>	<b>2,42,016.22</b>	<b>11,26,441.59</b>
Non-derivatives				
Debt securities	46,714.21	33,805.68	5,620.73	86,140.62
Borrowings (other than debt securities)	1,46,423.76	1,59,107.97	9,055.66	3,14,587.39
Trade payables	7,517.61	-	-	7,517.61
Other payables	9,577.22	-	-	9,577.22
Lease Liabilities	3,562.47	6,705.28	11,187.30	21,455.05
Other financial liabilities	52,923.32	-	-	52,923.32
<b>Total undiscounted financial liabilities</b>	<b>2,66,718.59</b>	<b>1,99,618.93</b>	<b>25,863.69</b>	<b>4,92,201.21</b>
<b>Net undiscounted financial assets/(liabilities)</b>	<b>3,64,815.61</b>	<b>53,272.24</b>	<b>2,16,152.53</b>	<b>6,34,240.38</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### C) Market risk

#### a) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. To mitigate the Group's exposure to foreign currency risk, non-rupee cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies. The Group has not hedged its foreign currency receivables and payables.

#### (i) Foreign currency risk exposure in USD:

Particulars	As at	Foreign currency	Exchange rate	Amount in Foreign Currency	Amount
<b>Financial assets</b>					
Loan notes and escrow receivable	31 March 2022	USD	75.91	-	-
Loan	31 March 2022	USD	75.91	10.50	796.97
Loan notes and escrow receivable	31 March 2021	USD	73.50	10.74	789.24
Loan	31 March 2021	USD	73.50	10.08	740.88

#### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
USD sensitivity		
INR/USD- increase by 5.70% (31 March 2021: 5.70%)*	45.43	87.22
INR/USD- decrease by 5.70% (31 March 2021: 5.70%)*	(45.43)	(87.22)

\* Holding all other variables constant

#### b) Interest rate risk

#### i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2022, the Company is exposed to variable interest rates.

#### Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Variable rate liabilities</b>		
Borrowings (other than debt securities)	91,915.64	1,39,373.24
<b>Fixed rate liabilities</b>		
Debt securities	53,914.70	76,193.89
Borrowings (other than debt securities)	74,290.76	1,40,081.76

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest sensitivity on borrowings (other than debt securities)*		
Interest rates – increase by 1.0% (31 March 2021: 1.0%)	459.58	1,393.74
Interest rates – decrease by 1.0% (31 March 2021: 1.0%)	(459.58)	(1,393.74)

\* Holding all other variables constant

### ii) Assets

The Group's term deposit, commercial paper/deposits and bank deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### c) Price risk

#### i) Exposure

The Group's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

#### ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity:

#### Impact on profit after tax

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Mutual funds		
Net assets value – increase by 5%	1,797.51	6,888.82
Net assets value – decrease by 5%	(1,797.51)	(6,888.82)

#### Impact on other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Quoted equity instruments		
Value per share – increase by 26% (31 March 2021: 26%)	407.55	82.19
Value per share – decrease by 26% (31 March 2021: 26%)	(407.55)	(82.19)

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Note - 58

#### Capital Management

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at 31 March 2022	As at 31 March 2021
Debt securities (including interest accrued)	54,506.34	77,060.33
Borrowings (other than debt securities) (including interest accrued)	1,70,437.87	2,80,387.50
Total debt	2,24,944.21	3,57,447.83
Less : Cash and cash equivalents	(65,240.24)	(1,23,595.03)
Net debt	1,59,703.97	2,33,852.80
Equity attributable to the owners of the parent	5,27,103.43	5,61,245.69
<b>Net debt to equity ratio</b>	<b>0.30</b>	<b>0.42</b>

### Note - 59

#### Transferred financial assets

##### A) Securitisation

In the course of its finance activity, the Group makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Group retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The Group has securitized its loan assets to an unrelated and unconsolidated entities. As per the terms of the agreements, the Group is exposed to first loss default guarantee and cash collateral amounting in range of 14% to 16% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying receivables. Hence, these loan assets are not derecognised and proceeds received are presented as other financial liability.

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitisations	As at 31 March 2022	As at 31 March 2021
Gross carrying amount of securitised assets	-	31,721.65
Gross carrying amount of associated liabilities	-	40,838.71
Carrying value and fair value of securitised assets	-	48,935.05
Carrying value and fair value of associated liabilities	-	40,838.71
Net position	-	8,096.34

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### B) Assignment

During the year ended March 31, 2022, the Group has sold certain loans by way of direct bilateral assignment, as a source of finance. As per the terms of such deals, since the derecognition criteria as per Ind AS 109 are met, (including transfer of substantial risks and rewards) relating to assets being transferred to the buyer, the assets have been derecognised from the books of the Group.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition.

Particulars	As at 31 March 2022	As at 31 March 2021
Carrying amount of de-recognised financial asset	12,684.73	36,711.03
Gain/ (Loss) on sale of the de-recognised financial asset	124.18	(132.81)

Since the Group has derecognized the above loan assets in entirety, the whole of the interest spread at the present value (discounted over the expected life of the assets) is recognised on the date of derecognition itself as interest-only strip receivable and corresponding profit on derecognition of financial assets is recognized in the Statement of Profit and Loss.

### Note - 60

#### Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

	As at 31 March 2022		As at 31 March 2021	
	Within 12 months	After 12 months	Within 12 months	After 12 months
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	65,240.24	-	1,23,595.03	-
Bank balance other than cash and cash equivalents	70,085.22	313.10	79,089.79	524.05
Receivables				
Trade receivables	9,634.77	3,175.30	10,052.37	3,975.30
Other receivables	1,383.97	680.57	357.69	6,612.22
Loans	94,364.22	3,15,351.25	2,25,195.89	2,34,689.37
Investments	24,111.58	34,699.58	1,38,467.63	3,563.96
Other financial assets	28,413.93	5,243.73	29,329.10	10,231.69
<b>Total Financial Assets</b>	<b>2,93,233.93</b>	<b>3,59,463.53</b>	<b>6,06,087.50</b>	<b>2,59,596.59</b>
<b>Non-financial assets</b>				
Inventories	10,670.53	-	90.45	-
Current tax assets (net)	18,990.18	2,420.35	16,155.65	1,982.31
Deferred tax assets	-	26,116.75	-	20,877.80
Investment property	-	767.65	-	-
Property, plant and equipment	-	11,393.30	-	6,900.47
Capital work-in-progress	-	-	-	123.88
Right-of-use assets	7,057.32	14,917.59	2,490.91	12,668.87
Intangible assets under development	-	696.12	-	478.08

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

	As at 31 March 2022		As at 31 March 2021	
	Within 12 months	After 12 months	Within 12 months	After 12 months
Goodwill	-	6,797.16	-	6,797.17
Other intangible assets	-	12,741.46	-	12,065.50
Other non-financial assets	80,894.79	16,692.28	7,450.20	59,130.97
<b>Total non-financial Asset</b>	<b>1,17,612.82</b>	<b>92,542.66</b>	<b>26,187.21</b>	<b>1,21,025.05</b>
<b>TOTAL ASSETS (A)</b>	<b>4,10,846.75</b>	<b>4,52,006.19</b>	<b>6,32,274.71</b>	<b>3,80,621.64</b>
<b>LIABILITIES</b>				
<b>Financial liabilities</b>				
Payables			-	
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	0.12	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12,627.03	-	7,517.61	-
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11,356.70	-	9,577.23	-
Debt securities	32,856.00	21,650.34	42,924.47	34,135.86
Borrowings (other than debt securities)	1,08,760.09	61,677.78	1,31,927.80	1,48,459.70
Lease liabilities	3,231.90	20,009.20	2,248.27	14,160.39
Other financial liabilities	54,131.70	-	52,923.33	-
<b>Total Financial Liabilities</b>	<b>2,22,963.54</b>	<b>1,03,337.32</b>	<b>2,47,115.87</b>	<b>1,96,755.95</b>
	1.2317		139823.78	
<b>Non-financial Liabilities</b>				
Current tax liabilities (net)	609.91	-	1,095.71	-
Provisions	2,251.13	1,609.33	53.69	2,971.27
Deferred tax liabilities (net)	-	443.11	-	774.65
Other non-financial liabilities	4,497.24	36.72	2,776.86	103.86
	<b>7,358.28</b>	<b>2,089.16</b>	<b>3,926.26</b>	<b>3,849.78</b>
<b>TOTAL LIABILITIES (B)</b>	<b>2,30,321.82</b>	<b>1,05,426.48</b>	<b>2,51,042.13</b>	<b>2,00,605.73</b>
<b>NET (A-B)</b>	<b>1,80,524.93</b>	<b>3,46,579.71</b>	<b>3,81,232.58</b>	<b>1,80,015.91</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

**Note - 61**  
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	As at 31 March 2022									
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income		Amount	Amount
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount		
<b>Parent Company</b>										
Dhani Services Limited (Formerly Indiabulls Ventures Limited)	(7.46%)	(39,340.80)	7.87%	(6,769.61)	220.54%	1,131.48	6.59%	(5,638.12)		
<b>Subsidiaries (Indian)</b>										
Dhani Loans and Services Limited (Formerly Indiabulls Consumer Finance Limited)	58.94%	3,10,671.25	24.73%	(21,276.52)	(73.51%)	(377.17)	25.32%	(21,653.74)		
Indiabulls Investment Advisors Limited	2.05%	10,812.84	5.24%	(4,507.37)	(2.79%)	(14.30)	5.29%	(4,521.67)		
Indiabulls Distribution Services Limited	6.55%	34,531.37	1.85%	(1,588.62)	0.00%	-	1.86%	(1,588.62)		
Dhani Stock Limited (Formerly Indiabulls Securities Limited)	7.42%	39,087.79	(1.74%)	1,497.40	2.27%	11.67	(1.76%)	1,509.07		
Devata Tradelink Limited	(0.05%)	(263.80)	0.00%	1.05	0.00%	-	0.00%	1.05		
Indiabulls Alternate Investments Limited	0.18%	925.36	0.02%	(19.71)	0.00%	-	0.02%	(19.71)		
Indiabulls Consumer Products Limited	0.00%	3.32	0.00%	(0.71)	0.00%	-	0.00%	(0.71)		
Indiabulls Asset Reconstruction Company Limited	1.44%	7,569.45	(11.60%)	9,979.32	1.32%	6.79	(11.68%)	9,986.11		
Indiabulls Infra Resources Limited	0.00%	(3.36)	0.01%	(9.21)	0.00%	-	0.01%	(9.21)		
Auxesia Soft Solutions Limited	0.00%	(4.26)	0.00%	(0.66)	0.00%	-	0.00%	(0.66)		
Pushpanjli Finsolutions Limited	0.07%	385.97	(0.51%)	435.46	0.00%	-	(0.51%)	435.46		
Arbutus Constructions Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-		
Gyansagar Buildtech Limited	0.07%	383.34	0.00%	(0.58)	0.00%	-	0.00%	(0.58)		
Dhani Healthcare Limited (Formerly Pushpanjli Fincon Limited)	4.47%	23,570.29	73.67%	(63,387.07)	8.98%	46.06	74.06%	(63,341.01)		
Evinos Buildwell Limited	6.14%	32,345.31	(0.01%)	6.90	0.00%	-	(0.01%)	6.90		
Evinos Developers Limited	0.00%	3.49	0.00%	(0.65)	0.00%	-	0.00%	(0.65)		
Krathis Buildcon Limited	0.08%	444.63	0.00%	(0.67)	0.00%	-	0.00%	(0.67)		
Savren Medicare Limited (Formerly Savren Buildwell Limited)	0.01%	62.88	0.10%	(83.11)	0.00%	-	0.10%	(83.11)		
Krathis Developers Limited	0.06%	324.84	0.00%	(0.67)	0.00%	-	0.00%	(0.67)		
Transerv Limited (formerly Transerv Private Limited)	4.33%	22,841.39	(1.46%)	1,256.83	(2.03%)	(10.42)	(1.46%)	1,246.42		
Jwala Technology Systems Private Limited	0.01%	54.99	0.03%	(22.71)	0.00%	-	0.03%	(22.71)		
Indiabulls ARC - III Trust	0.00%	-	(0.54%)	463.04	0.00%	-	0.00%	-		
Indiabulls ARC - IV Trust	0.00%	-	0.09%	(76.64)	0.00%	-	0.00%	-		

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022  
(All amounts in Indian Rupees in lakh unless stated otherwise)

Name of the entity	As at 31. March 2022									
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income			
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount		
Indiabulls ARC - V Trust	0.00%	-	0.01%	(9.79)	0.00%	-	0.00%	-	0.00%	-
Indiabulls ARC - VI Trust	0.00%	-	(0.13%)	108.53	0.00%	-	0.00%	-	0.00%	-
Indiabulls ARC - VII Trust	0.20%	1,050.84	(0.42%)	362.21	0.00%	-	(0.42%)	362.21		
Indiabulls ARC - VIII Trust	0.00%	-	(0.10%)	88.08	0.00%	-	0.00%	-	0.00%	-
Indiabulls ARC - X Trust	0.00%	-	0.40%	(345.69)	0.00%	-	0.00%	-	0.00%	-
Indiabulls ARC - XI Trust	0.00%	-	0.09%	(79.02)	0.00%	-	0.00%	-	0.00%	-
Indiabulls ARC - XII Trust	0.00%	-	0.68%	(588.45)	0.00%	-	0.00%	-	0.51%	(439.91)
Indiabulls ARC - XIII Trust	0.00%	-	0.03%	(28.41)	0.00%	-	0.00%	-	0.03%	(28.41)
Indiabulls ARC - XV Trust	0.00%	-	0.04%	(35.73)	0.00%	-	0.00%	-	0.04%	(35.73)
Indiabulls ARC - XVI Trust	0.00%	-	0.17%	(142.93)	0.00%	-	0.00%	-	0.17%	(142.93)
Indiabulls ARC - XVII Trust	0.00%	-	0.35%	(302.12)	0.00%	-	0.00%	-	0.35%	(302.12)
Indiabulls ARC - XVIII Trust	0.00%	-	0.04%	(36.65)	0.00%	-	0.00%	-	0.04%	(36.65)
Indiabulls ARC - XIX Trust	0.36%	1,879.08	(0.46%)	393.18	0.00%	-	(0.46%)	393.18		
Indiabulls ARC - XX Trust	0.78%	4,119.94	(0.27%)	233.63	0.00%	-	(0.27%)	233.63		
Indiabulls ARC - XXI Trust	0.58%	3,043.00	(0.39%)	331.50	0.00%	-	(0.39%)	331.50		
Indiabulls ARC - XXII Trust	0.92%	4,875.38	(0.10%)	84.25	0.00%	-	(0.10%)	84.25		
Indiabulls ARC - XXIII Trust	2.40%	12,625.48	(0.25%)	215.04	0.00%	-	(0.25%)	215.04		
Indiabulls ARC - XXIV Trust	1.57%	8,250.38	(0.23%)	196.98	0.00%	-	(0.23%)	196.98		
Indiabulls ARC - XXVI Trust	0.44%	2,322.28	0.00%	(1.10)	0.00%	-	0.00%	(1.10)		
Indiabulls ARC - XXVII Trust	2.98%	15,683.14	0.00%	(1.10)	0.00%	-	0.00%	(1.10)		
<b>Subsidiaries (Foreign)</b>										
Euler Systems, Inc (USA)	0.09%	475.91	0.05%	(46.78)	(1.70%)	(8.70)	0.06%	(55.48)		
Dhani Health Middle East FZ LLC (Dubai)	0.00%	0.52	0.82%	(706.56)	1.41%	7.24	0.82%	(699.32)		
Dhani Limited, Jersey	1.81%	9,550.26	0.01%	(10.82)	(56.44%)	(289.59)	0.35%	(300.41)		
Dhani Limited, UK	0.06%	310.08	2.57%	(2,209.82)	1.95%	10.00	2.57%	(2,199.82)		
Non controlling interest in all subsidiaries	3.51%	18,510.85	(0.70%)	598.51	0.00%	-	(0.70%)	598.51		
<b>Total</b>	<b>100%</b>	<b>5,27,103.43</b>	<b>100%</b>	<b>(86,036.95)</b>	<b>100%</b>	<b>513.06</b>	<b>100%</b>	<b>(85,523.89)</b>		



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Note - 62

#### Group information

- A. The consolidated financial statements include the financial statements of Group and its subsidiaries. Dhani Services Limited (formerly known as Indiabulls Ventures Limited) is the ultimate holding of the Group.

Name of subsidiaries	Country of incorporation	% of holding and voting power either directly or indirectly through subsidiary	
		As at 31 March 2022	As at 31 March 2021
Dhani Loans and Services Limited (Formerly Indiabulls Consumer Finance Limited)	India	100.00%	100.00%
Indiabulls Investment Advisors Limited (Subsidiary of Dhani Loans and Services Limited, formerly Indiabulls Consumer Finance Limited)	India	100.00%	100.00%
Indiabulls Distribution Services Limited	India	100.00%	100.00%
Dhani Stock Limited (Formerly Indiabulls Securities Limited)	India	100.00%	100.00%
Devata Tradelink Limited	India	100.00%	100.00%
Indiabulls Alternate Investments Limited	India	100.00%	100.00%
Indiabulls Consumer Products Limited	India	100.00%	100.00%
Indiabulls Asset Reconstruction Company Limited	India	100.00%	100.00%
Indiabulls Infra Resources Limited	India	100.00%	100.00%
Auxesia Soft Solutions Limited	India	100.00%	100.00%
Pushpanjli Finsolutions Limited	India	100.00%	100.00%
Arbutus Constructions Limited*	India	0%	100.00%
Gyansagar Buildtech Limited	India	100.00%	100.00%
Dhani Healthcare Limited (Formerly Pushpanjli Fincon Limited)	India	100.00%	100.00%
Transerv Limited (formerly Transerv Private Limited)	India	100.00%	42.00%
Indiabulls ARC - III Trust	India	0.00%	51.00%
Indiabulls ARC - IV Trust	India	0.00%	51.00%
Indiabulls ARC - V Trust	India	0.00%	51.00%
Indiabulls ARC - VI Trust	India	0.00%	51.00%
Indiabulls ARC - VII Trust	India	51.00%	51.00%
Indiabulls ARC - VIII Trust	India	0.00%	51.00%
Indiabulls ARC - X Trust	India	0.00%	51.00%
Indiabulls ARC - XI Trust	India	0.00%	51.00%
Indiabulls ARC - XII Trust	India	0.00%	51.00%
Indiabulls ARC - XIII Trust	India	0.00%	51.00%
Indiabulls ARC - XV Trust	India	0.00%	51.00%
Indiabulls ARC - XVI Trust	India	0.00%	51.00%
Indiabulls ARC - XVII Trust	India	0.00%	100.00%
Indiabulls ARC - XVIII Trust	India	0.00%	51.00%
Indiabulls ARC - XIX Trust	India	51.00%	Not applicable
Indiabulls ARC - XX Trust	India	51.00%	Not applicable
Indiabulls ARC - XXI Trust	India	75.00%	Not applicable
Indiabulls ARC - XXII Trust	India	75.00%	Not applicable
Indiabulls ARC - XXIII Trust	India	75.00%	Not applicable
Indiabulls ARC - XXIV Trust	India	75.00%	Not applicable
Indiabulls ARC - XXVI Trust	India	90.00%	Not applicable
Indiabulls ARC - XXVII Trust	India	90.00%	Not applicable

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Name of subsidiaries	Country of incorporation	% of holding and voting power either directly or indirectly through subsidiary	
		As at 31 March 2022	As at 31 March 2021
Evinos Developers Limited	India	100.00%	100.00%
Evinos Buildwell Limited	India	100.00%	100.00%
Krathis Buildcon Limited	India	100.00%	100.00%
Krathis Developers Limited	India	100.00%	100.00%
Savren Medicare Limited (Formerly Savren Buildwell Limited)	India	100.00%	100.00%
Jwala Technology Systems Private Limited	India	100.00%	100.00%
Euler Systems, Inc (USA)	USA	100.00%	100.00%
Dhani Health Middle East FZ LLC (Dubai)	Dubai	100.00%	100.00%
Dhani Limited, Jersey	Jersey	100.00%	100.00%
Dhani Limited, UK	UK	100.00%	100.00%

\* The Company has strike off during the financial year.

### B. Subsidiary with material non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Name of entity	Principal activities	Proportion of ownership interests and voting rights held by NCI	
		As at 31 March 2022	As at 31 March 2021
Indiabulls ARC - III Trust	Securitisation and Asset Reconstruction	0.00%	49.00%
Indiabulls ARC - IV Trust		0.00%	49.00%
Indiabulls ARC - V Trust		0.00%	49.00%
Indiabulls ARC - VI Trust		0.00%	49.00%
Indiabulls ARC - VII Trust		49.00%	49.00%
Indiabulls ARC - VIII Trust		0.00%	49.00%
Indiabulls ARC - X Trust		0.00%	49.00%
Indiabulls ARC - XI Trust		0.00%	49.00%
Indiabulls ARC - XII Trust		0.00%	49.00%
Indiabulls ARC - XIII Trust		0.00%	49.00%
Indiabulls ARC - XV Trust		0.00%	49.00%
Indiabulls ARC - XVI Trust		0.00%	49.00%
Indiabulls ARC - XVIII Trust		0.00%	49.00%
Indiabulls ARC - XIX Trust		49.00%	Not Applicable
Indiabulls ARC - XX Trust		49.00%	Not Applicable
Indiabulls ARC - XXI Trust		25.00%	Not Applicable
Indiabulls ARC - XXII Trust		25.00%	Not Applicable
Indiabulls ARC - XXIII Trust		25.00%	Not Applicable
Indiabulls ARC - XXIV Trust		25.00%	Not Applicable
Indiabulls ARC - XXVI Trust		10.00%	Not Applicable
Indiabulls ARC - XXVII Trust		10.00%	Not Applicable

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Summarised financial information for Indiabulls ARC - III Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets	4,599.79	7,568.70
Non-financial assets	-	-
<b>Total assets</b>	<b>4,599.79</b>	<b>7,568.70</b>
Financial liabilities	-	465.53
Non-financial Liabilities	-	0.16
<b>Total liabilities</b>	<b>-</b>	<b>465.69</b>
Equity attributable to the owners of the holding company	4,599.79	3,622.54
Non-controlling interests	-	3,480.47

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Total revenue</b>	<b>-</b>	<b>498.06</b>
Total comprehensive income attributable to the owners of the holding company	1,753.70	969.58
Total comprehensive income attributable to non-controlling interest	1,684.93	931.55
<b>Total comprehensive income</b>	<b>3,438.63</b>	<b>1,901.13</b>

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities	5,471.29	116.27
Cash flows from investing activities	-	-
Cash flows from financing activities	(5,471.72)	(115.93)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(0.43)</b>	<b>0.34</b>

### Summarised financial information for Indiabulls ARC - IV Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets	2,604.24	4,274.33
Non-financial assets	-	156.26
<b>Total assets</b>	<b>2,604.24</b>	<b>4,430.59</b>
Financial liabilities	-	22.21
Non-financial Liabilities	-	6.28
<b>Total liabilities</b>	<b>-</b>	<b>28.49</b>
Equity attributable to the owners of the holding company	2,604.24	2,245.07
Non-controlling interests	-	2,157.03

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Total revenue</b>	-	<b>2,377.72</b>
Total comprehensive income attributable to the owners of the holding company	1,226.43	162.68
Total comprehensive income attributable to non-controlling interest	1,178.34	156.29
<b>Total comprehensive income</b>	<b>2,404.77</b>	<b>318.97</b>

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash used in operating activities	1,727.06	3,888.57
Cash flows from investing activities	-	-
Cash flows from financing activities	(1,797.86)	(3,838.50)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(70.80)</b>	<b>50.07</b>

### Summarised financial information for Indiabulls ARC - V Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets	350.97	318.80
Non-financial assets	-	0.33
<b>Total assets</b>	<b>350.97</b>	<b>319.13</b>
Financial liabilities	-	93.61
Non-financial Liabilities	-	-
<b>Total liabilities</b>	<b>-</b>	<b>93.61</b>
Equity attributable to the owners of the holding company	350.98	115.03
Non-controlling interests	(0.01)	110.49

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	3.29	34.12
Total comprehensive income attributable to the owners of the holding company	(4.38)	(70.09)
Total comprehensive income attributable to non-controlling interest	(4.21)	(67.34)
<b>Total comprehensive loss</b>	<b>(8.59)</b>	<b>(137.42)</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash used in operating activities	(93.27)	(28.18)
Cash flows from investing activities	-	-
Cash flows from financing activities	(13.07)	(15.96)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(106.34)</b>	<b>(44.14)</b>

Summarised financial information for Indiabulls ARC - VI Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets	215.63	4,407.43
Non-financial assets	-	-
<b>Total assets</b>	<b>215.63</b>	<b>4,407.43</b>
Financial liabilities	-	241.85
Non-financial Liabilities	-	0.02
<b>Total liabilities</b>	<b>-</b>	<b>241.87</b>
Equity attributable to the owners of the holding company	215.63	2,124.44
Non-controlling interests	-	2,041.12

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	252.63	555.51
Total comprehensive income attributable to the owners of the holding company	127.53	(516.01)
Total comprehensive income attributable to non-controlling interest	122.53	(495.77)
<b>Total comprehensive income/(loss)</b>	<b>250.07</b>	<b>(1,011.77)</b>

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash used in operating activities	3,949.37	141.00
Cash flows from investing activities	-	-
Cash flows from financing activities	(3,949.93)	(141.13)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(0.56)</b>	<b>(0.13)</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Summarised financial information for Indiabulls ARC - VII Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets	3,419.18	3,061.07
Non-financial assets	-	34.04
<b>Total assets</b>	<b>3,419.18</b>	<b>3,095.11</b>
Financial liabilities	155.46	82.14
Non-financial Liabilities	1.52	0.01
<b>Total liabilities</b>	<b>156.98</b>	<b>82.15</b>
Equity attributable to the owners of the holding company	1,663.72	1,536.61
Non-controlling interests	1,598.48	1,476.35

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	356.62	348.13
Total comprehensive income attributable to the owners of the holding company	127.11	(310.80)
Total comprehensive income attributable to non-controlling interest	122.13	(298.61)
<b>Total comprehensive income/(loss)</b>	<b>249.24</b>	<b>(609.41)</b>

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash used in operating activities	108.88	46.59
Cash flows from investing activities	-	-
Cash flows from financing activities	(107.37)	(58.66)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>1.51</b>	<b>(12.07)</b>

### Summarised financial information for Indiabulls ARC - VIII Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets	212.07	4,974.57
Non-financial assets	-	-
<b>Total assets</b>	<b>212.07</b>	<b>4,974.57</b>
Financial liabilities	-	242.17
Non-financial Liabilities	-	-
<b>Total liabilities</b>	<b>-</b>	<b>242.17</b>
Equity attributable to the owners of the holding company	212.07	2,413.52
Non-controlling interests	-	2,318.88

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	283.45	891.17
Total comprehensive income attributable to the owners of the holding company	125.73	(181.88)
Total comprehensive income attributable to non-controlling interest	120.80	(174.75)
<b>Total comprehensive income/(loss)</b>	<b>246.52</b>	<b>(356.63)</b>

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities	4,520.33	144.19
Cash flows from investing activities	-	-
Cash flows from financing activities	(4,520.33)	(144.61)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>-</b>	<b>(0.42)</b>

Summarised financial information for Indiabulls ARC - X Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2020
Financial assets	2,848.72	26,605.28
Non-financial assets	-	0.73
<b>Total assets</b>	<b>2,848.72</b>	<b>26,606.01</b>
Financial liabilities	-	51.44
Non-financial Liabilities	-	2.25
<b>Total liabilities</b>	<b>-</b>	<b>53.69</b>
Equity attributable to the owners of the holding company	2,848.72	13,541.68
Non-controlling interests	-	13,010.64

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	3,234.74	5,604.70
Total comprehensive income attributable to the owners of the holding company	1,131.42	(284.77)
Total comprehensive income attributable to non-controlling interest	1,087.05	(273.61)
<b>Total comprehensive income/(loss)</b>	<b>2,218.47</b>	<b>(558.38)</b>

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities	23,535.67	9,922.48
Cash flows from investing activities	-	-
Cash flows from financing activities	(23,703.60)	(9,846.42)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(167.93)</b>	<b>76.06</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Summarised financial information for Indiabulls ARC - XI Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 20201
Financial assets	-	-
Non-financial assets	-	-
<b>Total assets</b>	-	-
Financial liabilities	-	-
Non-financial Liabilities	-	-
<b>Total liabilities</b>	-	-
Equity attributable to the owners of the holding company	-	-
Non-controlling interests	-	-

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	-	901.36
Total comprehensive income attributable to the owners of the holding company	-	(333.13)
Total comprehensive income attributable to non-controlling interest	-	(320.06)
<b>Total comprehensive income/(loss)</b>	-	<b>(653.19)</b>

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities	-	20,010.65
Cash flows from investing activities	-	-
Cash flows from financing activities	-	(20,062.77)
<b>Net increase/(decrease) in cash and cash equivalents</b>	-	<b>(52.12)</b>

### Summarised financial information for Indiabulls ARC - XII Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 20201
Financial assets	1,188.36	16,342.80
Non-financial assets	-	-
<b>Total assets</b>	<b>1,188.36</b>	<b>16,342.80</b>
Financial liabilities	-	292.45
Non-financial Liabilities	-	0.64
<b>Total liabilities</b>	-	<b>293.09</b>
Equity attributable to the owners of the holding company	1,188.36	8,185.35
Non-controlling interests	-	7,864.36



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	1,373.34	2,554.65
Total comprehensive income attributable to the owners of the holding company	434.44	(32.54)
Total comprehensive income attributable to non-controlling interest	417.40	(31.26)
<b>Total comprehensive income/(loss)</b>	<b>851.85</b>	<b>(63.81)</b>

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities	14,640.29	3,301.49
Cash flows from investing activities	-	-
Cash flows from financing activities	(14,861.35)	(3,113.82)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(221.06)</b>	<b>187.67</b>

Summarised financial information for Indiabulls ARC - XIII Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets	99.90	2,099.95
Non-financial assets	-	-
<b>Total assets</b>	<b>99.90</b>	<b>2,099.95</b>
Financial liabilities	-	78.01
Non-financial Liabilities	-	0.01
<b>Total liabilities</b>	<b>-</b>	<b>78.02</b>
Equity attributable to the owners of the holding company	99.90	1,031.18
Non-controlling interests	-	990.75

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	121.20	268.66
Total comprehensive income attributable to the owners of the holding company	39.76	(44.80)
Total comprehensive income attributable to non-controlling interest	38.20	(43.04)
<b>Total comprehensive income/(loss)</b>	<b>77.97</b>	<b>(87.85)</b>

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities	1,921.98	61.18
Cash flows from investing activities	-	-
Cash flows from financing activities	(1,922.03)	(62.66)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(0.05)</b>	<b>(1.48)</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Summarised financial information for Indiabulls ARC - XV Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets	74.30	1,959.41
Non-financial assets	-	-
<b>Total assets</b>	<b>74.30</b>	<b>1,959.41</b>
Financial liabilities	-	0.98
Non-financial Liabilities	-	-
<b>Total liabilities</b>	<b>-</b>	<b>0.98</b>
Equity attributable to the owners of the holding company	74.30	998.80
Non-controlling interests	-	959.63

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	90.08	94.75
Total comprehensive income attributable to the owners of the holding company	8.41	35.68
Total comprehensive income attributable to non-controlling interest	8.08	34.28
<b>Total comprehensive income</b>	<b>16.48</b>	<b>69.97</b>

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities	1,874.07	(1,874.07)
Cash flows from investing activities	-	-
Cash flows from financing activities	(1,884.13)	1,884.13
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(10.06)</b>	<b>10.06</b>

### Summarised financial information for Indiabulls ARC - XVI Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets	335.19	7,576.79
Non-financial assets	-	-
<b>Total assets</b>	<b>335.19</b>	<b>7,576.79</b>
Financial liabilities	-	11.77
Non-financial Liabilities	-	-
<b>Total liabilities</b>	<b>-</b>	<b>11.77</b>
Equity attributable to the owners of the holding company	335.19	3,858.16
Non-controlling interests	-	3,706.86

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	397.73	461.93
Total comprehensive income attributable to the owners of the holding company	75.31	115.98
Total comprehensive income attributable to non-controlling interest	72.35	111.43
<b>Total comprehensive income</b>	<b>147.66</b>	<b>227.41</b>

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities	7,189.19	(7,189.19)
Cash flows from investing activities	-	-
Cash flows from financing activities	(7,229.84)	7,229.84
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(40.65)</b>	<b>40.65</b>

Summarised financial information for Indiabulls ARC - XVIII Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets	-	10,000.00
Non-financial assets	-	-
<b>Total assets</b>	<b>-</b>	<b>10,000.00</b>
Financial liabilities	-	1.27
Non-financial Liabilities	-	-
<b>Total liabilities</b>	<b>-</b>	<b>1.27</b>
Equity attributable to the owners of the holding company	-	5,099.35
Non-controlling interests	-	4,899.38

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	176.20	-
Total comprehensive income attributable to the owners of the holding company	0.65	(0.65)
Total comprehensive income attributable to non-controlling interest	0.62	(0.62)
<b>Total comprehensive income/ (loss)</b>	<b>1.27</b>	<b>(1.27)</b>

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities	-	-9,998.74
Cash flows from investing activities	-	-
Cash flows from financing activities	-	9,998.74
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Summarised financial information for Indiabulls ARC - XIX Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets	3,799.62	-
Non-financial assets	-	-
<b>Total assets</b>	<b>3,799.62</b>	-
Financial liabilities	(3,404.66)	-
Non-financial Liabilities	0.04	-
<b>Total liabilities</b>	<b>(3,404.62)</b>	-
Equity attributable to the owners of the holding company	3,674.16	-
Non-controlling interests	3,530.08	-

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	510.17	-
	-	-
Total comprehensive income attributable to the owners of the holding company	192.90	-
Total comprehensive income attributable to non-controlling interest	185.34	-
<b>Total comprehensive income</b>	<b>378.24</b>	-

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities	(3,404.62)	-
Cash flows from investing activities	-	-
Cash flows from financing activities	3,404.62	-
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>

### Summarised financial information for Indiabulls ARC - XX Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets	8,225.89	-
Non-financial assets	-	-
<b>Total assets</b>	<b>8,225.89</b>	-
Financial liabilities	(7,980.44)	-
Non-financial Liabilities	0.08	-
<b>Total liabilities</b>	<b>(7,980.36)</b>	-
Equity attributable to the owners of the holding company	8,265.19	-
Non-controlling interests	7,941.06	-

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	238.89	-
Total comprehensive income attributable to the owners of the holding company	118.45	-
Total comprehensive income attributable to non-controlling interest	113.80	-
<b>Total comprehensive income</b>	<b>232.25</b>	<b>-</b>

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities	(7,980.36)	-
Cash flows from investing activities	-	-
Cash flows from financing activities	7,980.36	-
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>

Summarised financial information for Indiabulls ARC - XXI Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets	4,514.70	-
Non-financial assets	376.25	-
<b>Total assets</b>	<b>4,890.95</b>	<b>-</b>
Financial liabilities	(3,963.37)	-
Non-financial Liabilities	0.30	-
<b>Total liabilities</b>	<b>(3,963.07)</b>	<b>-</b>
Equity attributable to the owners of the holding company	6,640.52	-
Non-controlling interests	2,213.51	-

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	326.95	-
Total comprehensive income attributable to the owners of the holding company	80.05	-
Total comprehensive income attributable to non-controlling interest	240.16	-
<b>Total comprehensive income</b>	<b>320.22</b>	<b>-</b>

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities	(3,963.07)	-
Cash flows from investing activities	-	-
Cash flows from financing activities	4,559.00	-
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>595.93</b>	<b>-</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Summarised financial information for Indiabulls ARC - XXII Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets	6,612.46	-
Non-financial assets	-	-
<b>Total assets</b>	<b>6,612.46</b>	-
Financial liabilities	(6,497.68)	-
Non-financial Liabilities	-	-
<b>Total liabilities</b>	<b>(6,497.68)</b>	-
Equity attributable to the owners of the holding company	9,832.61	-
Non-controlling interests	3,277.54	-

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	112.46	-
Total comprehensive income attributable to the owners of the holding company	27.53	-
Total comprehensive income attributable to non-controlling interest	82.60	-
<b>Total comprehensive income</b>	<b>110.13</b>	-

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities	(6,497.68)	-
Cash flows from investing activities	-	-
Cash flows from financing activities	6,497.68	-
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>

### Summarised financial information for Indiabulls ARC - XXIII Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets	17,141.14	-
Non-financial assets	140.40	-
<b>Total assets</b>	<b>17,281.54</b>	-
Financial liabilities	(16,858.86)	-
Non-financial Liabilities	2.02	-
<b>Total liabilities</b>	<b>(16,856.84)</b>	-
Equity attributable to the owners of the holding company	25,603.79	-
Non-controlling interests	8,534.60	-

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	214.53	-
Total comprehensive income attributable to the owners of the holding company	46.92	-
Total comprehensive income attributable to non-controlling interest	140.76	-
<b>Total comprehensive income</b>	<b>187.69</b>	<b>-</b>

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities	(16,856.84)	-
Cash flows from investing activities	-	-
Cash flows from financing activities	17,021.18	-
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>164.34</b>	<b>-</b>

Summarised financial information for Indiabulls ARC - XXIV Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets	11,198.73	-
Non-financial assets	-	-
<b>Total assets</b>	<b>11,198.73</b>	<b>-</b>
Financial liabilities	(10,997.68)	-
Non-financial Liabilities	-	-
<b>Total liabilities</b>	<b>(10,997.68)</b>	<b>-</b>
Equity attributable to the owners of the holding company	16,647.31	-
Non-controlling interests	5,549.10	-

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	198.73	-
Total comprehensive income attributable to the owners of the holding company	49.10	-
Total comprehensive income attributable to non-controlling interest	147.30	-
<b>Total comprehensive income</b>	<b>196.40</b>	<b>-</b>

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities	(10,997.68)	-
Cash flows from investing activities	-	-
Cash flows from financing activities	10,997.68	-
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Summarised financial information for Indiabulls ARC - XXVI Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets	2,580.40	-
Non-financial assets	-	-
<b>Total assets</b>	<b>2,580.40</b>	-
Financial liabilities	(2,579.18)	-
Non-financial Liabilities	-	-
<b>Total liabilities</b>	<b>(2,579.18)</b>	-
Equity attributable to the owners of the holding company	4,643.62	-
Non-controlling interests	515.96	-

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	-	-
Total comprehensive income attributable to the owners of the holding company	(1.10)	-
Total comprehensive income attributable to non-controlling interest	(0.12)	-
<b>Total comprehensive income/ (loss)</b>	<b>(1.22)</b>	-

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities	(2,579.18)	-
Cash flows from investing activities	-	-
Cash flows from financing activities	2,579.18	-
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>

### Summarised financial information for Indiabulls ARC - XXVII Trust is set out below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets	17,425.80	-
Non-financial assets	-	-
<b>Total assets</b>	<b>17,425.80</b>	-
Financial liabilities	(17,424.58)	-
Non-financial Liabilities	-	-
<b>Total liabilities</b>	<b>(17,424.58)</b>	-
Equity attributable to the owners of the holding company	31,365.34	-
Non-controlling interests	3,485.04	-



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total revenue	-	-
Total comprehensive income attributable to the owners of the holding company	(1.10)	-
Total comprehensive income attributable to non-controlling interest	(0.12)	-
Total comprehensive income/ (loss)	(1.22)	-

Summarised cash flow	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities	(17,424.58)	-
Cash flows from investing activities	-	-
Cash flows from financing activities	17,424.58	-
<b>Net increase/ (decrease) in cash and cash equivalents</b>	-	-

### Note - 63

#### Accounting Ratios

ASSETS	As at 31 March 2022			As at 31 March 2021			Variance (%)*
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio	
Current Ratio [Current Assets/ Current Liabilities]	1,45,853.59	87,564.20	1.67	2,02,381.82	77,794.18	2.60	(35.97)
Debt-Equity Ratio [Debt/ Equity]	1,59,703.97	5,27,103.43	0.30	2,33,852.80	5,61,245.69	0.42	(27.28)
Debt Service Coverage Ratio [PBIDT+ exceptional items) / (Interest+ Principal repayment]	(53,084.83)	1,99,687.09	(0.27)	36,656.09	2,80,420.05	0.13	(303.37)
Return on Equity Ratio [(PAT + exceptional items)/(Total op. Equity+Total cl. Equity)/2]	(86,036.95)	5,44,174.56	-15.81%	(22,976.90)	5,60,009.63	-4.10%	285.35
Inventory turnover ratio [Consumption /(op. Inventory+cl. Inventory)/2]	16,220.91	5,320.37	3.05	23.07	45.22	0.51	497.61
Trade Receivables turnover ratio [Sales / (op. receivable+cl. Receivables)/2]	1,43,443.85	13,418.87	10.69	1,31,101.62	14,621.22	8.97	19.22
Trade payables turnover ratio Purchase/(op.payables+cl. Payables)]/2	26,680.76	8,262.40	3.23	113.52	6,203.12	0.02	17,545.32

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

ASSETS	As at 31 March 2022			As at 31 March 2021			Variance (%)*
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio	
Net capital turnover ratio [Total Operational Revenue/ Working Capital]	1,43,443.85	58,289.39	2.46	1,31,101.62	1,24,587.64	1.05	133.86
Net profit ratio [PAT before exceptional items/ Total Income]	(86,036.95)	1,46,542.02	-58.71%	(22,976.90)	1,36,345.70	-16.85%	248.40
Return on Capital employed [PBIT before exceptional items/ Total capital employed (NW- DTA+debt+DTL)]	(62,583.76)	7,26,374.00	(0.09)	28,260.71	8,98,590.37	0.03	(373.96)
Return on investment [ROI=Income received on Investment/ Investment outside the group]	11.62	1,567.51	0.01	9.41	316.10	0.03	(75.10)

### Reason of Variances:

**Current Ratio:** Primarily due to moderation in Cash and cash equivalent position as on 31st March 2022.

**Debt-Equity Ratio:** Primarily due to decrease in borrowings in FY 2021-22.

**Debt Service Coverage Ratio:** Primarily due to increase in operating expenses in FY 2021-22.

**Return on Equity Ratio:** Difference is on account of reduction in interest income from financing activities due to defocus from traditional lending business.

**Inventory turnover ratio:** This is on account of growth in sale of products in FY 2021-22.

**Trade Receivables turnover ratio:** This is on account of better collections in FY2021-22.

**Trade payables turnover ratio:** This is on account of better credit term with suppliers.

**Net capital turnover ratio:** This is on account of better deployment of working capital.

**Net profit ratio:** This is on account of reduction in interest income from financing activities due to defocus from traditional lending business.

**Return on Capital employed:** This is on account of reduction in interest income from financing activities due to defocus from traditional lending business.

**Return on Investment:** Income on investment is not increased in proportion to increase in investment.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Note - 64

#### Buy-back

During the year ended 31 March 2020, the Company pursuant to and in terms of its shareholders' and applicable regulatory approvals had bought back 66,666,666 fully paid-up equity shares having face value of ₹ 2 each at a price of ₹ 150 per share, through the 'Tender Offer' route for an aggregate amount of ₹ 100,000 lakh (excluding expenses towards buy back). The said Buy Back was completed on 4 February 2020. Consequently, the paid-up capital of the Company was reduced by ₹ 1,333.33 lakh. Of the total buyback cash outflow excluding related expenses, an amount of ₹ 98,666.67 lakh was utilized from Securities Premium Account and Capital Redemption Reserve of ₹ 1,333.33 lakh (representing the nominal value of the shares bought back and extinguished) has been created from the balance in retained earnings as per the requirements of the Companies Act, 2013. Buy back expenses of ₹ 7,160.79 lakh have been adjusted to Securities Premium Account.

### Note - 65

#### Disclosure with regard to CSR activities pursuant to MCA notification 24th March 2021.

In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company in the group had constituted a Corporate Social Responsibility (CSR) Committee for the Companies. In terms with the provisions of the said Act, the group was to spend a sum of ₹ 534.74 lakh (previous year ₹ 867.65 lakh) towards CSR activities during the year ended 31 March 2022. The details of amount actually spent by the group are:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(i) Gross amount required to be spent by the Company	534.74	867.65
(ii) Amount spent on		
Construction/acquisition of any asset	-	-
Any other purpose other than above *	534.74	867.65
Yet to be paid	-	-
	534.74	867.65

\*Contribution towards donation/corpus fund paid to Indiabulls Foundation, incurred on free medicines including health care services and incurred on education of poor students.

### Note - 66

#### (I) Benami Property

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

#### (II) Guarantee, security or the like on behalf of the Ultimate Beneficiaries

- (i) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

- (ii) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) The group does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.**

### Note - 67

Previous Year's figures have been regrouped rearranged where ever considered necessary to confirm current year figures.

For **Sharp & Tannan Associates**  
Chartered Accountants  
Firm Registration No. 109983W

For and on behalf of the Board of Directors

**Thirtharaj Khot**  
Partner

**Sameer Gehlaut**  
Chairman & CEO

**Divyesh B. Shah**  
Whole Time Director &  
Chief Operating Officer  
DIN: 00010933

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Lalit Sharma**  
Company Secretary

Membership No.: 037457

DIN: 00060783

Place: Mumbai  
Date: 30 May 2022

Place: London  
Date: 30 May 2022

Place: Mumbai  
Date: 30 May 2022

Place: Gurugram  
Date: 30 May 2022

Place: Gurugram  
Date: 30 May 2022

# Independent Auditors' Report

To the members of Dhani Services Limited (formerly Indiabulls Ventures Limited)

## Report on the audit of the standalone financial statements

### Opinion

We have audited the accompanying standalone financial statements of **Dhani Services Limited** (formerly Indiabulls Ventures Limited)(hereinafter referred as "the Company"), which comprise the balance sheet as at 31 March 2022, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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 (hereinafter referred as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (hereinafter referred as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31 March 2022, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (hereinafter referred as "SAs") specified under section 143(10) of the Act. 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 on the standalone financial statements.

### Emphasis of matter

We draw attention to the following points:

- Note 53 of the accompanying Statement, which describes that the impact assessment of COVID-19 pandemic on the financial position of the Company in a continuing process and the Company believes that it has considered all the possible impact of known events in preparation of the Statement.
- Note 42 of the accompanying Statement regarding the requirement of obtaining the Certificate of registration (CoR) for the Company from the Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) under the Category of Core Investment Company (CIC). The management is of the view that basis their present business operations and applicable financial criteria, the Company qualifies to fall under the category of an unregistered CIC and has written to RBI for their view in this regard, response to which is awaited. The management is further of the view that the possible non-compliance with such requirement is not expected to have material impact on the accompanying Statement.

Our opinion is not modified in respect of these matter of emphasis.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of

the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

#### **Information other than the standalone financial statements and auditor's report thereon**

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the Board's report and management discussion and analysis included in the annual report but 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Managements and Board of Directors responsibilities for the standalone financial statements**

The Company's management and Board of Directors are responsible for the preparation of the Statement that gives a true and fair view of the net loss, other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34, prescribed under section 133 of the Act read with relevant rules issued thereafter and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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, Company's Management and Board of Directors are 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 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:

- A. 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

## Independent Auditors' Report (Contd.)

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.

- B. 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
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. 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.
- E. 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

The financial statements include standalone financial results for the year ended 31 March 2021 which were audited by predecessor auditor and they had issued unmodified audit opinion thereon vide their report dated 18 June, 2021.

Our opinion is not modified in respect of this other matter.

### Report on other legal and regulatory requirements

1. 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.
2. As required by section 143 (3) of the Act and based on our audit, 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 balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
  - g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
  - h) 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 as at 31 March 2022 on its financial position in its standalone financial statements - refer note 37 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 2022.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. Reporting on rule 11(e):
      - (a) The Management has represented that, to the best of its knowledge and belief, as stated in note no. 50(i), no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the



## Independent Auditors' Report (Contd.)

Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, as stated in note no. 50(ii), no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. During the year, the Company has not declared/paid dividend. Accordingly, reporting under section 123 of the Act is not applicable.

For **Sharp & Tannan Associates**  
Chartered Accountants  
Firm's Registration no. 109983W  
by the hand of

**Tirtharaj Khot**  
Partner  
Membership no.(F) 037457  
UDIN: 22037457AMPAUD5043

Mumbai, 30 May 2022

## Annexure A to the Independent Auditor’s Report

(Referred to in paragraph 1 under the heading, “Report on Other Legal and Regulatory Requirements” of our report on even date)

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) During the year, the Property, Plant and Equipment were physically verified by the management at regular intervals based on the programme of verification in a phased manner which in our opinion is reasonable. No material discrepancies were noticed during such physical verification conducted by the Company during the year.
- (c) The company does not hold any immovable properties. Accordingly, reporting under paragraph 3(i)(c) of the order is not applicable.
- (d) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has neither revalued its Property, Plant and Equipment (including Right of Use assets) nor intangible assets during the year. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable.
- (e) According to the information, explanation and representation provided to us and based on verification carried out by us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under paragraph 3(i)(e) of the Order is not applicable.
- (ii) (a) According to the information, explanation and representation provided to us and based on verification carried out by us, Company does not have any inventory. Accordingly, reporting under paragraph 3(ii)(a) of the Order is not applicable.
- (b) According to the information, explanation and representation provided to us and based on verification carried out by us, during the year, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions. Accordingly, reporting under paragraph 3(ii)(b) of the Order is not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination the Company has not made investment in the nature of loan or provided any guarantee or security or advances in the nature of loans secured or unsecured to companies, firms, Limited liability partnerships or any other parties during the year. The company has granted loans in the nature of intercorporate deposits in respect of which requisite information is stated in sub clause (a) below. The Company has not granted any loans to firms, limited liability partnership or any other parties.
- (a) During the year, the Company has granted loans in the nature of intercorporate deposits to its subsidiaries as below:

Particulars	Loans (Intercorporate deposits)	
	Provided during the year	Balance outstanding as at 31 Mar 2022
Aggregate amount during the year - Subsidiaries	Rs. 2,05,442.45 Lakhs	Rs. 1,25,108.45 Lakhs excluding interest.

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the grant of loans in the nature of intercorporate deposits are, prima facie, not prejudicial to the interest of the company.

## Independent Auditors' Report (Contd.)

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given in the nature of intercorporate deposits, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given in the nature of intercorporate deposits. Accordingly, the reporting under para 3(iii)(d) is not applicable.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan in the nature of intercompany deposits falling due during the year, which has been renewed or extended or fresh loans in the nature of intercompany deposits granted to settle the overdue of existing loans given in the nature of intercompany deposits to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has complied with provisions of section 185 and section 186 of the Act.
- (v) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not accepted deposits or deemed deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under, are applicable. Accordingly, reporting under para 3(v) is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013, for the business activities carried out by the Company. Accordingly, reporting under paragraph 3 (vi) of the Order is not applicable.
- (vii) In respect of statutory dues:
- (a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, value added tax, cess, and any other statutory dues, as applicable, to the appropriate authorities. According to the information and explanations given to us and based on verification carried out by us on test basis, there are no arrears of statutory dues outstanding as on the last day of the financial year concerned for a period of more than six months from the date, they became payable.
- (b) The dues outstanding in respect of income-tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakh)	Amount paid under Protest (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax Act, 1961	90.97	16.44	AY 2011-12	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income-tax Act, 1961	33.02	6.56	AY 2012-13	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income-tax Act, 1961	4.21	0.83	AY 2013-14	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income-tax Act, 1961	43.33	7.58	AY 2014-15	Income Tax Appellate Tribunal

Name of the statute	Nature of dues	Amount (₹ in lakh)	Amount paid under Protest (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax Act, 1961	40.66	8.13	AY 2015-16	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income-tax Act, 1961	18.32	3.66	AY 2016-17	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income-tax Act, 1961	67.17	13.43	AY 2017-18	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income-tax Act, 1961	17.36	3.43	AY 2013-14	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income-tax Act, 1961	2,524.48	NIL	AY 2018-19	Commissioner of Income-Tax (Appeals)

- (viii) According to the information, explanation and representation provided to us and based on verification carried out by us, there are no transactions which are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, reporting under para 3(viii) is not applicable.
- (ix) (a) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, reporting under para 3(ix)(a) is not applicable.
- (b) According to the information, explanation and representation provided to us and based on verification carried out by us, we report that the company has not been declared as willful defaulter by any bank or financial institution or other lender. Accordingly, reporting under para 3(ix)(b) is not applicable.
- (c) According to the information, explanation and representation provided to us and based on verification carried out by us, the term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained.
- (d) According to the information, explanation and representation provided to us and based on verification carried out by us, funds raised on short term basis have not been utilised for long term purposes. Accordingly, reporting under para 3(ix)(d) is not applicable.
- (e) According to the information, explanation and representation provided to us and based on verification carried out by us, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, reporting under para 3(ix)(e) is not applicable.
- (f) According to the information, explanation and representation provided to us and based on verification carried out by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, reporting under para 3(ix)(f) is not applicable.
- (x) (a) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments), however call money has been received against partly paid shares. Accordingly, reporting on para 3(x)(a) is not applicable.
- (b) According to the information, explanation and representation provided to us and based on verification carried out by us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on para 3(x)(b) is not applicable.

## Independent Auditors' Report (Contd.)

- (xi) (a) According to the information, explanation and representation provided to us and based on verification carried out by us, no fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) During the year, we have taken into consideration the whistle blower complaints, if any, received by the company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company. Accordingly, reporting on para 3(xii) of the order is not applicable.
- (xiii) According to the information, explanation and representation provided to us and based on verification carried out by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable, and the details have been disclosed in the financial statements as required by the applicable IND AS.
- (xiv) (a) According to the information, explanation and representation provided to us and based on verification carried out by us, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports issued during the year and pertaining to the year under audit.
- (xv) According to the information, explanation and representation provided to us and based on verification carried out by us, the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company. Accordingly, reporting on para 3(xv) of the order is not applicable.
- (xvi) Our comments below to be read with our emphasis of matter w.r.t. requirement of obtaining the Certificate of Registration (CoR) for the Company from the Reserve Bank of India (RBI):
- (a) The Company has not been registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) According to the information, explanation and representation provided to us, the company has conducted Non-Banking Financial activities however is not required to be registered with RBI.
- (c) According to the information, explanation and representation provided to us, the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India however is not required to be registered with RBI.
- (d) According to the information, explanation and representation provided to us and based on verification carried out by us, the group does not have CIC as part of the group. Accordingly, reporting on para 3(xvi)(d) of the order is not applicable.
- (xvii) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) During the year, the predecessor auditors resigned as statutory auditors of the Company. The predecessor statutory auditors have confirmed to us that they were not aware of reasons as to why we should not accept the statutory audit engagements of the Company.
- (xix) According to the information, explanation and representation provided to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other

information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) (a) There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects required a transfer to a Fund specified in Schedule VII to the companies Act in compliance with second proviso to sub section (5) of section 135 of the Act. Accordingly, reporting on para 3(xx)(a) of the order is not applicable.
- (b) There is no unspent amount towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a special account in compliance with sub-section (6) of section 135 of the Act. Accordingly, reporting on para 3(xx)(b) of the order is not applicable.
- (xxi) Reporting on paragraph 3 (xxi) is not applicable to the standalone financial statements.

For **Sharp & Tannan Associates**  
Chartered Accountants  
Firm's Registration no. 109983W  
by the hand of

**Tirtharaj Khot**  
Partner  
Membership no.(F) 037457  
UDIN: 22037457AMPAUD5043

Mumbai, 30 May 2022

## Annexure B to the Independent Auditor's Report

Referred to in paragraph 2 (F) under the heading, "Report on other legal and regulatory requirements" of our report on even date:

### Report on the Internal Financial Controls

[under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")]

#### Opinion

We have audited the internal financial controls over financial reporting of Dhani Services Limited (formerly Indiabulls Ventures Limited) (hereinafter referred as "the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal financial control over financial reporting 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 (hereinafter referred as "the guidance note") issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI").

#### Managements and Board of Directors responsibility for internal financial controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note. 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 its 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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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. 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 over financial reporting 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 controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting.

### Meaning of internal financial controls over financial reporting

A Company's internal financial control over financial reporting 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 control over financial reporting 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Sharp & Tannan Associates**  
Chartered Accountants  
Firm's Registration no. 109983W  
by the hand of

**Tirtharaj Khot**  
Partner  
Membership no.(F) 037457  
UDIN: 22037457AMPAUD5043

Mumbai, 30 May 2022



# Standalone Balance Sheet

as at 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

	Notes	As at 31 March 2022	As at 31 March 2021
<b>I. ASSETS</b>			
<b>(1) Financial assets</b>			
(a) Cash and cash equivalents	5	4,030.49	6,089.55
(b) Other bank balances	6	2,067.81	6,860.15
(c) Loans	7	1,25,147.33	43,486.07
(d) Investments	8	4,95,176.47	4,81,768.05
(e) Other financial assets	9	304.87	1,085.32
		<b>6,26,726.97</b>	<b>5,39,289.14</b>
<b>(2) Non-financial assets</b>			
(a) Current tax assets (net)	10	2,324.52	1,891.03
(b) Deferred tax assets (net)	11	4,433.67	5,238.81
(c) Property, plant and equipment	12	71.73	79.60
(d) Other intangible assets	13	8.61	12.36
(e) Other non-financial assets	14	101.32	114.41
		<b>6,939.85</b>	<b>7,336.21</b>
		<b>6,33,666.82</b>	<b>5,46,625.35</b>
<b>TOTAL ASSETS</b>			
<b>II. LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial liabilities</b>			
(a) Payables			
(i) Trade payables	15		
(ii) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than above		16.55	14.11
(II) Other payables	16		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than above		324.03	139.15
(b) Borrowings (other than debt securities)	17	52,500.00	41,315.19
(c) Other financial liabilities	18	145.58	223.48
		<b>52,986.16</b>	<b>41,691.93</b>
<b>(2) Non-financial Liabilities</b>			
(a) Current tax liabilities (net)	19	11.14	-
(b) Provisions	20	83.61	74.32
(c) Other non-financial liabilities	21	265.06	378.13
		<b>359.81</b>	<b>452.45</b>
<b>(3) Equity</b>			
(a) Equity share capital	22	12,119.22	11,454.24
(b) Other equity	23	5,68,201.63	4,93,026.73
		<b>5,80,320.85</b>	<b>5,04,480.97</b>
		<b>6,33,666.82</b>	<b>5,46,625.35</b>
<b>TOTAL LIABILITIES AND EQUITY</b>			

The accompanying notes are an integral part of these standalone financial statements. This is the Balance Sheet referred to in our report of even date.

For **Sharp & Tannan Associates**  
Chartered Accountants  
Firm Registration No. 109983W

For and on behalf of the Board of Directors

**Tirtharaj Khot**  
Partner  
Membership No.: 037457

**Sameer Gehlaut**  
Chairman & CEO  
DIN: 00060783

**Divyesh B. Shah**  
Whole Time Director &  
Chief Operating Officer  
DIN: 00010933

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Lalit Sharma**  
Company Secretary

Place: Mumbai  
Date: 30 May 2022

Place: London  
Date: 30 May 2022

Place: Mumbai  
Date: 30 May 2022

Place: Gurugram  
Date: 30 May 2022

Place: Gurugram  
Date: 30 May 2022

# Standalone Statement of Profit and Loss

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>I. Revenue from operations</b>			
Interest income	24	4,361.08	2,436.95
Dividend income	25	11.62	500.37
Net gain on fair value changes	26	81.20	97.99
<b>Total revenue from operations</b>		<b>4,453.90</b>	<b>3,035.31</b>
<b>II. Other income</b>	27	232.05	503.69
<b>III. Total income (I + II)</b>		<b>4,685.95</b>	<b>3,539.00</b>
<b>IV. Expenses</b>			
Finance costs	28	4,516.65	3,470.79
Fees and commission expense	29	18.28	20.48
Impairment on financial assets	30	788.77	220.10
Employee benefits expenses	31	270.55	14.19
Depreciation and amortisation	32	21.88	19.38
Other expenses	33	842.31	577.65
<b>Total expenses</b>		<b>6,458.44</b>	<b>4,322.59</b>
<b>V. Profit/(loss) before tax (III-IV)</b>		<b>(1,772.49)</b>	<b>(783.59)</b>
<b>VI. Tax expense:</b>	34		
Income tax for earlier years		17.62	28.03
Deferred tax	11	681.35	863.38
		<b>698.97</b>	<b>891.41</b>
<b>VII. Profit/ (loss) for the year (V+VI)</b>		<b>(2,471.46)</b>	<b>(1,675.00)</b>
<b>VIII. Other comprehensive income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
(a) Remeasurement gain on defined benefit plans		3.86	0.60
(b) Fair value of equity instruments		1,251.41	151.82
<b>(ii) Income-tax relating to items that will not be reclassified to profit or loss</b>		<b>(123.79)</b>	<b>(0.15)</b>
<b>Total other comprehensive income (net of taxes)</b>		<b>1,131.48</b>	<b>152.27</b>
<b>IX. Total comprehensive income for the year (VII+VIII)</b>		<b>(1,339.98)</b>	<b>(1,522.73)</b>
<b>X Earnings per equity share (in ₹):</b>	35		
Basic		(0.44)	(0.31)
Diluted		(0.44)	(0.31)
Face value per equity share (₹)		2	2

The accompanying notes are an integral part of these standalone financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For **Sharp & Tannan Associates**  
Chartered Accountants  
Firm Registration No. 109983W

For and on behalf of the Board of Directors

**Tirtharaj Khot**  
Partner  
Membership No.: 037457

**Sameer Gehlaut**  
Chairman & CEO  
DIN: 00060783

**Divyesh B. Shah**  
Whole Time Director &  
Chief Operating Officer  
DIN: 00010933

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Lalit Sharma**  
Company Secretary

Place: Mumbai  
Date: 30 May 2022

Place: London  
Date: 30 May 2022

Place: Mumbai  
Date: 30 May 2022

Place: Gurugram  
Date: 30 May 2022

Place: Gurugram  
Date: 30 May 2022

## Standalone Statement of Cash Flows

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A Cash flows from operating activities :</b>		
Profit/ (loss) before tax	(1,772.49)	(783.59)
Adjustments for :		
Depreciation and amortisation	21.88	19.38
Profit on sale of property, plant and equipment (net)	-	(1.45)
Provision for employee benefits (net)	13.15	(9.21)
Impairment on financial assets	788.77	220.10
Sundry credit balances written back	(42.79)	(176.51)
Unrealised loss/(gain) on foreign exchange fluctuations	(23.39)	15.99
Gain on fair valuation of financial assets	(81.20)	(97.99)
Share based payment expense	(12.23)	(186.92)
Income from financial guarantees	(156.31)	(270.02)
	<b>507.88</b>	<b>(486.63)</b>
Operating Profit before working capital changes	(1,264.61)	(1,270.22)
Adjustments for:		
Increase in loans	-	(6.07)
Decrease/(increase) in other financial assets	4,784.02	(991.89)
Decrease/(increase) in other non-financial assets	13.09	235.51
Increase/(decrease) in trade payables	23.09	(70.98)
Increase/(decrease) in other payables	207.03	19.29
Increase/(decrease) in other financial liabilities	3.74	(25.91)
Increase/(decrease) in other non financial liabilities	43.25	(2,386.82)
	<b>5,074.22</b>	<b>(3,226.87)</b>
Cash generated from / (used in) operating activities	3,809.61	(4,497.09)
Income-tax (paid)/ refund received (net)	(439.97)	384.10
<b>Net cash generated from/ (used in) operating activities</b>	<b>3,369.64</b>	<b>(4,112.99)</b>
<b>B Cash flows from investing activities :</b>		
Purchase of property, plant and equipment and other intangible assets (including intangible assets under development and capital advances)	(10.26)	(16.11)
Proceeds from sale of property, plant and equipment	-	1.45
Proceeds from redemption of investments (net)	81.20	97.99
Investment in equity shares of subsidiaries	(7,650.90)	(3,716.57)
Inter-corporate deposits given to subsidiaries (net of repayments)	(81,637.87)	(30,035.74)
<b>Net cash generated from/(used in) investing activities</b>	<b>(89,217.83)</b>	<b>(33,668.98)</b>

## Standalone Statement of Cash Flows (Contd.)

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>C Cash flows from financing activities</b>		
Dividends paid (including amount transferred to investor education and protection fund)	(81.64)	(59.61)
Repayment of debt securities	-	(8,931.96)
Proceeds from borrowings (other than debt securities)	11,200.00	21,300.00
Repayment of borrowings (other than debt securities)	(15.19)	(9.56)
Purchase of treasury shares	(7,062.34)	(20,759.60)
Proceeds from issue of equity shares (including securities premium) (net of share issue expenses)	79,748.30	58,791.75
<b>Net cash generated from/(used in) financing activities</b>	<b>83,789.13</b>	<b>50,331.02</b>

	As at 31 March 2022	As at 31 March 2021
D Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(2,059.06)	12,549.05
E Cash and cash equivalents at the beginning of the year	6,089.55	(6,459.50)
F Cash and cash equivalents at the end of the year (D+E) (Refer Note - 2 below)	<b>4,030.49</b>	<b>6,089.55</b>

### Notes:

1 The above of Cash Flows Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) -7 "Statement of Cash Flows" as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

2 Cash and cash equivalents at the end of the year include:

	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents (as per note - 5 to the financial statements)	4,030.49	6,089.55
<b>Total cash and cash equivalents for statement of cash flows</b>	<b>4,030.49</b>	<b>6,089.55</b>
(refer accounting policies for cash and cash equivalents)		

3 For disclosures relating to changes in liabilities arising from financing activities, refer note 38.

The accompanying notes are an integral part of these standalone financial statements.

This is the Statement of Cash Flows referred to in our report of even date.

For **Sharp & Tannan Associates**  
Chartered Accountants  
Firm Registration No. 109983W

For and on behalf of the Board of Directors

**Tirtharaj Khot**  
Partner  
Membership No.: 037457

**Sameer Gehlaut**  
Chairman & CEO  
DIN: 00060783

**Divyesh B. Shah**  
Whole Time Director &  
Chief Operating Officer  
DIN: 00010933

**Rajeev Lochan Agrawal**  
Chief Financial Officer

**Lalit Sharma**  
Company Secretary

Place: Mumbai  
Date: 30 May 2022

Place: London  
Date: 30 May 2022

Place: Mumbai  
Date: 30 May 2022

Place: Gurugram  
Date: 30 May 2022

Place: Gurugram  
Date: 30 May 2022

# Standalone Statement of Changes in Equity

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

A Equity share capital (refer note - 22)									
Particulars	Balance as at 1 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2021	Changes during the year	Balance as at 31 March 2022				
Equity share capital	11,454.24	-	11,454.24	664.98	12,119.22				
B Other equity (refer note - 23)									
Particulars	Balance as at 1 April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2020	"Changes during the year"	"Balance as at 31 March 2021"				
Equity share capital	10,222.47	-	10,222.47	1,231.77	11,454.24				
Particulars	Treasury shares	Equity component of compulsory convertible debentures	Capital redemption reserve	Reserves and surplus		Equity instruments through other comprehensive income	Total		
				Securities premium	General reserve	Share options outstanding account	Retained earnings		
Balance as at 1 April 2020	(18,305.73)	1,30,719.26	4,933.69	3,10,103.58	3,381.78	8,215.57	18,553.20	164.19	4,57,765.54
Loss for the year	-	-	-	-	-	-	(1,675.00)	-	(1,675.00)
Other comprehensive income (net of tax)	-	-	-	-	-	-	0.45	151.82	152.27
Issue of equity shares	-	(1,30,719.26)	-	1,88,421.55	-	-	-	-	57,702.29
Expenses on issue of shares	-	-	-	(15.50)	-	-	-	-	(15.50)
Acquisition of own shares	(20,759.60)	-	-	-	-	-	-	-	(20,759.60)
Share based options for employees of subsidiaries	-	-	-	-	-	43.65	-	-	43.65
Share based options lapsed	-	-	-	-	-	(3,541.16)	3,541.16	-	-
Share based payment expense	-	-	-	-	-	(186.92)	-	-	(186.92)
Balance as at 31 March 2021	(39,065.33)	-	4,933.69	4,98,509.63	3,381.78	4,531.14	20,419.81	316.01	4,93,026.73

# Standalone Statement of Changes in Equity

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

(All amounts in Indian Rupees in lakh unless stated otherwise)

Particulars	Treasury shares	Equity component of compulsory convertible debentures	Reserves and surplus				Equity instruments through other comprehensive income	Total
			Capital redemption reserve	Securities premium	General reserve	Share options outstanding account		
<b>Balance as at 1 April 2021</b>	<b>(39,065.33)</b>	-	<b>4,933.69</b>	<b>4,98,509.63</b>	<b>3,381.78</b>	<b>4,531.14</b>	<b>20,419.81</b>	<b>4,93,026.73</b>
Loss for the year	-	-	-	-	-	-	(2,471.46)	(2,471.46)
Other comprehensive income (net of tax)	-	-	-	-	-	-	2.89	1,131.49
Issue of equity shares	-	-	-	79,133.21	-	-	-	79,133.21
Expenses on issue of shares	-	-	-	(49.89)	-	-	-	(49.89)
Acquisition of own shares	(7,062.34)	-	-	-	-	-	-	-
Share based options for employees of subsidiaries	-	-	-	-	-	4,506.12	-	4,506.12
Share based payment expense	-	-	-	-	-	(12.23)	-	(12.23)
<b>Balance as at 31 March 2022</b>	<b>(46,127.67)</b>	-	<b>4,933.69</b>	<b>5,77,592.95</b>	<b>3,381.78</b>	<b>9,025.03</b>	<b>17,951.24</b>	<b>5,68,201.63</b>

(i) Dividend paid during the year ended 31 March 2022 is ₹ Nil per share (31 March 2021: ₹ Nil per share).

The accompanying notes are an integral part of these standalone financial statements.

This is Statement of Changes in Equity referred to in our report of even date.

**For Sharp & Tannan Associates**  
Chartered Accountants  
Firm Registration No. 109983W

For and on behalf of the Board of Directors

**Tirtharaj Khot**  
Partner

Membership No.: 037457

Place: Mumbai  
Date: 30 May 2022

**Sameer Gehlaut**  
Chairman & CEO

DIN: 00060783

Place: London  
Date: 30 May 2022

**Divyesh B. Shah**  
Whole Time Director &  
Chief Operating Officer  
DIN: 00010933

Place: Mumbai  
Date: 30 May 2022

**Rajeev Lochan Agrawal**  
Chief Financial Officer

Place: Gurugram  
Date: 30 May 2022

**Lalit Sharma**  
Company Secretary

Place: Gurugram  
Date: 30 May 2022

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

### Note - 1

#### Nature of principal activities

"Dhani Services Limited ('DSL' or 'the Company', CIN: L74110DL1995PLC069631) (formerly Indiabulls Ventures Limited) had carried business as stock broker on the National Stock Exchange of India Limited ('NSE') and the BSE Limited ('BSE'); depository participants and renders other related ancillary services until 20th February 2020. The Company has transferred its stock broking business, including depository and other related ancillary services, through slump sale on going concern basis to its wholly owned subsidiary company Dhani Stocks Limited (formerly Indiabulls Securities Limited) w.e.f. 21st February 2020. Post slump sale, the Company has assets in the form of loans given to subsidiary companies and investments made in subsidiary companies. Further, since the Company was a Non-Banking Financial Company as defined under Rule 2(g) of the Companies (Indian Accounting Standards) Rules, 2015 issued under Section 133 of the Companies Act, 2013 till 20 February 2020 and having regard to the nature of the continuing operations of the Group, the Management has continued to present the standalone financial statements using Division III of Schedule III to the Companies Act, 2013.

On 2 April 2008 the Equity shares of the Company got listed on the NSE and the BSE after the demerger of the Company from Indiabulls Financial Services Limited (erstwhile holding Company) vide Scheme of Arrangement. The Company is domiciled in India and its registered office is situated at 1/1 E, First Floor, East Patel Nagar, New Delhi – 110008.

"The name of the Company has been changed from 'Indiabulls Ventures Limited' to 'Dhani Services Limited' with effect from 6 October 2020 in order to align Group's business of providing technology enabled subscription based healthcare and transaction finance services, through its Dhani App.

### Note - 2

#### General information and statement of compliance with Ind AS

These standalone financial statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented in these financial statements.

The standalone financial statements for the year ended 31 March 2022 were authorized and approved for issue by the Board of Directors on 30 May 2022.

### Note - 3

#### Basis of preparation

The standalone financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the standalone 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 as explained in relevant accounting policies. These standalone financial statements of the Company are presented in Indian Rupees (INR) which is also the Company's functional currency.

### Note - 4

#### I Significant management judgement in applying accounting policies and estimation uncertainty

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

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

### Significant management judgements

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

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

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

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

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 utility of assets.

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

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

## II Summary of significant accounting policies

The standalone financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the standalone financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

### a) Property, plant and equipment

#### Recognition and initial measurement

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

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

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives prescribed in Schedule II to the Act. Leasehold Improvements are amortised over the duration of the lease.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

Asset class	Useful life
Furniture and fixtures	10 years
Vehicles	8-10 years
Office equipment	3-5 years
Computers	3 years

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

### De-recognition

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

### b) Intangible assets

#### Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

#### Subsequent measurement (amortisation)

Intangible assets consisting of software are amortised on a straight line basis over a period of 4 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

### c) Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Company can demonstrate following recognition requirements:

- The development costs can be measured reliably;
- The project is technically and commercially feasible;
- The Company intends to and has sufficient resources to complete the project;
- The Company has the ability to use or sell the such intangible asset; and
- The software will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

### d) Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation."

The Company recognises revenue from the following sources:

### *Interest income*

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

### *Brokerage income*

Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract.

### *Commission income*

Commissions / brokerage from distribution of financial products are recognised upon allotment of the securities to the applicant.

### *Depository account maintenance income*

Depository account maintenance income is recognised on accrual basis and as at the time when the right to receive is established by the reporting date.

### *Dividend income*

Dividend income is recognised when the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

## **e) Borrowing costs**

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

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

### f) Taxation

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

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current Income-tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. 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).

### g) Employee benefits

#### *Short-term employee benefits*

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

#### *Defined contribution plans*

The Company has a defined contribution plans namely provident fund, pension fund, labour welfare fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the statement of profit and loss.

#### *Defined benefit plans*

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 as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

### *Other long-term employee benefits*

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

### **h) Share based payments**

The Company has formulated various Employees Stock Option Schemes. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

### **i) Dividend**

Provision is made for the amount of any dividend declared on or before the end of the reporting period but not distributed at the end of the reporting period, being appropriately authorised and no longer at the discretion of the Company. The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### **j) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

### **k) Equity investment in subsidiaries**

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment and a proportionate recognition of the fair value of shares granted to employees of subsidiary under a group share based payment arrangement.

### *Impairment of Investments*

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost."

### **l) Provisions, contingent assets and contingent liabilities**

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

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

Contingent liability is disclosed for:

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

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

### **m) Operating leases**

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

### **n) Financial instruments**

#### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

#### **Financial assets**

##### *Subsequent measurement*

- i. Financial assets carried at amortised cost – a financial asset is measured at the amortised cost if both the following conditions are met:
  - a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

- ii. Investments in equity instruments – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.
- iii. Investments in mutual funds – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

The fair value of an asset or a liability is measured using the assumptions that market participants

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

**Level 1 financial instruments:** Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

**Level 2 financial instruments:** Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

**Level 3 financial instruments:** Those that include one or more unobservable input that is significant to the measurement as whole. Based on the Company's business model for managing the investments, the Company has classified its investments and securities for trade at FVTPL.

Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments."

### *De-recognition of financial assets*

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

### **Financial liabilities**

#### *Subsequent measurement*

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

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

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

#### *Convertible debentures*

Convertible debentures are separated into liability and equity components basis the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as financial liability measured at amortised cost until it is extinguished on conversion. The remainder of the proceeds is recognised in equity since conversion option meets the fixed for fixed criteria.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

### *Offsetting of financial instruments*

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

### **o) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company factors historical trends and forward looking information to assess expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### **Trade receivables**

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

#### **Other financial assets**

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition, if the financial asset is determined to have low credit risk at the balance sheet date.

#### **Write-offs**

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument in the statement of profit and loss.

### **p) Impairment of non-financial assets**

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

### **q) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue. Partly paid-up equity shares are treated as a fraction of an equity share to the extent they are entitled to participate in dividend relative to a fully paid-up equity share during the reporting period. Compulsory convertible debentures are treated as equivalent of equity

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

share for the purpose of basic earnings per equity share. Treasury shares are adjusted for computation of weighted average equity shares.

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

### r) Segment reporting

The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance.

### s) Foreign currency

#### *Functional and presentation currency*

Items included in the standalone financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

#### *Transactions and balances*

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

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

### t) Treasury shares

The Company had created "Indiabulls Ventures Limited - Employee Welfare Trust" ('Trust') for the implementation of schemes namely employees stock options plans, employees stock purchase plan and stock appreciation rights plan. During the year ended 31 March 2021, name of the Trust has been changed to "Udaan Employee Welfare Trust" ("UEWT"). The Company treats UEWT as its extension and the Company's own shares held by UEWT are treated as treasury shares. Treasury shares are presented as a deduction from other equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

### u) Classification of leases

The Company enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

### *Leases*

Till previous year, assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease (the transition approach has been explained and disclosed in note 39). A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

### *Classification of leases*

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

### *Recognition and initial measurement*

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

### *Subsequent measurement*

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

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

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

### **v) Non-current assets held for sale and discontinued operations**

The Company classifies assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of assets for other assets when the exchange has commercial substance.

The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

The results of discontinued operations are presented separately in the Statement of Profit and Loss.

### w) Recent Accounting Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

#### - **Ind AS 103(Business Combinations) – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian

Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### - **Ind AS 16 (Property, Plant & Equipment) – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

- **Ind AS 37 (Provisions, Contingent Liabilities & Contingent Assets) – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

- **Ind AS 109 (Financial Instruments) – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 5	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
Cash on hand	0.08	0.08
Balance with banks		
- in current accounts	3,929.76	4,554.25
- in bank deposits with original maturity of less than 3 months, including interest accrued (refer note - 6(i))	100.65	1,535.22
	<b>4,030.49</b>	<b>6,089.55</b>
<b>Note - 6</b>	<b>As at</b>	<b>As at</b>
<b>Other bank balances</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Bank deposits with original maturity of more than 3 months (i)	1,925.97	6,636.67
In earmarked accounts:		
Unpaid dividend accounts	141.84	223.48
	<b>2,067.81</b>	<b>6,860.15</b>
<b>(i) Bank deposits include:</b>	<b>As at</b>	<b>As at</b>
	<b>31 March 2022</b>	<b>31 March 2021</b>
a. Deposits pledged with banks for overdraft facilities availed by the Company.	103.00	3,870.00
b. Deposits pledged with bank against bank guarantees issued in favor of National Stock Exchange of India Limited for right issue of the Company.	1,700.00	1,700.00
<b>Total</b>	<b>1,803.00</b>	<b>5,570.00</b>
<b>Note - 7</b>	<b>As at</b>	<b>As at</b>
<b>Loans (at amortised cost)</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
(i) Loans		
Loan to related parties <sup>(a)</sup>	1,25,147.33	43,486.07
<b>Total - gross</b>	<b>1,25,147.33</b>	<b>43,486.07</b>
Less: Impairment loss allowance	-	-
<b>Total - net</b>	<b>1,25,147.33</b>	<b>43,486.07</b>
<b>(II) Loans outside India</b>	796.98	741.07
<b>Total (II)- Net</b>	<b>796.98</b>	<b>741.07</b>
<b>Total (I + II)</b>	<b>1,25,147.33</b>	<b>43,486.07</b>

(a) The inter corporate deposits given by the Company to its wholly owned subsidiaries are for the general/corporate business purpose.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 8 Investments	Face value per share	As at 31 March 2022		As at 31 March 2021	
		Number of shares	Amount	Number of shares	Amount
(At fair value through other comprehensive income)					
Investment in equity instruments (others)					
BSE Limited		55,350	1,567.51	55,350	316.10
<b>Total (A)</b>			<b>1,567.51</b>		<b>316.10</b>
(At cost)*					
In equity instruments (in subsidiaries)					
Dhani Stocks Limited (formerly known as Indiabulls Securities Limited) (Refer foot note - iii)	₹ 10.00	13,700,000	34,195.90	13,700,000	34,130.35
Indiabulls Investment Advisors Limited (Refer foot note - iii)	₹ 10.00	-	34.84	-	16.97
Indiabulls Distribution Services Limited (Refer foot note - iii)	₹ 10.00	50,000	66.56	50,000	66.56
Indiabulls Consumer Products Limited	₹ 10.00	50,000	5.00	50,000	5.00
Indiabulls Asset Reconstruction Company Limited	₹ 10.00	5,75,00,000	52,500.00	5,75,00,000	52,500.00
Indiabulls Infra Resources Limited	₹ 10.00	30,00,000	300.00	30,00,000	300.00
Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) (Refer foot note - iii)	₹ 10.00	6,11,88,000	3,89,601.42	6,11,88,000	3,87,098.51
Pushpanjali Finsolutions Limited	₹ 10.00	60,10,000	2,115.52	60,10,000	2,115.52
Dhani Healthcare Limited (formerly Pushpanjali Fincon Limited) (Refer foot note - iii)	₹ 10.00	40,10,000	2,093.41	40,10,000	999.80
Gyansagar Buildtech Limited	₹ 10.00	1,10,000	105.05	1,10,000	105.05
Arbutus Constructions Limited	₹ 10.00	-	-	1,10,000	105.05
Auxesia Soft Solutions Limited	₹ 10.00	50,000	5.00	50,000	5.00
Evinos Developers Limited	₹ 10.00	50,000	5.00	50,000	5.00
Savren Medicare Limited (formerly Savren Buildwell Limited)	₹ 10.00	-	-	50,000	5.00
Krathis Buildcon Limited	₹ 10.00	50,000	5.00	50,000	5.00
Krathis Developers Limited	₹ 10.00	50,000	5.00	50,000	5.00
Evinos Buildwell Limited	₹ 10.00	50,000	5.00	50,000	5.00
Jwala Technology Systems Private Limited	₹ 10.00	10,000	1.00	10,000	1.00
Transerv Limited	₹ 10.00	-	1,168.18	-	417.12
Devata Tradelink Limited	₹ 10.00	50,000	5.00	50,000	5.00
Euler Systems Inc.	\$ 0.00001	80,00,000	0.06	80,00,000	0.06
Dhani Limited	£ 1.00	1,10,70,002	11,371.40	36,70,002	3,715.51
<b>Total (B)</b>			<b>4,93,729.01</b>		<b>4,81,677.05</b>
<b>Total gross C= (A)+(B)</b>			<b>4,95,296.52</b>		<b>4,81,993.15</b>
Less: Impairment loss allowance (C)			(120.05)		(225.10)
<b>Total net (B) -(C)</b>			<b>4,95,176.47</b>		<b>4,81,768.05</b>
Investments in India			4,83,925.06		4,78,277.58
Investments outside India			11,371.46		3,715.57
<b>Total gross</b>			<b>4,95,296.52</b>		<b>4,81,993.15</b>
Less: Impairment loss allowance			(120.05)		(225.10)
<b>Total net</b>			<b>4,95,176.47</b>		<b>4,81,768.05</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note-8 Investments (continued) Name of subsidiary Companies	Principle place of business	Ownership interest	
		As at 31 March 2022	As at 31 March 2021
Dhani Stocks Limited (formerly Indiabulls Securities Limited)	India	100%	100%
Indiabulls Distribution Services Limited	India	14% <sup>§</sup>	14% <sup>§</sup>
Indiabulls Consumer Products Limited	India	100%	100%
Indiabulls Asset Reconstruction Company Limited	India	100%	100%
Indiabulls Infra Resources Limited	India	100%	100%
Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited)	India	100%	100%
Pushpanjali Finsolutions Limited	India	100%	100%
Dhani Healthcare Limited (formerly Pushpanjali Fincon Limited)	India	100%	100%
Gyansagar Buildtech Limited	India	100%	100%
Arbutus Constructions Limited	India	100%	100%
Auxesia Soft Solutions Limited	India	100%	100%
Evinos Developers Limited	India	100%	100%
Savren Medicare Limited (formerly Savren Buildwell Limited)	India	100%	100%
Krathis Buildcon Limited	India	100%	100%
Krathis Developers Limited	India	100%	100%
Evinos Buildwell Limited	India	100%	100%
Jwala Technology Systems Private Limited	India	100%	100%
Devata Tradelink Limited	India	100%	100%
Euler Systems Inc.	USA	100%	100%
Dhani Limited	Jersey	100%	100%

§ Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited), a wholly owned subsidiary of the Company, is holding remaining 86% shares in Indiabulls Distribution Services Limited, hence it becomes the step down subsidiary of the Company.

- (i) The Company has not traded or invested in Crypto currency or Virtual Currency during the current as well as in previous financial year.
- (ii) During the previous year ended 31 March 2021, the Company has acquired 100% equity share capital of Jwala Technology Systems Private Limited and Euler Systems Inc. (a company incorporated in USA) and has incorporated a wholly owned subsidiary namely Dhani Limited (a company incorporated in Jersey).
- (iii) The Company issues stock options/share appreciation rights to employees of its subsidiaries as well as provides guarantees to counter parties in favour of the subsidiaries. The fair value of the employee stock options/share appreciation rights granted to the employees of the subsidiaries and the fair value of such financial guarantees is added to the cost of investments in subsidiaries. The following are the amounts that have been added to the cost of investments in respective subsidiaries:

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Name of subsidiary Companies	As at 31 March 2022	As at 31 March 2021
Indiabulls Distribution Services Limited	61.56	61.56
Dhani Loans and Services Limited	10,336.80	7,833.89
Indiabulls Investment Advisors Limited	34.84	16.97
Dhani Stocks Limited	216.57	75.90
Dhani Healthcare Limited	1,692.41	598.80
Transerv Limited	1,168.18	417.12
<b>Total</b>	<b>13,510.36</b>	<b>9,004.24</b>

- (iv) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction with the number of Layers) rules, 2017.
- (v) \* Arbutus Constructions Limited has been strike off from the register of Companies (ROC) during the financial year 2021-22.

Note - 9 Other financial assets	As at 31 March 2022	As at 31 March 2021
(a) Loan notes and escrow receivable *		
Considered good	-	779.17
(b) Loan to employees	4.87	6.15
(c) Security deposits		
Unsecured		
(i) Deposits with stock exchanges, (unsecured, considered good)	300.00	300.00
	<b>304.87</b>	<b>1,085.32</b>

\* During the year ended 31 March 2022, the Company had sold 586,193 shares held by it in Copal Partners Limited to Moody's Group UK LTD for the consideration of ₹ 2,319.93 lakh vide the share purchase deed. Out of the total consideration of ₹ 2,319.93 lakh receivable from Moody's Group UK LTD, ₹ 779.17 lakh (including foreign exchange gain) was outstanding as at 31 March 2021 in the form of Loan Notes of the Moody's Group UK LTD and Escrow account. In current year the company has impaired these balances.

Note - 10 Current tax assets (net)	As at 31 March 2022	As at 31 March 2021
Advance Income-tax (including tax deducted at source) (net of provision for income-tax)	2,324.52	1,891.03
	<b>2,324.52</b>	<b>1,891.03</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 11 Deferred tax assets (net)	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax assets:</b>		
Disallowance under section 43(B) of the Income-tax Act, 1961	4.73	3.55
Disallowance under section 40A(7) of the Income-tax Act, 1961	16.31	15.16
Depreciation and amortisation	57.61	66.88
Financial assets measured at amortised cost	-	6.56
Impairment loss allowance	0.07	0.07
Share based payments	230.63	233.71
Tax losses carried forward	4,565.20	5,192.67
<b>Total (A)</b>	<b>4,874.55</b>	<b>5,518.60</b>
<b>Deferred tax liability:</b>		
Financial liabilities measured at amortised cost	316.21	279.79
Financial assets measured at amortised cost	1.86	-
Equity instruments through other comprehensive income	122.81	-
<b>Total (B)</b>	<b>440.88</b>	<b>279.79</b>
<b>Deferred tax assets (net) C=(A)-(B)</b>	<b>4,433.67</b>	<b>5,238.81</b>

Movement in deferred tax assets (net) for the year ended 31 March 2022

Particulars	As at 1 April 2021	Charged/ (credited) to statement of profit or loss	Charged/ (credited) to other comprehensive income	(Charged)/ credited to equity	As at 31 March 2022
<b>Assets (net)</b>					
Disallowance under section 43(B) of the Income-tax Act, 1961	3.55	(1.18)	-	-	4.73
Disallowance under section 40A(7) of the Income-tax Act, 1961	15.16	(2.13)	(0.98)	-	16.31
Depreciation and amortisation	66.88	9.27	-	-	57.61
Financial assets measured at amortised cost	6.56	8.42	-	-	(1.86)
Impairment loss allowance	0.07	-	-	-	0.07
Share based payments	233.71	3.08	-	-	230.63
Tax losses carried forward	5,192.67	627.47	-	-	4,565.20
Financial liabilities measured at amortised cost	(279.79)	36.42	-	-	(316.21)
Equity instruments through other comprehensive income	-	-	(122.81)	-	(122.81)
<b>Total (net)</b>	<b>5,238.81</b>	<b>681.35</b>	<b>(123.79)</b>	<b>-</b>	<b>4,433.67</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Movement in deferred tax assets (net) for the year ended 31 March 2021

Particulars	As at 1 April 2020	Charged/ (credited) to statement of profit or loss	Charged/ (credited) to other comprehensive income	(Charged)/ credited to equity	As at 31 March 2021
Disallowance under section 43(B) of the Income-tax Act, 1961	7.92	4.37	-	-	3.55
Disallowance under section 40A(7) of the Income-tax Act, 1961	13.26	(2.05)	(0.15)	-	15.16
Depreciation and amortisation	79.39	12.51	-	-	66.88
Financial assets measured at amortised cost	7.10	0.54	-	-	6.56
Impairment loss allowance	0.46	0.39	-	-	0.07
Share based payments	405.77	172.06	-	-	233.71
Compulsorily convertible debentures	1,012.89	1,012.89	-	-	-
Tax losses carried forward	4,803.62	(389.05)	-	-	5,192.67
Others	(11.18)	(11.18)	-	-	-
Financial liabilities measured at amortised cost	(216.89)	62.90	-	-	(279.79)
<b>Total (net)</b>	<b>6,102.34</b>	<b>863.38</b>	<b>(0.15)</b>	<b>-</b>	<b>5,238.81</b>

Note - 12 Property, plant and equipment	Vehicles <sup>^</sup>	Office equipment	Computers	Total
<b>Gross block</b>				
Balance as at 1 April 2020	131.35	0.84	2.57	134.76
Additions	-	-	1.10	1.10
Sales/adjustment	(11.78)	-	-	(11.78)
<b>Balance as at 31 March 2021</b>	<b>119.57</b>	<b>0.84</b>	<b>3.67</b>	<b>124.08</b>
Additions	-	-	10.26	10.26
Sales/adjustment	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>119.57</b>	<b>0.84</b>	<b>13.93</b>	<b>134.34</b>
<b>Accumulated Depreciation</b>				
Balance as at 1 April 2020	38.26	0.35	0.92	39.53
Depreciation	15.52	0.28	0.93	16.73
Sales/adjustment	(11.78)	-	-	(11.78)
<b>Balance as at 31 March 2021</b>	<b>42.00</b>	<b>0.63</b>	<b>1.85</b>	<b>44.48</b>
Depreciation	15.52	0.21	2.40	18.13
Sales/adjustment	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>57.52</b>	<b>0.84</b>	<b>4.25</b>	<b>62.61</b>
<b>Net block as at 31 March 2021</b>	<b>77.57</b>	<b>0.21</b>	<b>1.82</b>	<b>79.60</b>
<b>Net block as at 31 March 2022</b>	<b>62.05</b>	<b>-</b>	<b>9.68</b>	<b>71.73</b>

Notes:

<sup>^</sup> Includes vehicles having carrying cost of ₹ Nil (31 March 2021 ₹ 30.45 lakh) which are hypothecated to banks against the respective loans.

There is no immovable property in the company at the end of 31 March 2022 and 31 March 2021.

Company has not revalued any property, plant and equipment during the FY 2021-22 and FY 2020-21

There is no CWIP in the Company and no project which has been suspended during the financial year ended 31 March 2022 and 31 March 2021.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 13 Intangible assets	Software	Total
<b>Gross block</b>		
Balance as at 1 April 2020	-	-
Additions	15.01	15.01
Sales/adjustment	-	-
<b>Balance as at 31 March 2021</b>	<b>15.01</b>	<b>15.01</b>
Additions	-	-
Sales/adjustment	-	-
<b>Balance as at 31 March 2022</b>	<b>15.01</b>	<b>15.01</b>
<b>Accumulated amortisation</b>		
Balance as at 1 April 2020	-	-
Amortisation	2.65	2.65
Balance as at 31 March 2021	2.65	2.65
Amortisation	3.75	3.75
<b>Balance as at 31 March 2022</b>	<b>6.40</b>	<b>6.40</b>
<b>Net block as at 31 March 2021</b>	<b>12.36</b>	<b>12.36</b>
<b>Net block as at 31 March 2022</b>	<b>8.61</b>	<b>8.61</b>

Note - 14 Other non-financial assets	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	4.08	10.08
Balance with government authorities	58.73	92.28
Advance to suppliers	9.80	6.68
Others	28.71	5.37
	<b>101.32</b>	<b>114.41</b>

Note - 15 Trade payables	As at 31 March 2022	As at 31 March 2021
(a) Total outstanding due to micro enterprises and small enterprises(i)	-	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	16.55	14.11
	<b>16.55</b>	<b>14.11</b>

### Trade Payables aging schedule

Particulars	As at 31 March 2022				Total
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	16.55	-	-	-	16.55
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Particulars	As at 31 March 2021				Total
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	14.06	0.05	-	-	14.11
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

- (i) Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

	As at 31 March 2022	As at 31 March 2021
(a) Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	-
(b) Interest due thereon	-	-
(c) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
(d) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
(e) Interest accrued and remaining unpaid as at end of the year	-	-

Note - 16 Other payables	As at 31 March 2022	As at 31 March 2021
(a) Total outstanding due to micro enterprises and small enterprises <sup>(i)</sup>	-	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	324.03	139.15
	<b>324.03</b>	<b>139.15</b>

- (i) Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

	As at 31 March 2022	As at 31 March 2021
(a) Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	-
(b) Interest due thereon	-	-
(c) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
(d) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
(e) Interest accrued and remaining unpaid as at end of the year	-	-

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 17	As at 31 March 2022	As at 31 March 2021
<b>Borrowings (other than debt securities) (at amortised cost)</b>		
<b>Secured</b>		
(a) Loans repayable on demand from banks		
- Bank overdraft <sup>(i)</sup>	-	15.19
<b>Unsecured</b>		
(a) Term loans		
- from others <sup>(iii)</sup>	52,500.00	41,300.00
<b>Total</b>	<b>52,500.00</b>	<b>41,315.19</b>
Borrowings in India	52,500.00	41,315.19
Borrowings outside India	-	-
<b>Total</b>	<b>52,500.00</b>	<b>41,315.19</b>

- (i) In current year Vehicle loans are fully paid, these were secured against hypothecation of the vehicles purchased. The rate of interest of such loans ranges between 8.50% to 8.75% per annum. These loans were repayable in equated monthly installments of 5 years.
- (ii) Unsecured term loans carry rate of interest of 10% per annum (31 March 2021 : 10%) and are repayable within 36 months from the date of disbursement of respective loans.
- (iii) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- (iv) The company has utilized borrowed funds for the purpose for which same are availed.

Note - 18	As at 31 March 2022	As at 31 March 2021
<b>Other financial liabilities</b>		
Unpaid dividends <sup>(i)</sup>	141.84	223.48
Others:		
Payable to related party	3.74	-
	<b>145.58</b>	<b>223.48</b>

- (i) In respect of amounts mentioned under Section 124 (5) of the Companies Act, 2013, the Company has credited ₹ 59.24 lakh (31 March 2021: ₹ 88.84 lakh) to the Investor Education and Protection Fund.

Note - 19	As at 31 March 2022	As at 31 March 2021
<b>Current tax liabilities (net)</b>		
Provision for taxation	11.14	-
	<b>11.14</b>	<b>-</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 20 Provisions	As at 31 March 2022	As at 31 March 2021
<b>For employee benefits</b>		
Provision for gratuity (refer note - 40)	64.80	60.22
Provision for compensated absences	18.81	14.10
	<b>83.61</b>	<b>74.32</b>

Note - 21 Other non-financial liabilities	As at 31 March 2022	As at 31 March 2021
Guarantee liability	103.86	260.18
Statutory dues payables	161.20	117.95
	<b>265.06</b>	<b>378.13</b>

Note - 22 Equity share capital	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
<b>i. Authorised</b>				
Equity shares of face value of ₹ 2 each	1,00,00,00,000	20,000.00	1,00,00,00,000	20,000.00
		<b>20,000.00</b>		<b>20,000.00</b>
<b>ii. Issued</b>				
Equity shares of face value of ₹ 2 each	60,09,99,104	12,019.98	52,71,14,892	10,542.30
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 1.10 paid up)	89,48,806	98.44	8,29,09,118	912.00
	<b>60,99,47,910</b>	<b>12,118.42</b>	<b>61,00,24,010</b>	<b>11,454.30</b>
<b>iii. Subscribed and paid up</b>				
Equity shares of face value of ₹ 2 each fully paid up	60,09,99,104	12,019.98	52,71,14,892	10,542.30
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 1.10 paid up)	89,48,806	98.44	8,28,23,994	911.07
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 0.80 paid up)	-	-	85,124	0.68
Amount paid up on shares forfeited	-	0.80	-	0.19
	<b>60,99,47,910</b>	<b>12,119.22</b>	<b>61,00,24,010</b>	<b>11,454.24</b>

\*Forfeited no. of shares as on 31 March 2022 1,15,295 shares (31 March 2021 39,195 shares)

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### iv. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year :

Equity shares, fully paid-up	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	52,71,14,892	10,542.30	46,55,29,440	9,310.59
Add: Partly paid up shares converted into fully paid up shares	7,38,84,212	1,477.68	-	-
Add: Shares issued on conversion of CCDs	-	-	2,79,85,452	559.71
Add: Shares issued through preferential allotment	-	-	3,36,00,000	672.00
<b>Balance at the end of the year</b>	<b>60,09,99,104</b>	<b>12,019.98</b>	<b>52,71,14,892</b>	<b>10,542.30</b>

Equity shares, partly paid-up	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	8,29,09,118	911.75	8,29,09,118	911.69
Add: Amount received on 2nd and final call	-	664.98	-	0.06
Less: Shares converted into fully paid up shares	(7,38,84,212)	(1,477.68)	-	-
Less: Shares forfeited	(76,100)	(0.61)	-	-
<b>Balance at the end of the year</b>	<b>89,48,806</b>	<b>98.44</b>	<b>8,29,09,118</b>	<b>911.75</b>

### v. Rights, preferences and restrictions attached to the equity shares

The Company has only one class of equity shares having a face value of ₹ 2 per share. Each holder of fully paid up equity share is entitled to one vote per share. Voting rights of each holder of partly paid up equity share is proportionate to the paid up amount of such share. The final dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Holders of Global Depository Receipts ('GDRs') will be entitled to receive dividends, subject to the terms of the deposit agreement, to the same extent as the holders of equity shares, less the fees and expenses payable under such deposit agreement and any Indian tax applicable to such dividends. Holders of GDRs don't have voting rights with respect to the deposited shares. The GDRs can not be transferred to any person located in India including Indian residents or ineligible investors except as permitted by Indian laws and regulations.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### vi. Shares held by Shareholders each holding more than 5% shares:

Name of the Shareholders	As at 31 March 2022		As at 31 March 2021	
	No. of shares held *	% of Holding	No. of shares held *	% of Holding
Sameer Gehlaut	3,42,52,493	5.62	3,42,52,493	5.61
Orthia Properties Private Limited	4,72,48,080	7.75	4,24,23,777	6.95
Orthia Constructions Private Limited	3,70,74,335	6.08	3,70,74,335	6.08
Zelkova Builders Private Limited	4,89,33,258	8.02	3,09,33,258	5.07
Tamarind Capital Pte Ltd*	N.A.	N.A.	8,67,70,833	14.22
Jasmine Capital Investments Pte Ltd*	N.A.	N.A.	5,30,29,167	8.69

\* As on 31 March 2022, Tamarind Capital Pte Ltd. and Jasmine Capital Investments Pte Ltd. held less than 5% shares in the Company

### vii. Shares reserved for issue under options:

10,270,600 equity shares (As at 31 March 2021: 9,972,800 equity shares) of face value of ₹ 2 each are reserved under various option schemes of the Company (Refer note - 43)

viii. The Company has not issued any bonus shares during the current year and five years immediately preceding current year.

### ix. Shareholding of Promoters

Shares held by promoters at the end of the year				% Change during the year
S. No	Promoter name	No. of Shares	% of total shares	
1	Sameer Gehlaut	3,42,52,493	5.61	Nil
2	Zekova Builders Private Limited	4,89,33,258	8.02	2.95
3	Orthia Properties Private Limited	4,72,48,080	7.75	0.80
4	Orthia Constructions Private Limited	3,70,74,335	6.08	Nil
5	Inuus Properties Private Limited	1,70,00,000	2.79	Nil
6	Inuus Developers Private Limited	1,68,00,000	2.75	Nil
<b>Total</b>		<b>20,13,08,166</b>		

x. There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue. During the year ended 31 March 2020, the Company had bought back 66,666,666 fully paid up equity shares of the Company at ₹ 150 per equity share through tender route.

xi. 54,433 shares (31 March 2021: 54,433 shares) of face value of ₹ 2 per share represent the shares underlying GDRs. Each GDR represents one underlying equity share.

Note - 23 Other equity	As at 31 March 2022	As at 31 March 2021
Capital redemption reserve	4,933.69	4,933.69
Securities premium	5,77,592.95	4,98,509.63
General reserve	3,381.78	3,381.78
Share options outstanding account	9,025.03	4,531.14
Retained earnings	17,951.24	20,419.81
Equity instruments through other comprehensive income	1,444.61	316.01
Treasury shares	(46,127.67)	(39,065.33)
	<b>5,68,201.63</b>	<b>4,93,026.73</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

*(All amounts in Indian Rupees in lakh unless stated otherwise)*

### **Nature and purpose of other reserve**

#### **Capital redemption reserve**

The same had been created in accordance with provision of the Act on account of redemption of preference shares and buy-back of equity shares.

#### **Securities premium**

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Act.

#### **Foreign currency monetary item translation difference account**

Pursuant to the notification dated 29 December 2011 issued by the Ministry of Corporate Affairs amending Accounting Standard 11 - 'Accounting for the Effects of Changes in Foreign Exchange Rates' the Company has exercised the option as per Paragraph 46A inserted in the said Accounting Standard for amortisation of foreign exchange gain/loss on long-term monetary items over the remaining life of the concerned monetary items.

#### **General reserve**

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

#### **Share options outstanding account**

The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option plan.

#### **Retained earnings**

Retained earnings represents surplus / accumulated earning of the Company and are available for distribution to shareholders.

#### **Equity instruments through other comprehensive income**

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income. The balance of the reserve represents such changes recognised net of amounts reclassified to retained earnings on disposal of such investments.

#### **Treasury shares**

This reserve represents Company's own equity shares held by the Udaan Employee Welfare Trust (formerly Indiabulls Ventures Limited - Employees Welfare Trust) which is created under Dhani Services Limited - Employee Stock Benefit Scheme 2019 (ESBS 2019) (formerly Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2019), Dhani Services Limited - Employee Stock Benefit Scheme 2020 (ESBS 2020) (formerly Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2020) and Dhani Services Limited - Employee Stock Benefit Scheme 2021 (ESBS 2021). Treasury shares are acquired for the purpose of issuing equity shares to employees under Company's ESBS 2019, ESBS 2020 and ESBS 2021.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 24 Interest income (on financial assets measured at amortised cost)	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on inter-corporate loans	4,180.63	2,202.94
Interest income on fixed and other deposits	170.39	194.91
Other interest income	10.06	39.10
	<b>4,361.08</b>	<b>2,436.95</b>

Note - 25 Dividend income	For the year ended 31 March 2022	For the year ended 31 March 2021
Dividend income from subsidiary companies	-	490.96
Dividend income from others	11.62	9.41
	<b>11.62</b>	<b>500.37</b>

Note - 26 Net gain on fair value changes	For the year ended 31 March 2022	For the year ended 31 March 2021
Net gain on financial assets at fair value through profit or loss		
Gain on sale of investment in mutual funds	81.20	97.99
<b>Total net gain on fair value changes</b>	<b>81.20</b>	<b>97.99</b>
Fair value changes		
- Realised	81.20	97.99
- Unrealised	-	-
<b>Total net gain on fair value changes</b>	<b>81.20</b>	<b>97.99</b>

Note - 27 Other income	For the year ended 31 March 2022	For the year ended 31 March 2021
Income from financial guarantees	156.31	270.02
Interest on income tax refund	1.15	51.34
Gain on foreign exchange fluctuations	23.39	-
Excess provision for expenses written back	20.65	167.00
Sundry credit balances written back	22.14	9.51
Profit on sale of property, plant and equipment (net)	-	1.45
Miscellaneous income	8.41	4.37
	<b>232.05</b>	<b>503.69</b>

The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

<b>Note - 28</b> Finance costs (on financial liabilities measured at amortised cost)	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
Interest on borrowings		
Term loans	4,466.58	3,124.47
Bank overdraft	33.61	205.98
Vehicle loans	0.44	1.84
Interest on debt securities		
Liability component of compulsorily convertible debentures	-	82.55
Others		
Interest on taxes	2.93	43.20
Other borrowing costs	13.09	12.75
	<b>4,516.65</b>	<b>3,470.79</b>
<b>Note - 29</b> Fees and commission expense	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
Membership and depository fee	18.28	20.48
	<b>18.28</b>	<b>20.48</b>
<b>Note - 30</b> Impairment on financial assets	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
Provision for impairment on Investments	-	220.10
Impairment of loans	788.77	-
	<b>788.77</b>	<b>220.10</b>
<b>Note - 31</b> Employee benefits expenses	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
Salaries and wages	271.68	179.87
Contribution to provident and other funds	11.02	8.39
Share based payments expense/ (reversal) to employees	(12.23)	(186.92)
Staff welfare	0.09	12.85
	<b>270.55</b>	<b>14.19</b>
<b>Note - 32</b> Depreciation and amortisation	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
Depreciation on property, plant and equipment	18.13	16.73
Amortisation of intangible assets	3.75	2.65
	<b>21.88</b>	<b>19.38</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 33 Other expenses	For the year ended 31 March 2022	For the year ended 31 March 2021
Rent <sup>(i)</sup>	1.80	1.80
Electricity expenses <sup>(i)</sup>	0.60	0.60
Printing and stationery	8.19	1.96
Rates and taxes	432.48	10.57
Software expense	0.15	1.79
Communication costs	6.52	5.84
Office maintenance	9.23	0.83
Director's sitting fee	27.00	22.00
Payment to statutory auditors <sup>(ii)</sup>	69.55	36.00
Legal and professional charges	141.52	78.52
Travelling and conveyance	2.85	5.00
Business promotion	28.44	222.74
Corporate social responsibility expenses (refer note - 41)	107.00	159.42
Repairs and maintenance	0.92	0.23
Loss on fluctuation of foreign exchange	-	15.99
Miscellaneous expenses	6.06	14.36
	<b>842.31</b>	<b>577.65</b>

(i) Expenses apportioned by Dhani Loans and Services Limited (a wholly owned subsidiary company) to the Company (excluding goods and services tax):

	For the year ended 31 March 2022	For the year ended 31 March 2021
Rent	1.80	1.80
Electricity expenses	0.60	0.60
	<b>2.40</b>	<b>2.40</b>

(ii) Auditor's remuneration (excluding goods and services tax):

	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor:		
For statutory audit and limited review	67.00	32.50
For certification and other services	2.55	3.50
	<b>69.55</b>	<b>36.00</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 34 Tax expense	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Tax expense</b>		
Current tax	-	-
Income tax for earlier years	17.62	28.03
Deferred tax	681.35	863.38
<b>Income-tax expense reported in the statement of profit and loss</b>	<b>698.97</b>	<b>891.41</b>

The major components of Income-tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% (31 March 2021: 25.17%) and the reported tax expense in profit or loss are as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Accounting profit before tax expense</b>	(1,772.49)	(783.59)
Income-tax rate	25.17%	25.17%
Expected tax expense	(446.10)	(197.21)
<b>Tax effect of adjustments to reconcile expected Income-tax expense to reported Income-tax expense:</b>		
Tax impact on deductions allowed under Income-tax	(13.63)	(47.76)
Tax impact of expenses which will never be allowed	1,144.01	1,058.01
Earlier years tax adjustments (net)	17.62	28.03
Impact of difference in tax rate on certain items	(2.93)	(5.05)
Deferred tax not recognised on temporary differences	-	55.39
<b>Income-tax expense</b>	<b>698.97</b>	<b>891.41</b>

### Notes:

(ii) Detail of unused tax losses:

Expiry assessment year (as per Income-tax Act, 1961)	As at 31 March 2022	As at 31 March 2021
<b>Tax losses</b>		
1 April 2028 - 31 March 2029	18,770.03	18,770.03
1 April 2029 - 31 March 2030	1,859.21	1,862.02
1 April 2030 - 31 March 2031	5.79	-
Unabsorbed depreciation for indefinite period	-	-

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Note - 35

#### Earnings per equity share (EPS)

##### Disclosure in respect of Indian Accounting Standard – 33 'Earnings Per Share' :

The basic earnings per equity share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Partly paid-up equity shares are treated as a fraction of an equity share to the extent they are entitled to participate in dividend relative to a fully paid-up equity share during the reporting period. Compulsory convertible debentures are treated as equivalent of equity share for the purpose of basic earnings per equity share. Treasury shares are adjusted for computation of weighted average equity shares. Diluted earnings per equity share is computed by considering the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential dilutive equity shares are adjusted for the potential dilutive effect of employee stock option plan and warrants as appropriate.

	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit available for equity shareholders (₹ in lakh)	(2,471.46)	(1,675.00)
<b>Basic/diluted earnings per equity share:</b>		
Weighted-average number of equity shares for basic earnings per share	56,23,17,851	54,06,61,308
<b>Effect of dilution:</b>		
Add: Potential number of equity shares that could arise on exercise of employee stock options	63,54,070	65,83,434
Add: Potential number of equity shares that could arise on exercise of warrants	-	-
Weighted-average number of equity shares for diluted earnings per share	56,86,71,921	54,72,44,742
Face value of equity share (₹)	2.00	2.00
Earnings per equity share - basic (₹)	(0.44)	(0.31)
Earnings per equity share - diluted (₹)*	(0.44)	(0.31)

\* Anti-dilutive since loss decreasing per equity share

### Note - 36

#### Leases

The Company had leases for office building, with the exceptions of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company reclassifies its right-of-use assets in a consistent manner to its property, plant and equipment.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### A Lease payments not included in measurement of lease liability

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Short-term leases	1.80	1.80
Leases of low value assets	-	-
Variable lease payments	-	-

- B Total cash outflow for leases for the year ended 31 March 2022 was ₹ 1.80 lakh (previous year ₹ 1.80 lakh).
- C The Company has total commitment for short-term leases of ₹ Nil as at 31 March 2022 (as at 31 March 2021: ₹ Nil).
- D Future minimum lease payments of the Company is ₹ Nil.
- E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2022 is of ₹ Nil (as at 31 March 2021: Nil).

Note - 37	As at 31 March 2022	As at 31 March 2021
<b>A. Contingent liabilities not provided for in respect of:</b>		
- Claims against the Company not acknowledged as debts in respect of:		
Cases under Income-tax Act, 1961 <sup>(ii) &amp; (iii)</sup>	2,730.24	2,839.53
- Corporate guarantee for loans taken by Subsidiary Companies <sup>(iv)</sup>	73,014.72	1,30,560.00

- (i) The Company was involved in various legal proceedings as respondents/ defendants for various claims including those related to conduct of its business. The Company had transferred its stock broking business on slump sale to its wholly owned subsidiary Dhani Stocks Limited (formerly Indiabulls Securities Limited) (DSTL). Pursuant to business transfer agreement, all the litigations related to stock broking business after slump sale will now be handled by DSTL and all liabilities arising subsequently will be settled by DSTL.
- (ii) Demand pending u/s 143(3) read with section 153A of the Income-tax Act, 1961:-

	Financial Years	Authority	As at 31 March 2022	As at 31 March 2021
Disallowance under Income Tax Act, 1961	2010-11	CIT (Appeal)	90.97	90.97
Disallowance under Income Tax Act, 1961	2011-12	ITAT	33.02	33.02
Disallowance under Income Tax Act, 1961	2012-13	ITAT	4.21	4.21
Disallowance under Income Tax Act, 1961	2013-14	ITAT	43.33	43.33
Disallowance under Income Tax Act, 1961	2014-15	ITAT	40.66	40.66
Disallowance under Income Tax Act, 1961	2015-16	CIT (Appeal)	18.32	18.32
Disallowance under Income Tax Act, 1961	2016-17	ITAT	67.17	67.17

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

(iii) Demand pending u/s 143(3) of the Income Tax Act, 1961

	Financial Years	Authority	As at 31 March 2021	As at 31 March 2020
Disallowance under Income Tax Act, 1961	2012-13	ITAT *	17.37	17.37
Disallowance under Income Tax Act, 1961	2017-18	CIT (Appeal)#	2,524.48	2,524.48

\* Income tax department has filed an appeal against the order of CIT(A).

# Subsequent to the year end, the Company has received order u/s 143(3) of the Income Tax Act, 1961 for demand of ₹ 2,524.48 lakh for financial year 2017-18. The Company has file with CIT (Appeal) against the said order.

(iv) Total guarantee of ₹ 263,900 lakh (as at 31 March 2021: ₹ 263,900 lakh) has been shown to the extent of outstanding term loan of ₹ 73,014.72 lakh (as at 31 March 2021: ₹ 130,560.00 lakh)

### Note - 38

#### Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt securities)	Lease liabilities	Total
<b>Balance as at 1 April 2020</b>	<b>9,058.77</b>	<b>28,290.39</b>	-	<b>37,349.16</b>
<b>Cash flows:</b>				
- Proceeds	-	21,300.00	-	21,300.00
- Repayment	(8,931.96)	(8,275.20)	-	(17,207.16)
<b>Non cash:</b>				
- Amortisation of upfront fees	-	-	-	-
- Others	(126.81)	-	-	(126.81)
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>41,315.19</b>	<b>-</b>	<b>41,315.19</b>
<b>Cash flows:</b>				
- Proceeds	-	11,200.00	-	11,200.00
- Repayment	-	(15.19)	-	(15.19)
<b>Non cash:</b>				
- Amortisation of upfront fees	-	-	-	-
- Others	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>52,500.00</b>	<b>-</b>	<b>52,500.00</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Note - 39

#### Operating segments

The Company's operations and business activities fall within a single business segment of financing and making strategic investments and as such no separate information is required to be furnished in terms of Ind-AS 108, Operating Segments. Further, the Company is operating in India which is considered as a single geographical segment.

### Note - 40

#### Employee benefits

The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :

#### Defined contribution plans

##### Provident fund

The Company pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government of India, which invests the funds in permitted securities. Both the Company and employees make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. During the year, the Company has recognized the following amounts in the Statement of Profit and Loss in respect of defined contribution plans and included in "Employee benefits expense".

	For the year ended 31 March 2022	For the year ended 31 March 2021
Contribution made to Employees' Provident Fund Organisation	6.00	4.33
Contribution to Labour Welfare Fund	-	0.01
Contribution to Employees' National Pension Scheme	5.02	4.05
	<b>11.02</b>	<b>8.39</b>

#### Defined benefit plans

##### Gratuity

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation.

#### Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of obligation	64.80	60.22
Fair value of plan assets	-	-
<b>Net obligation recognised in balance sheet as provision</b>	<b>64.80</b>	<b>60.22</b>
<b>Expected contribution for the next Annual reporting period</b>	<b>9.85</b>	<b>8.90</b>

### Amount recognised in the statement of profit and loss is as under:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	2.51	4.52
Past service cost including curtailment gains/losses	-	-
Interest cost on defined benefit obligation	2.24	3.63
Interest income on plan assets	-	-
<b>Net impact on profit (before tax)</b>	<b>4.75</b>	<b>8.15</b>

### Amount recognised in the other comprehensive income:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial gain recognised during the year	4.59	0.60

### Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of defined benefit obligation as at the beginning of year	60.22	52.68
Current service cost	2.51	4.52
Interest cost	2.24	3.63
Past service cost including curtailment gains/losses	-	-
Benefits paid	(0.97)	-
Actuarial loss/(gain) on obligation		
Actuarial gain on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	(2.39)	0.03
Actuarial gain on arising from experience adjustment	(2.20)	(0.64)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>59.41</b>	<b>60.22</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Actuarial assumptions

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Discounting rate	7.18%	6.79%
Future salary increase	5.00%	5.00%
Retirement age (years)	60	60
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration (years)	15.17	15.8

Mortality rates inclusive of provision for disability -100% of IALM (2012-14) (previous year: 100% of IALM (2012-14))  
Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table (previous year Indian Assured Lives Mortality (2012-14) Ultimate table).

### Sensitivity analysis for gratuity liability

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	59.41	60.22
- Impact due to increase of 0.50 %	(3.22)	(3.19)
- Impact due to decrease of 0.50 %	3.44	3.42
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	59.41	60.22
- Impact due to increase of 0.50 %	3.50	3.46
- Impact due to decrease of 0.50 %	(3.30)	(3.26)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

Maturity profile of defined benefit obligation (years)	As at 31 March 2022	As at 31 March 2021
0 to 1 year	1.20	1.22
1 to 2 year	1.01	0.91
2 to 3 year	1.01	0.91
3 to 4 year	1.03	0.92
4 to 5 year	1.04	0.93
5 to 6 year	1.06	0.95
6 year onwards	58.46	54.38

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Other long-term employee benefits

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. Expense of provision of ₹ 4.71 lakh (previous year reversal of provision of ₹ 15.87 lakh) for the year have been done on the basis of actuarial valuation at the year end and debited (previous year credited) to the statement of profit and loss.

#### Note - 41

In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms with the provisions of the said Act, the Company was to spend a sum of ₹ 1.07 lakh (previous year ₹ 159.42 lakh) towards CSR activities during the year ended 31 March 2022. The details of amount actually spent by the Company are:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Gross amount required to be spent by the Company	107.00	159.42
(b) Amount spent on		
- Construction/acquisition of any asset	-	-
- Any other purpose other than above *	107.00	159.42
- Yet to be paid	-	-
	<b>107.00</b>	<b>159.42</b>

\*Contribution towards donation/corpus fund paid to Indiabulls Foundation

#### Note - 42

The Holding Company was carrying on the business of stock broking which was demerged during the financial year 2019-20. Accordingly, as at and during the year ended 31 March 2021 and 2022, the financial assets of the Holding Company are more than fifty percent of its total assets and it's income from financial assets is more than fifty percent of the gross income. The Holding Company's present business activities consists of providing loans and making investments in group companies, consequentially, the Holding Company may be required to apply and obtain the Certificate of Registration (CoR) from Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) under the category of Core Investment Company (CIC). The management is of the view that basis of their present business operations and financials, the Holding Company qualifies to fall under the category of an unregistered CIC and has written to RBI for their views in this regard, response to which is still awaited, the management is also of the view that the possible non compliance with such requirement is not expected to have a material impact on the accompanying financial results.

#### Note - 43

##### Employee stock option schemes:

The employees of the Company have been granted option as per the existing schemes of Dhani Services Limited (formerly known as Indiabulls Ventures Limited). On exercise, the employees will be allotted shares of the Company.

##### A. Grants during the year:

The Company has established the "Udaan Employee Welfare Trust" ("Udaan – EWT") (earlier known as Indiabulls Ventures Limited - Employees Welfare Trust) ("Trust") for the implementation and management of its employees

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

benefit scheme viz. the “Dhani Services Limited - Employee Stock Benefit Scheme – 2020” (Scheme) for the benefit of the employees of the Company and its subsidiaries. Pursuant to Regulation 3(12) of the SEBI (Share Based Employee Benefits) Regulations, 2014, fully paid up equity shares of 9,300,000 lying in the Trust have been appropriated towards the Scheme for grant of Employees Stock Options (ESOPs) and Share Appreciations Rights (SARs) to the employees of the Company and its subsidiaries as permitted by SEBI. The company will treat these SARs as equity and therefore they will be treated as equity settled SARs and accounting has been done accordingly.

The Company has granted 35,00,000 and 1,82,00,000 employees stock options under DSL ESOP-2008 and DSL ESOP-2009 schemes respectively. Detail of same is as below:

Name of Scheme	DSL ESOP - 2008		DSL ESOP - 2009	
No. of options granted	18,00,000	17,00,000	84,00,000	98,00,000
Exercise price (₹)	68	150	150	68

### B. Employees Stock Options Schemes:

#### (i) Employees Stock Option Scheme - 2008 (DSL ESOP - 2008)

Total options under the scheme (Nos.)	DSL ESOP - 2008			
	2,00,00,000			
Options granted (Nos.)	97,00,000	8,80,600	18,00,000	17,00,000
	(Regrant)	(Regrant)	(Regrant)	(Regrant)
Vesting period and percentage	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	2nd July each year, commencing 2 July 2017	25th March each year, commencing 25 March 2019	25th February each year, commencing 25 February 2023	01st April each year, commencing 01 April 2022
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	24.15	254.85	68	150
<b>Outstanding at the beginning of 1 April 2020 (Nos.)</b>	<b>46,39,200</b>	<b>5,15,800</b>	-	-
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	14,400	4,29,000	-	-
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
<b>Outstanding as at 31 March 2021 (Nos.)</b>	<b>46,24,800</b>	<b>86,800</b>	-	-
Vested and exercisable as at 31 March 2021 (Nos.)	26,97,000	-	-	-
Remaining contractual life (weighted months)	54	73	-	-

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Total options under the scheme (Nos.)	DSL ESOP - 2008			
	2,00,00,000			
<b>Outstanding at the beginning of 1 April 2021 (Nos.)</b>	<b>46,24,800</b>	<b>86,800</b>	-	-
Granted/ regranted during the year (Nos.)	-	-	18,00,000	17,00,000
Forfeited during the year (Nos.)	30,000	59,400	-	17,00,000
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
<b>Surrendered and eligible for re-grant during the year (Nos.)</b>	-	-	-	-
Outstanding as at 31 March 2022 (Nos.)	45,94,800	27,400	18,00,000	-
Vested and exercisable as at 31 March 2022 (Nos.)	45,94,800	-	-	-
Remaining contractual life (weighted months)	42	72	95	-

Weighted average exercise price of share during the year ended 31 March 2022: Not applicable (31 March 2021: Not Applicable).

### (ii) Employees Stock Option Scheme - 2009 (DSL - ESOP 2009)

	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009
Total options under the Scheme (Nos.)	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
Options granted (Nos.)	20,50,000	95,00,000	1,00,00,000	6,69,400
		(Regrant)	(Regrant)	(Regrant)
Vesting period and percentage	Ten years, 10% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	13th April each year, commencing 13 April 2011	13th May each year, commencing 13 May 2017	2nd September each year, commencing 2 September 2018	25th March each year, commencing 25 March 2019
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	31.35	16.00	219.65	254.85
<b>Outstanding at the beginning of 1 April 2020 (Nos.)</b>	<b>50,000</b>	<b>30,97,600</b>	<b>88,31,900</b>	<b>1,79,400</b>
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	5,72,000	61,46,300	1,79,400
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
<b>Outstanding as at 31 March 2021 (Nos.)</b>	<b>50,000</b>	<b>25,25,600</b>	<b>26,85,600</b>	-
Vested and exercisable as at 31 March 2021 (Nos.)	50,000	12,62,800	-	-

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009
Remaining contractual life (Weighted Months)	48	55	71	-
<b>Outstanding at the beginning of 1 April 2021 (Nos.)</b>	<b>50,000</b>	<b>25,25,600</b>	<b>26,85,600</b>	-
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	24,000	13,88,800	-
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
<b>Outstanding as at 31 March 2022 (Nos.)</b>	<b>50,000</b>	<b>25,01,600</b>	<b>12,96,800</b>	-
Vested and exercisable as at 31 March 2022 (Nos.)	50,000	25,01,600	-	-
Remaining contractual life (Weighted Months)	36	43	65	-

	DSL ESOP - 2009	DSL ESOP - 2009
Total options under the Scheme (Nos.)	2,00,00,000	2,00,00,000
Options granted (Nos.)	98,00,000	84,00,000
	(Regrant)	(Regrant)
Vesting period and percentage	Five years, 20% each year	Five years, 20% each year
Vesting date	25th February each year, commencing 25 February 2023	01st April each year, commencing 01 April 2022
Exercisable period	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	68.00	150.00
<b>Outstanding at the beginning of 1 April 2020 (Nos.)</b>	-	-
Granted/ regranted during the year (Nos.)	-	-
Forfeited during the year (Nos.)	-	-
Exercised during the year (Nos.)	-	-
Expired during the year (Nos.)	-	-
<b>Outstanding as at 31 March 2021 (Nos.)</b>	-	-
Vested and exercisable as at 31 March 2021 (Nos.)	-	-
Remaining contractual life (Weighted Months)	-	-
<b>Outstanding at the beginning of 1 April 2021 (Nos.)</b>	-	-
Granted/ regranted during the year (Nos.)	98,00,000	84,00,000
Forfeited during the year (Nos.)	-	84,00,000
Exercised during the year (Nos.)	-	-
Expired during the year (Nos.)	-	-
<b>Outstanding as at 31 March 2022 (Nos.)</b>	<b>98,00,000</b>	-
Vested and exercisable as at 31 March 2022 (Nos.)	-	-
Remaining contractual life (Weighted Months)	95	-

Weighted average exercise price of share during the year ended 31 March 2022: Not applicable (31 March 2021: Not applicable)

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### (iii) Dhani Services Limited - Employee Stock Benefit Scheme 2019 ("Scheme") ("DSL-ESBS 2019").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Company at its meeting held on 22 October 2019; and (b) a special resolution of the shareholders' of the Company passed through postal ballot on 4 December 2019, result of which were declared on 5 December 2019.

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2019 ("ESOP Plan 2019")
- Dhani Services Limited Employees Stock Purchase Plan 2019 ("ESP Plan 2019")
- Dhani Services Limited Stock Appreciation Rights Plan 2019 ("SARs Plan 2019")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the Company has set up "Udaan - Employee Welfare Trust" ("Trust") for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 10,500,000 (One Crore Five lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Company as on the date of approval of shareholders, from the secondary market. The Company has appropriated 10,400,000 fully paid up equity shares of the Company purchased by the Trust under the Scheme.

	DSL-ESBS 2019
Total options under the Scheme (Nos.)	1,05,00,000
Options granted (Nos.)	1,04,00,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	17th August each year, commencing 17 August 2021
Exercisable period	5 years from each vesting date
Exercise price (₹)	250
<b>Outstanding at the beginning of 1 April 2020 (Nos.)</b>	-
Granted during the year (Nos.)	1,04,00,000
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
<b>Outstanding as at 31 March 2021 (Nos.)</b>	<b>1,04,00,000</b>
Vested and exercisable as at 31 March 2021 (Nos.)	-
Remaining contractual life (Weighted Months)	77
<b>Outstanding at the beginning of 1 April 2021 (Nos.)</b>	<b>1,04,00,000</b>
Granted during the year (Nos.)	-
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
<b>Outstanding as at 31 March 2022 (Nos.)</b>	<b>1,04,00,000</b>
Vested and exercisable as at 31 March 2022 (Nos.)	34,66,667
Remaining contractual life (Weighted Months)	65.00

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### (iv) Dhani Services Limited - Employee Stock Benefit Scheme 2020 ("Scheme") ("DSL-ESBS 2020").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Company at its meeting held on 23 January 2020; and (b) a special resolution of the shareholders' of the Company passed through postal ballot on 20 March 2020, result of which were declared on 21 March 2020.

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2020 ("ESOP Plan 2020")
- Dhani Services Limited Employees Stock Purchase Plan 2020 ("ESP Plan 2020")
- Dhani Services Limited Stock Appreciation Rights Plan 2020 ("SARs Plan 2020")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the Company has set up "Udaan - Employees Welfare Trust" (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 93,00,000 (Ninety Three lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Company as on the date of approval of shareholders, from the secondary market. The Company has appropriated 93,00,000 fully paid up equity shares of the Company purchased by the Trust under the Scheme.

	DSL-ESBS 2019
Total options under the Scheme (Nos.)	93,00,000
Options granted (Nos.)	93,00,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	7th April each year, commencing 7 April 2021
Exercisable period	5 years from each vesting date
Exercise price (₹)	250
<b>Outstanding as at 1 April 2021 (Nos.)</b>	-
Granted/ regranted during the year (Nos.)	93,00,000
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered and eligible for re-grant during the year (Nos.)	-
<b>Outstanding as at 31 March 2022 (Nos.)</b>	<b>93,00,000</b>
Vested and exercisable as at 31 March 2022 (Nos.)	NA
Remaining contractual life (Weighted Months)	NA
Remaining contractual life (Weighted Months)	-

### (v) Dhani Services Limited - Employee Stock Benefit Scheme 2021 ("Scheme") ("DSL-ESBS 2021").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Company at its meeting held on 06 March 2021; and (b) a special resolution of the shareholders' of the Company passed through postal ballot on 15 April 2021, result of which were declared on 16 April 2021.

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2020 ("ESOP Plan 2020")
- Dhani Services Limited Employees Stock Purchase Plan 2020 ("ESP Plan 2020")
- Dhani Services Limited Stock Appreciation Rights Plan 2020 ("SARs Plan 2020")



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the Company has set up "Udaan - Employees Welfare Trust" (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 1,05,00,000 (One Crore Five lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Company as on the date of approval of shareholders, from the secondary market. The Company has not granted any options/ SARs under the said Scheme as at 31 March 2022.

### C. Fair Valuation:

The details of the Fair value of the options / SARs as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-

	DSL ESOP - 2008			
	97,00,000	8,80,600	18,00,000	17,00,000
	Options Regranted	Options Regranted	Options Regranted	Options Regranted
1. Exercise price (₹)	24.15	254.85	68.00	150.00
2. Expected volatility *	42.97%	47.15%	69.05%	69.18%
3. Option Life (Weighted Average) (in years)	6	6	6	6
4. Expected Dividends yield	10.82%	1.10%	1.01%	1.26%
5. Risk Free Interest rate	7.45%	7.56%	5.50%	5.25%
6. Fair value of the options (₹)	4.31	130.05	34.58	89.98

	DSL ESOP - 2009			
	20,50,000	95,00,000	1,00,00,000	6,69,400
	Options Regranted	Options Regranted	Options Regranted	Options Regranted
1. Exercise price (₹)	31.35	16	219.65	254.85
2. Expected volatility *	48.96%	40.74%	46.70%	47.15%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
4. Expected Dividends yield	6.86%	16.33%	1.27%	1.10%
5. Risk Free Interest rate	8.05%	7.45%	6.54%	7.56%
6. Fair value of the options (₹)	9.39	1.38	106.31	130.05

\* The expected volatility was determined based on historical volatility data.

	DSL ESOP – 2009		DSL-ESBS 2020	DSL-ESBS 2019
	98,00,000	84,00,000	93,00,000	1,04,00,000
	Options	Options	SARs	SARs
1. Exercise price (₹)	68	150.00	250	250
2. Expected volatility *	69.05%	69.18%	76.57%	68.45%
3. Expected forfeiture percentage on each vesting date	6	6	Nil	Nil
4. Expected dividends yield	1.01%	1.26%	1.26%	1.71%
5. Risk free interest rate	5.50%	5.25%	4.36%	4.17%
6. Fair value of the options (₹)	34.58	89.98	65.82	55.49

\* The expected volatility was determined based on historical volatility data.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### D. Share based payment expense:

The Company has reversed Share based payments expense to employees of ₹ (12.23) lakh (31 March 2021: ₹ (186.92) lakh expense) in the statement of Profit and loss for the year ended 31 March 2022.

### Note - 44

#### Disclosures in respect of Related Parties as per Indian Accounting Standard (Ind-AS) – 24 ‘Related Party Disclosures’:

The Company’s related parties primarily consist of its subsidiaries including step down subsidiaries. The Company routinely enters into transactions with these related parties in the ordinary course of business on the terms equivalent to those that prevail in arm length transactions.

Nature of relationship	Name of the related party
(a) Related parties where control exists:	
Subsidiary companies	Dhani Stocks Limited (formerly Indiabulls Securities Limited)
(including step-down subsidiaries)	Devata Tradelink Limited
	Indiabulls Investment Advisors Limited
	Indiabulls Infra Resources Limited
	Indiabulls Consumer Products Limited
	Indiabulls Distribution Services Limited
	Auxesia Soft Solutions Limited
	Pushpanjali Finsolutions Limited
	Arbutus Constructions Limited *
	Gyansagar Buildtech Limited
	Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited)
	Dhani Healthcare Limited (formerly Pushpanjali Fincon Limited)
	Indiabulls Assets Reconstruction Company Limited Group
	Indiabulls Alternate Investments Limited
	Evinos Buildwell Limited
	Evinos Developers Limited
	Savren Medicare Limited (formerly Savren Buildwell Limited)
	Krathis Buildcon Limited
	Krathis Developers Limited
	Transerv Limited (formerly Transerv Private Limited)
	Jwala Technology Systems Private Limited (from 7 September 2020)
	Euler Systems Inc. (Incorporated in USA) (from 9 September 2020)
	Dhani Limited (Incorporated in Jersey) (from 18 February 2021)
	Dhani LTD (Incorporated in United Kingdom) (from 19 February 2021)
	Dhani Health Middle East FZ LLC (Incorporated in UAE) (from 2 March 2021)

\* Arbutus Constructions Limited has been strike off from the register of Companies (ROC) during the financial year 2021-22.

The Company has not entered into any transactions with struck off Companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

*(All amounts in Indian Rupees in lakh unless stated otherwise)*

(b) Other related parties:

- (i) Key management personnel
- Mr. Sameer Gehlaut, Whole Time Director, Chairman and Chief Executive Officer (w.e.f. 25 September 2020)
  - Mr. Divyesh B. Shah, Whole Time Director & Chief Operating Officer / Chief Executive Officer #
  - Mr. Pinank Jayant Shah, Whole Time Director
  - Mr. Gagan Banga, Non-executive Director
  - Mr. Anish Ernest Williams, Non-executive Director (w.e.f. 21 December 2020)
  - Mr. Praveen Kumar Tripathi
  - Dr. Narendra Damodar Jadhav, Independent Director (w.e.f. 23 August 2020)
  - Mrs. Fantry Mein Jaswal, Independent Director (w.e.f. 23 August 2020)
  - Mr. Rakesh Mohan Garg, Independent Director (w.e.f. 25 November 2020)
  - Mr. Vijay Chug, Independent Director (w.e.f. 21 December 2020)
  - Mr. Alok Misra, Independent Director (till 27 August 2020)
  - Mr. Shyam Lal Bansal, Independent Director (till 27 August 2020)
  - Mrs. Rekha Gopal Warriar (w.e.f. 27 August 2019 and till 23 May 2020)
  - Mr. Mohanbir Singh Sawhney (w.e.f. 7 December 2021)
  - Mr. Sandeep Narhar Kadam ( w.e.f. 7 December 2021)

- (ii) Person exercising significant influence
- Mr. Sameer Gehlaut (Non executive chairman (till 24 September 2020) and Promoter)

# During the previous year, Mr. Divyesh B. Shah has been redesignated as Chief Operating Officer w.e.f. 28 August 2020.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

	Subsidiary companies		Key management personnel		Person exercising significant influence		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Income</b>								
i. Brokerage income	-	-	0.05	-	-	-	0.05	-
ii. Dividend income	-	490.96	-	-	-	-	-	490.96
iii. Interest income on inter corporate loans	4,180.63	2,202.94	-	-	-	-	4,180.63	2,202.94
iv. Income from Financial Guarantee	156.31	-	-	-	-	-	156.31	-
<b>Expenses</b>								
i. Reimbursement of expenses paid	2.40	2.40	-	-	-	-	2.40	2.40
ii. Compensation to Key Management Personnel								
- Short term employee benefits	-	-	39.24	42.25	-	-	39.24	42.25
- Post employment benefits-gratuity	-	-	(0.24)	0.26	-	-	(0.24)	0.26
- Other long-term employee benefits-compensated absences	-	-	0.24	(19.97)	-	-	0.24	(19.97)
- Share based expenses	-	-	(219.68)	(194.80)	-	-	(219.68)	(194.80)
- Sitting fees	-	-	27.00	22.00	-	-	27.00	22.00
<b>Finance</b>								
i. Inter corporate loans given (Maximum balance outstanding during the year)	1,59,898.45	65,655.80	-	-	-	-	1,59,898.45	65,655.80
ii. Inter corporate loans taken (Maximum balance outstanding during the year)	-	-	10,161.64	-	-	-	10,161.64	-
<b>Investment</b>								
i. Investment in equity shares of subsidiary companies	7,655.89	3,715.51	-	-	-	-	7,655.89	3,715.51
ii. Investment in equity shares on conversion of compulsory convertible debentures	-	40,000.00	-	-	-	-	-	40,000.00

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 44  
Related party disclosures (continued)

	Subsidiary companies		Key management personnel		Person exercising significant influence		Total	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
	(c) Transactions with related parties during the year (continued)							
Contingent Liability								
i. Corporate guarantees given on behalf of subsidiary companies	20,000.00	20,000.00	-	-	-	-	20,000.00	20,000.00
ii. Reduction of corporate guarantees on account of repayment of loan by subsidiary / guaranteee released by bank *	57,545.28	77,170.00	-	-	-	-	57,545.28	77,170.00

\* Guarantee released by bank ₹ Nil (previous year ₹ 126,700.00 lakh) and reduction of guarantee on account of repayment of loan by ₹ 57,545.28 lakh (previous year ₹ 77,170 lakh).

### (d) Balance outstanding as at 31 March 2022:

	Subsidiary companies		Key management personnel		Person exercising significant influence		Total	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
	Inter-corporate loans given (unsecured)	1,25,108.45	43,486.07	-	-	-	-	1,25,108.45
Corporate guarantees given to third parties on behalf of subsidiary companies	73,014.72	1,30,560.00	-	-	-	-	73,014.72	1,30,560.00
Payable for reimbursement of expenses	3.74	-	-	-	-	-	3.74	-

Amount presented in brackets represent liabilities.

### (d) Loans and advances to specified persons as at 31 March 2022:

Type of Borrower	Amount of loan or advance in the nature of outstanding As at 31 March 2022
Promoter	-
Directors	-
KMPs	-
Related Parties	1,25,108.45

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Note - 45

#### Financial instruments

##### A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at 31 March 2022	As at 31 March 2021
<b>Financial assets measured at fair value</b>			
Investments* measured at fair value through other comprehensive income	Note - 8	1,567.51	316.10
<b>Financial assets measured at amortised cost</b>			
Cash and cash equivalents	Note - 5	4,030.49	6,089.55
Bank balance other than cash and cash equivalents	Note - 6	2,067.81	6,860.15
Loans	Note - 7	1,25,147.33	43,486.07
Security deposits	Note - 9	300.00	300.00
Other financial assets	Note - 9	4.87	785.32
<b>Total</b>		<b>1,33,118.01</b>	<b>57,837.19</b>
<b>Financial liabilities measured at amortised cost</b>			
Trade payables	Note - 15	16.55	14.11
Other payables	Note - 16	324.03	139.15
Borrowings (other than debt securities) (including interest accrued)	Note - 17	52,500.00	41,315.19
Other financial liabilities	Note - 18	145.58	223.48
<b>Total</b>		<b>52,986.16</b>	<b>41,691.93</b>

\* Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

##### B Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

**Level 1:** Quoted prices (unadjusted) for identical instruments in an active market;

**Level 2:** Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data (unobservable inputs).

##### B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	Period	Level 1	Level 2	Level 3	Total
<b>Assets</b>					
Investments at fair value through other comprehensive income					
Quoted equity investment in BSE Limited	31 March 2022	1,567.51	-	-	1,567.51
	31 March 2021	316.10	-	-	316.10

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	4,030.49	4,030.49	6,089.55	6,089.55
Bank balance other than cash and cash equivalents	2,067.81	2,067.81	6,860.15	6,860.15
Loans	1,25,147.33	1,25,147.33	43,486.07	43,486.07
Security deposits	300.00	300.00	300.00	300.00
Other financial assets	4.87	4.87	785.32	785.01
<b>Total</b>	<b>1,31,550.50</b>	<b>1,31,550.50</b>	<b>57,521.09</b>	<b>57,520.78</b>
<b>Financial liabilities</b>				
Trade payables	16.55	16.55	14.11	14.11
Other payables	324.03	324.03	139.15	139.15
Debt securities (including interest accrued)	-	-	-	-
Borrowings (other than debt securities) (including interest accrued)	52,500.00	52,500.00	41,315.19	41,315.19
Other financial liabilities	145.58	145.58	223.48	223.48
<b>Total</b>	<b>52,986.16</b>	<b>52,986.16</b>	<b>41,691.93</b>	<b>41,691.93</b>

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables, loans, trade payables, other payables and other financial liabilities approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

- (i) The fair values of the Company's fixed interest bearing security deposits, loan notes and escrow account are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.
- (ii) The fair values of the Company's fixed rate interest-bearing debt securities and borrowings are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities and borrowings carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

### Financial risk management

#### i) Risk Management

'The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company's risk are managed by a treasury department under policies approved by the board of directors. The board of directors provides written principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	Ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, debt securities, trade payables, other payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities (whenever required)
Market risk - foreign exchange	Financial assets and liabilities not denominated in Indian rupee	Sensitivity analysis	Forward contract/hedging, if required
Market risk - interest rate	Variable rates borrowings and debt securities	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

### A) Credit risk

Credit Risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

#### a) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

The company provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, investments, trade receivables, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss
High credit risk	Trade receivables	Life time expected credit loss or fully provided for

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

### Financial assets that expose the entity to credit risk\*

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Low credit risk		
Cash and cash equivalents	4,030.49	6,089.55
Other bank balances	2,067.81	6,860.15
Loans	1,25,147.33	43,486.07
Investments	1,567.51	316.10
Security deposits	300.00	300.00
Other financial assets	4.87	785.32
(ii) Moderate credit risk		
Trade receivables	-	-

\* These represent gross carrying values of financial assets, without deduction for expected credit losses

### Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

### Trade receivables

Credit risk related to trade receivables is managed by continuously monitoring the recoverability of such amounts .

### Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by continuously monitoring the recoverability of such amounts.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### b) Credit risk exposure

#### i) Expected credit losses for financial assets

As at 31 March 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	4,030.49	-	4,030.49
Other bank balances	2,067.81	-	2,067.81
Loans	1,25,147.33	-	1,25,147.33
Investments	1,567.51	-	1,567.51
Security deposits	300.00	-	300.00
Other financial assets	4.87	-	4.87

As at 31 March 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	6,089.55	-	6,089.55
Other bank balances	6,860.15	-	6,860.15
Loans	43,486.07	-	43,486.07
Investments	316.10	-	316.10
Security deposits	300.00	-	300.00
Other financial assets	785.32	-	785.32

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables
<b>Loss allowance on 1 April 2020</b>	-
Impairment loss recognised during the year	-
Write - offs	-
<b>Loss allowance on 31 March 2021</b>	-
Impairment loss recognised during the year	-
Write - offs	-
<b>Loss allowance on 31 March 2022</b>	-

### c) Concentration of financial assets

Loans and financial assets majorly represents loans to subsidiaries and deposits given for business purposes.

### B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

### (i) Financing arrangements

The Company had access to the following funding facilities:

As at 31 March 2022	Total facility	Drawn	Undrawn
- Expiring within one year	-	-	-
- Expiring beyond one year	60,000.00	52,500.00	7,500.00
<b>Total</b>	<b>60,000.00</b>	<b>52,500.00</b>	<b>7,500.00</b>

As at 31 March 2021	Total facility	Drawn	Undrawn
- Expiring within one year	16,000.00	-	16,000.00
- Expiring beyond one year	85,000.00	41,300.00	43,700.00
<b>Total</b>	<b>1,01,000.00</b>	<b>41,300.00</b>	<b>59,700.00</b>

### (ii) Maturities of financial assets and liabilities

The tables below analyse the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2022	Less than 1 year	1-3 years	More than 3 years	Total
<b>Non-derivatives</b>				
Cash and cash equivalent	4,030.49	-	-	4,030.49
Other bank balances	2,067.81	-	-	2,067.81
Loans	1,25,147.33	-	-	1,25,147.33
Investments	-	-	4,95,176.47	4,95,176.47
Other financial assets	4.87	300.00	-	304.87
<b>Total undiscounted financial assets (A)</b>	<b>1,31,250.50</b>	<b>300.00</b>	<b>4,95,176.47</b>	<b>6,26,726.97</b>
<b>Non-derivatives</b>				
Debt Securities	-	-	-	-
Borrowings (other than debt securities)	17,500.00	35,000.00	-	52,500.00
Trade payables	16.55	-	-	16.55
Other payables	324.03	-	-	324.03
Other financial liabilities	145.58	-	-	145.58
<b>Total undiscounted financial liabilities (B)</b>	<b>17,986.16</b>	<b>35,000.00</b>	<b>-</b>	<b>52,986.16</b>
<b>Net undiscounted financial assets/ (liabilities) (A) - (B)</b>	<b>1,13,264.34</b>	<b>(34,700.00)</b>	<b>4,95,176.47</b>	<b>5,73,740.81</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

As at 31 March 2021	Less than 1 year	1-3 years	More than 3 years	Total
<b>Non-derivatives</b>				
Cash and cash equivalent	6,090.77	-	-	6,090.77
Other bank balances	6,967.65	-	-	6,967.65
Loans	-	43,486.07	-	43,486.07
Investments	-	-	4,81,993.15	4,81,993.15
Other financial assets	785.32	300.00	-	1,085.32
<b>Total undiscounted financial assets (A)</b>	<b>13,843.74</b>	<b>43,786.07</b>	<b>4,81,993.15</b>	<b>5,39,622.96</b>
<b>Non-derivatives</b>				
Borrowings (other than debt securities)	4,141.43	45,856.66	-	49,998.09
Trade payables	14.11	-	-	14.11
Other payables	139.15	-	-	139.15
Other financial liabilities	223.48	-	-	223.48
<b>Total undiscounted financial liabilities (B)</b>	<b>4,518.17</b>	<b>45,856.66</b>	<b>-</b>	<b>50,374.83</b>
<b>Net undiscounted financial assets/(liabilities) (A) - (B)</b>	<b>9,325.57</b>	<b>(2,070.59)</b>	<b>4,81,993.15</b>	<b>4,89,248.13</b>

### C) Market risk

#### a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. To mitigate the Company's exposure to foreign currency risk, non-rupee cash flows are monitored and forward exchange contracts are entered into in accordance with the Company's risk management policies. The Company has not hedged its foreign currency receivables and payables.

#### (i) Foreign currency risk exposure in USD:

The Company exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows:

Particulars	As at	Foreign currency	Exchange rate	Amount in Foreign Currency	Amount in ₹
<b>Financial assets</b>					
Loan notes and escrow receivable	31 March 2022	USD	75.91	-	-
Loans to foreign subsidiary company	31 March 2022	USD	75.91	10.50	796.97
Loan notes and escrow receivable	31 March 2021	USD	73.50	10.74	789.24
Loans to foreign subsidiary company	31 March 2021	USD	73.50	10.08	740.88

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
USD sensitivity		
INR/USD- increase by 5.70% (31 March 2021: 5.70%)*	45.43	87.22
INR/USD- decrease by 5.70% (31 March 2021: 5.70%)*	(45.43)	(87.22)

\* Holding all other variables constant

### b) Interest rate risk

#### i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2022, the Company is exposed to variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Variable rate liabilities</b>		
Borrowings (other than debt securities)	-	-
<b>Fixed rate liabilities</b>		
Debt securities	-	-
Borrowings (other than debt securities)	52,500.00	41,315.19
<b>Total</b>	<b>52,500.00</b>	<b>41,315.19</b>

### Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest sensitivity*		
Interest rates – increase by 1%	-	-
Interest rates – decrease by 1%	-	-

\* Holding all other variables constant

#### ii) Assets

The Company's bank deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### c) Price risk

#### i) Exposure

'The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

#### ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity:

#### Impact on other comprehensive income

Particulars	As at 31 March 2022	As at 31 March 2021
Quoted equity instruments		
Value per share – increase by 26% (31 March 2021: 26%)	407.55	82.19
Value per share – decrease by 26% (31 March 2021: 26%)	(407.55)	(82.19)

### Note - 46

#### Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at 31 March 2022	As at 31 March 2021
Net debt*	48,469.51	35,225.64
Total equity	5,80,320.85	5,04,480.97
Debt to equity ratio	0.08	0.07

\* Net debt includes debt securities + Borrowings (other than debt securities) - interest accrued-cash and cash equivalents

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Note - 47

#### Accounting Ratios

ASSETS	As at 31 March 2022			As at 31 March 2021			Variance (%)*
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio	
Current Ratio [Current Assets/ Current Liabilities]	8,727.69	845.97	10.32	15,926.05	829.19	19.21	(46.29)
Debt-Equity Ratio [Debt/ Equity]	48,469.51	5,80,320.85	0.08	35,225.64	5,04,480.97	0.07	19.62
Debt Service Coverage Ratio [PBIDT+ exceptional items) / (Interest+ Principal repayment]	2,766.04	4,528.91	0.61	2,706.58	12,369.11	0.22	179.11
Return on Equity Ratio [(PAT + exceptional items)/(Total op. Equity+Total cl. Equity)/2]	(2,471.46)	5,42,400.91	(0.005)	(1,675.00)	4,86,234.49	(0.003)	32.27
Inventory turnover ratio [Consumption / (op. Inventory+cl. Inventory)/2]	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Trade Receivables turnover ratio [Sales / (op. receivable+cl. Receivables)/2]	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Trade payables turnover ratio [Consumption/(op.payables+cl. Payables)]	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Net capital turnover ratio [Total Operational Revenue/ Working Capital]	4,453.90	7,881.72	0.57	3,035.31	15,096.86	0.20	181.06
Net profit ratio [PAT before exceptional items/ Revenue from Operation]	(2,471.46)	4,453.90	(0.555)	(1,675.00)	3,035.31	(0.552)	0.55
Return on Capital employed [PBIT before exceptional items/ Total capital employed (NW- DTA+debt+DTL)]	2,744.16	6,28,387.18	0.004	2,687.20	5,40,557.35	0.005	(12.15)
Return on investment [ROI=Income received on Investment/ Investment outside the group]	11.62	1,567.51	0.01	9.41	316.10	0.03	(75.10)

#### \*Reason for variance over 25%

**Current Ratio:** This is mainly due decrease in cash and cash equivalents and other bank balances which has been utilised in business during the current financial year.

**Debt Service Coverage Ratio:** This is increased due to loan (debt securities) paid during the last financial year.

**Return on Equity Ratio:** This is due to increase in loss in comparison to last financial year.

**Net Capital Turnover Ratio:** This is due to increase in operational revenue over 33% with reduced working capital.

**Return on Investment:** Income on investment is not increased in proportion to increase in investment.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### Note - 48

#### Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

ASSETS	As at 31 March 2022		As at 31 March 2021	
	Within 12 months	After 12 months	Within 12 months	After 12 months
<b>Financial assets</b>				
Cash and cash equivalents	4,030.49	-	6,089.55	-
Other bank balances	2,067.81	-	6,860.15	-
Loans	1,25,147.33	-	-	43,486.07
Investments	-	4,95,176.47	-	4,81,768.05
Other financial assets	4.87	300.00	785.32	300.00
	<b>1,31,250.50</b>	<b>4,95,476.47</b>	<b>13,735.02</b>	<b>5,25,554.12</b>
<b>Non-financial assets</b>				
Current tax assets (net)	-	2,324.52	-	1,891.03
Deferred tax assets (net)	-	4,433.67	-	5,238.81
Property, plant and equipment	-	71.73	-	79.60
Other intangible assets	-	8.61	-	12.36
Other non-financial assets	101.32	-	114.41	-
	<b>101.32</b>	<b>6,838.53</b>	<b>114.41</b>	<b>7,221.80</b>
<b>TOTAL ASSETS</b>	<b>1,31,351.82</b>	<b>5,02,315.00</b>	<b>13,849.43</b>	<b>5,32,775.92</b>
<b>LIABILITIES</b>				
<b>Financial liabilities</b>				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	16.55	-	14.11	-
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	324.03	-	139.15	-
Borrowings (other than debt securities)	17,500.00	35,000.00	10.62	41,304.57
Other financial liabilities	145.58	-	223.48	-
	<b>17,986.16</b>	<b>35,000.00</b>	<b>387.36</b>	<b>41,304.57</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

<b>Non-financial liabilities</b>				
Current tax liabilities (net)	11.14	-	-	-
Provisions	1.51	82.10	1.51	72.81
Other non-financial liabilities	228.34	36.72	274.27	103.86
	240.99	118.82	275.78	176.67
<b>TOTAL LIABILITIES</b>	<b>18,227.15</b>	<b>35,118.82</b>	<b>663.14</b>	<b>41,481.24</b>
<b>Net equity</b>	<b>1,13,124.67</b>	<b>4,67,196.18</b>	<b>13,186.29</b>	<b>4,91,294.68</b>

### Note - 49

#### Benami Property

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

### Note - 50

#### Guarantee, security or the like on behalf of the Ultimate Beneficiaries

- (i) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### Note - 51

Disclosure as per Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186(4) of the Act.

#### (i) Loans and advances in the nature of loans given to subsidiaries:

Name of the Subsidiaries	Maximum balance outstanding during the year		Balance outstanding as at	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Indiabulls Distribution Services Limited	-	11,893.00	-	-
Dhani Stocks Limited (formerly Indiabulls Securities Limited)	-	5,510.00	-	-
Pushpanjli Finsolutions Limited	-	-	-	-
Krathis Buildcon Limited	461.25	-	441.25	-
Krathis Developers Limited	333.40	-	321.40	-
Transerv Limited	19,450.00	-	19,450.00	-
Dhani Healthcare Limited (formerly Pushpanjli Fincon Limited)	1,38,723.00	47,322.00	1,03,965.00	42,562.00
Jwala Technology Systems Private Limited	172.70	200.00	172.70	183.00
Euler Systems, Inc	758.10	730.80	796.98	741.07

All above loans have been given for business purpose.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2022

(All amounts in Indian Rupees in lakh unless stated otherwise)

### (ii) Guarantees given on behalf of subsidiaries:

Name of the Subsidiary	Guarantees given during the year		Balance outstanding as at *	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited)	20,000.00	20,000.00	73,014.72	1,30,560.00

\* Closing balance is net of repayment of loans made by subsidiary companies

### (iii) Investments in subsidiaries:

Details of investments made are given in note - 8

#### Note - 52

The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

#### Note - 53

Consequent to the outbreak of the COVID-19 pandemic, the Indian Government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the Government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restriction of business and individual activities led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The extent to which COVID-19 pandemic, will continue to impact the Company's performance and will depend on ongoing as well as future developments which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

The Company believes that it has considered all the possible impact of the known events arising out of COVID-19 pandemic in the preparation of these standalone financial statements. However, the impact assessment of COVID-19 is a continuing process given its nature and duration. The Company will continue to monitor any material changes to future economic condition. The Company's capital and liquidity position remains sufficient and would continue to be the focus area for the Company; accordingly, the Company does not expect a stress on its liquidity situation in the immediate future.

#### Note - 54

Previous year's figures have been regrouped / reclassified and rearranged wherever necessary to correspond with the current year's classification/ disclosure.

For **Sharp & Tannan Associates**  
Chartered Accountants  
Firm Registration No. 109983W

For and on behalf of the Board of Directors

**Tirtharaj Khot**  
Partner

Membership No.: 037457

Place: Mumbai  
Date: 30 May 2022

**Sameer Gehlaut**  
Chairman & CEO

DIN: 00060783

Place: London  
Date: 30 May 2022

**Divyesh B. Shah**  
Whole Time Director  
Chief Operating Officer  
DIN: 00010933

Place: Mumbai  
Date: 30 May 2022

**Rajeev Lochan Agrawal**  
& Chief Financial Officer

Place: Gurugram  
Date: 30 May 2022

**Lalit Sharma**  
Company Secretary

Place: Gurugram  
Date: 30 May 2022

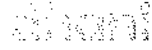
## Statement Pursuant to Section 129 of the Companies Act, 2013

(All amounts in Indian Rupees in lakh unless stated otherwise)

Annexure: Statement containing the salient features of the financial statements of subsidiaries / associate companies / joint ventures  
 [Form AOC-1: Pursuant to first proviso to sub-section (b) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014]

**Part A: Subsidiaries**

Sr. No.	Names of the Subsidiary Companies	Date of acquisition of Subsidiary	Year Reporting Currency	Share Capital / Security Receipts	Other equity (Surplus/ Deficit)	Total Assets excluding Investments	Total Liabilities*	Investments	Turnover	Profit/ (loss) before Taxation	Provision for Taxation / (Tax Credit)	Profit/ (Loss) after Taxation	Proposed Dividend (Including Corporate Dividend Tax)	% of shareholding
1	Dhani Stocks Limited (Formerly, Indabulls Securities Limited)	01-Apr-07	₹	1,370.00	37,717.79	55,706.05	16,618.25	-	9,695.32	1,299.83	352.34	947.49	-	100%
2	Devata TradeLink Limited	09-Jan-08	₹	5.00	(18,097.84)	73.01	18,165.85	-	2.19	1.05	-	1.05	-	100%
3	Indabulls Investment Advisors Limited	22-Aug-08	₹	36,550.00	(12,517.66)	23,475.84	443.50	-	1,542.70	(3,889.71)	266.74	(4,166.45)	-	100%
4	Indabulls Distribution Services Limited	11-Jun-09	₹	35.82	45,137.76	73,746.07	29,077.48	505.00	5,887.29	(1,048.72)	(9.84)	(1,038.89)	-	100%
5	Aneesa Soft Solutions Limited	30-Sep-11	₹	5.00	(550.76)	0.19	545.95	-	-	(42.30)	-	(42.30)	-	100%
6	Pushpanji Finsolutions Limited	28-Jun-13	₹	601.00	778.48	1,396.24	16.76	-	85.21	75.29	(444.56)	519.85	-	100%
7	Arbutus Constructors Limited*	11-Jun-13	₹	11.00	(11.00)	-	-	-	-	-	-	-	-	100%
8	Gyensagar Buildtech Limited	11-Jun-13	₹	11.00	(294.66)	388.33	672.00	-	-	(47.66)	-	(47.66)	-	100%
9	Dhani Loans and Services Limited (Formerly, Indabulls Consumer Finance Limited)	28-Jun-13	₹	6,118.80	3,95,147.13	4,62,702.44	2,17,787.91	1,56,351.43	84,410.88	(24,857.79)	(6,430.14)	(18,427.65)	-	100%
10	Dhani Healthcare Limited (Formerly, Pushpanji Fincon Limited)	11-Jun-13	₹	401.00	(70,911.21)	61,246.62	1,31,761.83	5.00	21,320.19	(67,454.02)	15.05	(67,469.07)	-	100%
11	Indabulls Alternate Investments Limited	10-Feb-16	₹	505.00	420.36	703.15	5.80	228.01	64.01	(26.34)	(6.69)	(19.71)	-	100%
12	Indabulls Asset Reconstruction Company Limited	03-Oct-16	₹	9,750.00	51,708.05	5,052.63	1,777.03	58,182.44	7,345.93	6,422.83	2,023.88	4,395.16	-	100%
13	Indabulls Consumer Products Limited	05-Jul-16	₹	5.00	(1.68)	3.47	0.15	-	0.32	(0.46)	-	(0.46)	-	100%
14	Indabulls Infra Resources Limited	01-Feb-17	₹	300.00	94.14	398.74	4.60	-	30.54	28.44	7.36	21.08	-	100%
15	Evinos Buildwell Limited	17-Jun-19	₹	5.00	(6,463.29)	32,643.61	39,101.90	-	7.54	(2,973.23)	-	(2,973.23)	-	100%
16	Evinos Developers Limited	17-Jun-19	₹	5.00	(1.51)	3.78	0.29	-	-	(0.65)	-	(0.65)	-	100%
17	Sareen Medicare Limited (Formerly, Sareen Buildwell Limited)	19-Nov-19	₹	5.00	(88.12)	408.95	492.06	-	1.29	(90.03)	(2.47)	(87.57)	-	100%
18	Krathis Builders Limited	20-Nov-19	₹	5.00	(1.62)	448.69	445.31	-	-	(0.85)	-	(0.85)	-	100%
19	Krathis Developers Limited	26-Nov-19	₹	5.00	(1.56)	327.75	324.31	-	-	(0.79)	-	(0.79)	-	100%
20	Jwala Technology Systems Private Limited	07-Sep-20	₹	1.00	(118.71)	59.11	176.82	-	11.23	(6.22)	31.84	(38.06)	-	100%
21	Euler Systems Inc.	09-Sep-20	₹	0.06	(321.13)	501.75	822.81	-	0.00	(78.84)	-	(78.84)	-	100%
22	Dhani Health Middle East FZ LLC (Incorporated in UAE)	02-Mar-21	₹	520.03	(714.46)	0.52	194.95	-	-	(706.56)	-	(706.56)	-	100%
23	Dhani Limited (Incorporated in Jersey)	18-Feb-21	₹	11,371.40	(324.04)	10,080.58	3.49	1,020.27	-	(10.82)	-	(10.82)	-	100%



**Statement Pursuant to Section 129 of the Companies Act, 2013**  
(All amounts in Indian Rupees in lakh unless stated otherwise)

Sr. No.	Name of the Subsidiary Companies	Date of acquisition of Subsidiary	Year	Accounting Currency	Share Capital / Security Receipts	Over equity (Surplus / Deficit)	Total Assets excluding investments	Total Liabilities*	Investments	Turnover	Profit / (Loss) before taxation	Provision for Taxation / (Tax Credit)	Profit / (Loss) after taxation	Proposed Dividend (including Corporate Dividend Tax)	% of shareholding
24	Utem LTD (Incorporated in United Kingdom)	19-Feb-21	2021-22	₹	1,000.27	(2,207.30)	356.26	1,543.29	-	-	(2,209.81)	-	(2,209.82)	-	100%
25	Indiabulls ARC - III Trust*	30-Jun-18	2021-22	₹	-	-	-	-	-	3,637.20	3,438.63	-	3,438.63	-	51%
26	Indiabulls ARC - IV Trust*	31-Dec-18	2021-22	₹	-	-	-	-	-	2,708.13	2,404.77	-	2,404.77	-	51%
27	Indiabulls ARC - V Trust*	31-Dec-18	2021-22	₹	-	-	-	-	-	4.60	(7.29)	-	(7.29)	-	51%
28	Indiabulls ARC - VI Trust*	28-Mar-19	2021-22	₹	-	-	-	-	-	385.03	290.07	-	290.07	-	51%
29	Indiabulls ARC - VII Trust*	28-Mar-19	2021-22	₹	2,414.19	(391.01)	2,180.16	156.98	-	-	(107.37)	-	(107.37)	-	51%
30	Indiabulls ARC - VIII Trust*	29-Jun-19	2021-22	₹	-	-	-	-	-	403.16	246.52	-	246.52	-	51%
31	Indiabulls ARC - X Trust*	30-Sep-19	2021-22	₹	-	-	-	-	-	3,234.74	2,218.47	-	2,218.47	-	51%
32	Indiabulls ARC - XI Trust*	30-Sep-19	2021-22	₹	-	-	-	-	-	-	-	-	-	-	51%
33	Indiabulls ARC - XII Trust*	31-Dec-19	2021-22	₹	-	-	-	-	-	1,373.34	851.85	-	851.85	-	51%
34	Indiabulls ARC - XIII Trust*	31-Dec-19	2021-22	₹	-	-	-	-	-	146.34	77.97	-	77.97	-	51%
35	Indiabulls ARC - XIV Trust*	01-Apr-20	2021-22	₹	-	-	-	-	-	90.08	16.48	-	16.48	-	51%
36	Indiabulls ARC - XVI Trust*	01-Apr-20	2021-22	₹	-	-	-	-	-	397.73	147.66	-	147.66	-	51%
37	Indiabulls ARC - XVII Trust*	01-Apr-20	2021-22	₹	-	-	-	-	-	515.52	391.88	-	391.88	-	100%
38	Indiabulls ARC - XVIII Trust*	01-Apr-20	2021-22	₹	-	-	-	-	-	176.30	1.27	-	1.27	-	51%
39	Indiabulls ARC - XIX Trust	30-Jun-21	2021-22	₹	3,413.00	(6.38)	3,413.00	8.38	-	-	(8.38)	-	(8.38)	-	51%
40	Indiabulls ARC - XX Trust	30-Jun-21	2021-22	₹	7,987.00	(6.64)	7,987.00	6.64	-	-	(6.64)	-	(6.64)	-	51%
41	Indiabulls ARC - XXI Trust	31-Dec-21	2021-22	₹	4,567.52	(8.52)	4,562.21	3.21	-	-	(8.52)	-	(8.52)	-	75%
42	Indiabulls ARC - XXII Trust	31-Dec-21	2021-22	₹	6,500.00	(2.32)	6,500.00	2.32	-	-	(2.32)	-	(2.32)	-	75%
43	Indiabulls ARC - XXIII Trust	31-Dec-21	2021-22	₹	17,099.97	(26.79)	17,065.07	43.89	-	-	(28.79)	-	(28.79)	-	75%
44	Indiabulls ARC - XXIV Trust	31-Dec-21	2021-22	₹	11,000.00	(2.32)	11,000.00	2.32	-	-	(2.32)	-	(2.32)	-	75%
45	Indiabulls ARC - XXV Trust	23-Mar-22	2021-22	₹	2,980.40	(1.22)	2,980.40	1.22	-	-	(1.22)	-	(1.22)	-	90%
46	Indiabulls ARC - XXVII Trust	23-Mar-22	2021-22	₹	17,425.80	(1.22)	17,425.80	1.22	-	-	(1.22)	-	(1.22)	-	90%
47	Tanserv Limited	01-Apr-19	2021-22	₹	647.30	4,893.49	44,082.00	38,534.59	-	15,014.10	4,400.2	(191.19)	595.21	-	100%

\* Total liabilities exclude share capital and other equity

\* Closed / strike off during the year

Part 'B' Associates - Not applicable

For and on behalf of the Board of Directors

**Sameer Gehlaut**  
Chairman & CEO  
DIN: 00060783

**Diyash B. Shah**  
Whole Time Director & Chief Operating Officer  
DIN: 00010933

**Rajeev Lochan Agrawal**  
Chief Financial Officer

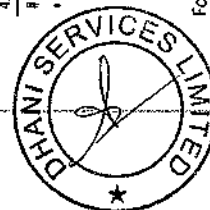
**Lalit Sharma**  
Company Secretary

Place: London  
Date: 30 May 2022

Place: Mumbai  
Date: 30 May 2022

Place: Gurugram  
Date: 30 May 2022

Place: Gurugram  
Date: 30 May 2022



# Sharp & Tannan Associates

Chartered Accountants

87 Nariman Bhavan, 227 Nariman Point  
Mumbai (Bombay) 400 021, INDIA.

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E: mumbai.office@sharandtannan.com

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## INDEPENDENT AUDITOR'S REPORT

To the members of Dhani Services Limited

Report on the audit of the standalone financial statements

### Opinion

We have audited the accompanying standalone financial statements of **Dhani Services Limited** (hereinafter referred as "the Company"), which comprise the balance sheet as at 31 March 2023, the statement of profit and loss (including other comprehensive income), the statement of cash flow and the statement of changes in equity for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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 (hereinafter referred as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (hereinafter referred as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31 March 2023, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (hereinafter referred as "SAs") specified under section 143(10) of the Act. 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 on the standalone financial statements.

### Emphasis of matter

We draw attention to the note 42 of the accompanying Statement regarding the requirement of obtaining the Certificate of registration (CoR) for the Company from the Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) under the Category of Core Investment Company (CIC). The management is of the view that basis their present business operations and applicable financial criteria, the Company qualifies to fall under the category of an unregistered CIC and has written to RBI for their view in this regard, response to which is awaited. The management is further



Also at Ahmedabad, Baroda and Pune. Associate Offices at Bengaluru, Chennai, Hyderabad, New Delhi and Panaji (Goa).

of the view that the possible non-compliance with such requirement is not expected to have material impact on the accompanying Statement.

Our opinion is not modified in respect of this matter of emphasis.

### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

### **Information other than the standalone financial statements and auditor's report thereon**

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the Board's report and management discussion and analysis included in the annual report but 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Managements and Board of Directors responsibilities for the standalone financial statements**

The Company's Management and Board of Directors are 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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. 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, Company's Management and Board of Directors are 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 responsible for overseeing the Company's financial reporting process.

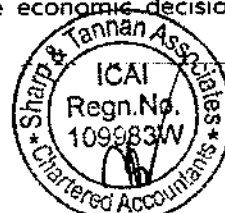
#### **Auditor's responsibilities for the audit of the standalone financial statements**

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:

- A. 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.
- B. 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
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. 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.
- E. 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably



knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

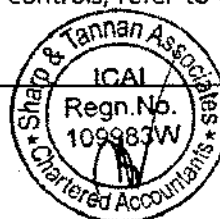
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, if any, that were of most significance in the audit of the standalone financial statements of the current period 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**

1. 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.
2. As required by section 143 (3) of the Act and based on our audit, 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 balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in





"Annexure B"; our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

- g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- h) 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 as at 31 March 2023 on its financial position in its standalone financial statements - refer note 37 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 2023.
- iii. *There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company as follows:*

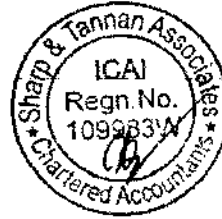
Account Name	Amount Rs.
Axis Bank 915020051526884 Interim divi 15-16 -III	9,94,484

iv. Reporting on rule 11(e):

- (a) The Management has represented that, to the best of its knowledge and belief, as stated in note no. 50(i), no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as stated in note no. 50(ii), no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. During the previous year, the Company has not declared/paid dividend. Accordingly, reporting under section 123 of the Act is not applicable.
- vi. Proviso to rule 3(1) of the companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from 1 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

**For Sharp & Tannan Associates**  
Chartered Accountants  
Firm's Registration no. 109983W  
by the hand of

A handwritten signature in black ink, appearing to read "Tirtharaj Khot".

**Tirtharaj Khot**

Partner  
Membership no.(F) 037457  
UDIN: 23037457BGYRKQ8836

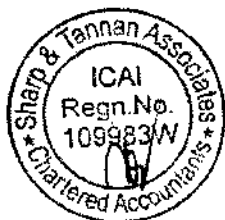
Pune, 26 May 2023

## Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under the heading, "Report on Other Legal and Regulatory Requirements" of our report on even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

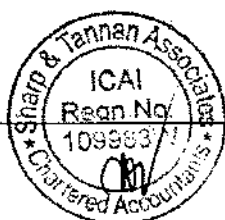
- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) During the year, the Property, Plant and Equipment were physically verified by the management at regular intervals based on the programme of verification in a phased manner which in our opinion is reasonable. No material discrepancies were noticed during such physical verification conducted by the Company during the year.
- (c) The company does not hold any immovable properties. Accordingly, reporting under paragraph 3(i)(c) of the order is not applicable.
- (d) The Company has neither revalued its Property, Plant and Equipment (including Right of Use assets) nor intangible assets during the year. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable.
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under paragraph 3(i)(e) of the Order is not applicable.
- (ii) (a) The Company does not hold any inventory. Accordingly, reporting under paragraph 3(ii)(a) of the Order is not applicable.  
(b) During the year, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions. Accordingly, reporting under paragraph 3(ii)(b) of the Order is not applicable.
- (iii) During the year, the Company has made investments in to certain companies and has granted intercompany loans however has not provided any guarantee or security to companies/ other parties. Requisite information is stated below. The Company has not granted any loans, or provided advances in the nature of loans, or stood guarantee, or provided security to parties other than subsidiary, joint venture and associate.



- (a) During the year, the Company has granted intercompany loans to its subsidiaries as stated below:

Particulars	Loans (Intercorporate deposits)	
	Provided during the year	Balance outstanding as at 31 Mar 2023
Aggregate amount during the year - Subsidiaries	Rs. 78,344.44 Lakhs	Rs. 1,38,404.41 Lakhs excluding interest.

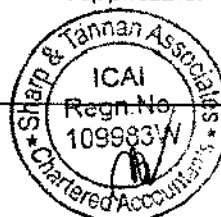
- (b) We are of the opinion that investment made and the terms and conditions of the grant of intercompany loans are, prima facie, not prejudicial to the interest of the company.
- (c) In the case of intercompany loans, the repayment period of principal and repayment of interest has been stipulated *however repayment schedule of principal has not been stipulated*. Receipts of interest have been regular during the year.
- (d) There is no overdue amount for more than ninety days in respect of intercompany loans given. Accordingly, the reporting under para 3(iii)(d) is not applicable.
- (e) Apart from the intercompany loans, there is no loan which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties (Refer note 44).
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) The Company has complied with provisions of section 185 and section 186 of the Act.
- (v) The Company has not accepted deposits or deemed deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under, are applicable. Accordingly, reporting under para 3(v) is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act, for the business activities carried out by the Company. Accordingly, reporting under paragraph 3 (vi) of the Order is not applicable.
- (vii) In respect of statutory dues:
- (a) The Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, value added tax, cess, and any other statutory dues, as applicable, to the appropriate authorities. Based on the verification carried out by us on test basis, there are no arrears of statutory dues outstanding as on the last day of the financial year concerned for a period of more than six months from the date, they became payable.



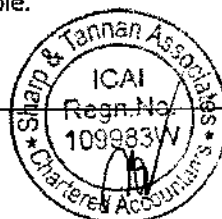
(b) The dues outstanding in respect of income-tax on account of any dispute, are as follows:

Nature of Statute	Nature of Dues	Amount (in lakhs)	Amount paid under protest (Rs. in Lakh)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	33.02	6.56	AY 2012-13	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	4.21	0.83	AY 2013-14	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	43.33	7.58	AY 2014-15	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	40.66	8.13	AY 2015-16	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	67.17	13.43	AY 2017-18	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	17.37	3.43	AY 2013-14	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	2,524.48	NIL	AY 2018-19	Commissioner of Income Tax (Appeals)

- (viii) There are no transactions which are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, reporting under para 3(viii) is not applicable.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, reporting under para 3(ix)(a) is not applicable.
- (b) The company has not been declared as willful defaulter by any bank or financial institution or other lender. Accordingly, reporting under para 3(ix)(b) is not applicable.
- (c) The term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained.
- (d) Funds raised on short term basis have not been utilised for long term purposes. Accordingly, reporting under para 3(ix)(d) is not applicable.
- (e) We report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, reporting under para 3(ix)(e) is not applicable.



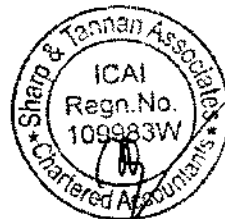
- (f) We report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, reporting under para 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting on para 3(x)(a) is not applicable.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on para 3(x)(b) is not applicable.
- (xi) (a) No fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) During the year, we have taken into consideration the whistle blower complaints received by the company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company. Accordingly, reporting on para 3(xii) of the order is not applicable.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable, and the details have been disclosed in the financial statements as required by the applicable IND AS.
- (xiv) (a) The company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports issued during the year and pertaining to the year under audit.
- (xv) The company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company. Accordingly, reporting on para 3(xv) of the order is not applicable.
- (xvi) Our comments below to be read with our emphasis of matter w.r.t. requirement of obtaining the Certificate of Registration (CoR) for the Company from the Reserve Bank of India (RBI):
- a) The Company has not been registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- b) The company has conducted Non-Banking Financial activities however is not required to be registered with RBI.
- c) The company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India however is not required to be registered with RBI.
- d) The group does not have CIC as part of the group. Accordingly, reporting on para 3(xvi)(d) of the order is not applicable.



- (xvii) The Company has not incurred cash loss in the current financial year and incurred cash loss in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting on para 3(xviii) of the order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects required a transfer to a Fund specified in Schedule VII to the companies Act in compliance with second proviso to sub section (5) of section 135 of the Act. Accordingly, reporting on para 3(xx)(a) of the order is not applicable.
- (b) In respect of ongoing projects, the company has not transferred unspent amount to a special account, within a period of thirty days from the end of the financial year in compliance with section 135(6) of the said Act, as follows:

Relevant Financial year	Amount unspent on Corporate Social Responsibility activities for "Ongoing Projects"	Amount Transferred to Special Account within 30 days from the end of the Financial Year	Amount Transferred after the due date	Date of transfer
2022-23	Rs. 41,81,000	-	Rs. 41,81,000	2 May 2023

For Sharp & Tannan Associates  
Chartered Accountants  
Firm's Registration no. 109983W  
by the hand of



  
Tirtharaj Khot  
Partner

Membership no.(F) 037457  
UDIN: 23037457BGYRKG8836

Pune, 26 May 2023

### **Annexure B to the Independent Auditor's Report**

Referred to in paragraph 2 (F) under the heading, "Report on other legal and regulatory requirements" of our report on even date:

#### **Report on the Internal Financial Controls**

**[under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")]**

#### **Opinion**

We have audited the internal financial controls over financial reporting of **Dhani Services Limited** (hereinafter referred as "the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal financial control over financial reporting 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 (hereinafter referred as "the guidance note") issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI").

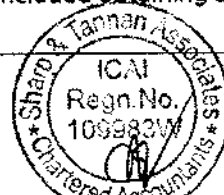
#### **Managements and Board of Directors responsibility for internal financial controls**

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note. 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 its 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**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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. 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 over financial reporting 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 controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding





of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting.

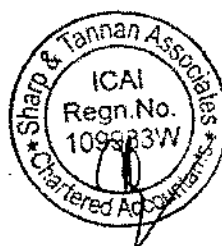
#### **Meaning of internal financial controls over financial reporting**

A Company's internal financial control over financial reporting 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 control over financial reporting 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over financial reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Sharp & Tannan Associates**  
Chartered Accountants  
Firm's Registration no. 109983W  
by the hand of



  
**Tirtharaj Khot**  
Partner

Membership no.(F) 037457  
UDIN:23037457BGYRKQ8836


Pune, 26 May 2023

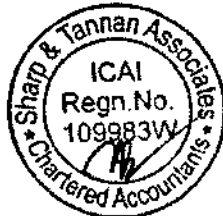
**Dhani Services Limited**  
**Balance Sheet as at 31 March 2023**  
*(All amounts in Indian Rupees in lakh unless stated otherwise)*

	Notes	As at 31 March 2023	As at 31 March 2022
<b>I. ASSETS</b>			
<b>(1) Financial assets</b>			
(a) Cash and cash equivalents	5	1,999.94	4,030.49
(b) Other bank balances	6	2,034.68	2,067.81
(c) Loans	7	1,38,436.20	1,25,147.33
(d) Investments	8	4,88,302.54	4,95,176.47
(e) Other financial assets	9	327.53	304.87
		<u>6,31,100.89</u>	<u>6,26,726.97</u>
<b>(2) Non-financial assets</b>			
(a) Current tax assets (net)	10	2,676.47	2,324.52
(b) Deferred tax assets (net)	11	1,592.45	4,433.67
(c) Property, plant and equipment	12	48.17	71.73
(d) Other intangible assets	13	4.86	8.61
(e) Other non-financial assets	14	83.43	101.32
		<u>4,410.38</u>	<u>6,939.85</u>
<b>TOTAL ASSETS</b>		<u><u>6,35,511.27</u></u>	<u><u>6,33,666.82</u></u>
<b>II. LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial liabilities</b>			
<b>(a) Payables</b>			
<b>(i) Trade payables</b>			
(i) total outstanding dues of micro enterprises and small enterprises	15	-	-
(ii) total outstanding dues of creditors other than above		7.73	16.55
<b>(ii) Other payables</b>			
(i) total outstanding dues of micro enterprises and small enterprises	16	-	-
(ii) total outstanding dues of creditors other than above		200.22	324.03
(b) Borrowings (other than debt securities)	17	56,100.00	52,500.00
(c) Other financial liabilities	18	1,780.11	145.58
		<u>58,086.06</u>	<u>57,986.16</u>
<b>(2) Non-financial Liabilities</b>			
(a) Current tax liabilities (net)	19	174.15	11.14
(b) Provisions	20	94.18	83.61
(c) Other non-financial liabilities	21	275.13	265.06
		<u>543.46</u>	<u>359.81</u>
<b>(3) Equity</b>			
(a) Equity share capital	22	12,163.77	12,119.22
(b) Other equity	23	5,64,715.98	5,68,201.63
		<u>5,76,879.75</u>	<u>5,80,320.85</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><u>6,35,511.27</u></u>	<u><u>6,33,666.82</u></u>

The accompanying notes are an integral part of these standalone financial statements.  
This is the Balance Sheet referred to in our report of even date.

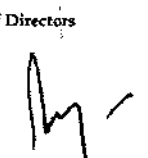
For Sharp & Tannan Associates  
Chartered Accountants  
Firm Registration No. 109983W


  
Anuraj Khot  
Partner  
Membership No.: (F) 037457  
Place: Pune  
Date: 26 May 2023



For and on behalf of the Board of Directors

  
Divyesh B. Shah  
Whole Time Director & CEO  
DIN: 00010933  
Place: Mumbai  
Date: 26 May 2023

  
Amit Ajit Gandhi  
Director  
DIN: 07606699  
Place: Mumbai  
Date: 26 May 2023

  
Rajeev Lochan Agrawal  
Chief Financial Officer  
Place: Gurugram  
Date: 26 May 2023

  
Ram Mehar Garg  
Company Secretary  
Place: Gurugram  
Date: 26 May 2023

**Dhani Services Limited**

**Statement of Profit and Loss for the year ended 31 March 2023**

(All amounts in Indian Rupees in lakh unless stated otherwise)

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>I. Revenue from operations</b>			
Interest income	24	10,623.00	4,361.08
Dividend income	25	-	11.62
Net gain on fair value changes	26	40.18	81.20
<b>Total revenue from operations</b>		<b>10,663.18</b>	<b>4,453.90</b>
<b>II. Other income</b>			
<b>III. Total income (I + II)</b>	27	<b>266.11</b>	<b>232.05</b>
		<b>10,929.29</b>	<b>4,685.95</b>
<b>IV. Expenses</b>			
Finance costs	28	5,441.31	4,516.65
Fees and commission expense	29	23.51	18.28
Impairment on financial assets	30	-	788.77
Employee benefits expenses	31	(453.34)	270.55
Depreciation and amortisation	32	22.43	21.88
Other expenses	33	413.66	842.31
<b>Total expenses</b>		<b>5,447.57</b>	<b>6,458.44</b>
<b>V. Profit/(loss) before tax (III-IV)</b>		<b>3,481.72</b>	<b>(1,772.49)</b>
<b>VI. Tax expense:</b>	34		
Current tax		-	-
Income tax for earlier years		3.53	17.62
Deferred tax	11	2,964.36	681.35
		<b>2,967.89</b>	<b>698.97</b>
<b>VII. Profit/ (loss) for the year (V-VI)</b>		<b>2,513.83</b>	<b>(2,471.46)</b>
<b>VIII. Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement gain on defined benefit plans		(1.30)	3.86
(b) Fair value of equity instruments		(86.54)	1,251.41
(ii) Income-tax relating to items that will not be reclassified to profit or loss		123.13	(123.79)
<b>Total other comprehensive income (net of taxes)</b>		<b>35.29</b>	<b>1,131.48</b>
<b>IX. Total comprehensive income for the year (VII+VIII)</b>		<b>2,549.12</b>	<b>(1,339.98)</b>
<b>X. Earnings per equity share (in ₹):</b>	35		
Basic		0.44	(0.44)
Diluted		0.43	(0.44)
Face value per equity share (₹)		2	2

The accompanying notes are an integral part of these standalone financial statements.

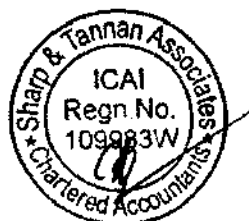
This is the Statement of Profit and Loss referred to in our report of even date.

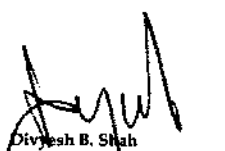
For Sharp & Tannan Associates  
Chartered Accountants  
Firm Registration No. 109983W

For and on behalf of the Board of Directors



Tarunraj Khot  
Partner  
Membership No.: (F) 037457  
Place: Pune  
Date: 26 May 2023





Divyesh B. Shah  
Whole Time Director & CEO  
DIN: 00010933  
Place: Mumbai  
Date: 26 May 2023



Amit Ajit Gandhi  
Director  
DIN: 07606699  
Place: Mumbai  
Date: 26 May 2023



Rajeev Lochan Agrawal  
Chief Financial Officer  
Place: Gurugram  
Date: 26 May 2023



Ram Mehar Garg  
Company Secretary  
Place: Gurugram  
Date: 26 May 2023

**Dhani Services Limited**

**Statement of Cash Flows for the year ended 31 March 2023**  
(All amounts in Indian Rupees in lakh unless stated otherwise)

	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A Cash flows from operating activities :</b>		
Profit/ (loss) before tax	5,481.72	(1,772.49)
Adjustments for :		
Depreciation and amortisation	22.43	21.88
Profit on sale of property, plant and equipment (net)	2.12	-
Provision for employee benefits (net)	26.44	13.15
Impairment on financial assets	-	788.77
Sundry credit balances written back	(55.55)	(42.79)
Unrealised loss/(gain) on foreign exchange fluctuations	(32.72)	(23.39)
Gain on fair valuation of financial assets	(40.18)	(81.20)
Share based payment expense	(765.16)	(12.23)
Income from financial guarantees	(103.86)	(156.31)
	(946.48)	507.88
Operating Profit/ (loss) before working capital changes	4,535.24	(1,264.61)
Adjustments for:		
Decrease/(increase) in other financial assets	10.47	4,784.02
Decrease/(increase) in other non-financial assets	12.89	13.09
Increase/(decrease) in trade payables	17.74	23.09
Increase/(decrease) in other payables	(94.82)	207.03
Increase/(decrease) in other financial liabilities	1,681.20	3.74
Increase/(decrease) in Provisions	(17.17)	-
Increase/(decrease) in other non financial liabilities	113.93	43.25
	1,724.24	5,074.22
Cash generated from / (used in) operating activities	6,259.48	3,809.61
Income-tax (paid)/ refund received (net)	(192.48)	(439.97)
<b>Net cash generated from/ (used in) operating activities</b>	<b>6,067.00</b>	<b>3,369.64</b>
<b>B Cash flows from investing activities :</b>		
Purchase of property, plant and equipment and other intangible assets (including intangible assets under development and capital advances)	-	(10.26)
Proceeds from sale of property, plant and equipment	2.76	-
Proceeds from redemption of investments (net)	40.18	81.20
Proceeds from sale of investments	1,480.97	-
Investment in equity shares of subsidiaries	(515.05)	(7,650.90)
Inter-corporate deposits given to subsidiaries (net of repayments)	(13,256.15)	(81,637.87)
<b>Net cash generated from/(used in) investing activities</b>	<b>(12,247.29)</b>	<b>(89,217.83)</b>
<b>C Cash flows from financing activities</b>		
Dividends paid (including amount transferred to investor education and protection fund)	(5.95)	(81.64)
Amount transferred to investor education and protection fund	(40.72)	-
Proceeds from borrowings (other than debt securities)	3,600.00	11,200.00
Repayment of borrowings (other than debt securities)	-	(15.19)
Purchase of treasury shares	-	(7,062.34)
Proceeds from issue of equity shares (including securities premium) (net of share issue expenses)	596.41	79,748.30
<b>Net cash generated from/(used in) financing activities</b>	<b>4,149.74</b>	<b>83,789.13</b>
<b>D Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(2,030.55)</b>	<b>(2,059.06)</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>4,030.49</b>	<b>6,089.55</b>
<b>F Cash and cash equivalents at the end of the year (D+E) (Refer Note - 2 below)</b>	<b>1,999.94</b>	<b>4,030.49</b>



**Dhani Services Limited**  
**Statement of Cash Flows for the year ended 31 March 2023 (continued)**  
*(All amounts in Indian Rupees in lakh unless stated otherwise)*

**Notes:**

1 The above of Cash Flows Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) -7 "Statement of Cash Flows" as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

2 Cash and cash equivalents at the end of the year include:

	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents (as per note - 5 to the financial statements)	1,999.94	4,030.49
<b>Total cash and cash equivalents for statement of cash flows</b> (refer accounting policies for cash and cash equivalents)	<b>1,999.94</b>	<b>4,030.49</b>

3 For disclosures relating to changes in liabilities arising from financing activities, refer note 38.

The accompanying notes are an integral part of these standalone financial statements.

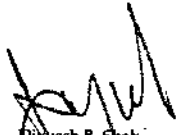
This is the Statement of Cash Flows referred to in our report of even date.

For Sharp & Tannan Associates  
Chartered Accountants  
Firm Registration No. 109983W



**Parthraj Khot**  
Partner  
Membership No.: (F) 037457  
Place: Pune  
Date: 26 May 2023

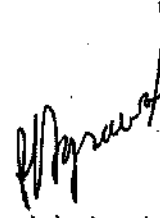
For and on behalf of the Board of Directors




**Divyesh B. Shah**  
Whole Time Director & CEO  
DIN: 00010933  
Place: Mumbai  
Date: 26 May 2023



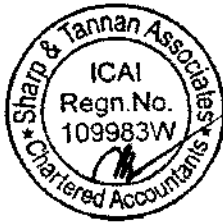
**Amit Ajit Gandhi**  
Director  
DIN: 07606699  
Place: Mumbai  
Date: 26 May 2023



**Rajeev Lochan Agrawal**  
Chief Financial Officer  
Place: Gurugram  
Date: 26 May 2023



**Ram Mehar Garg**  
Company Secretary  
Place: Gurugram  
Date: 26 May 2023



Dhani Services Limited  
Statement of Changes in Equity for the year ended 31 March 2023  
(All amounts in Indian Rupees in lakh unless stated otherwise)

A Equity share capital (refer note - 22)

Particulars	Balance as at 1 April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2022	Changes during the year	Balance as at 31 March 2023
Equity share capital	12,119.22	-	12,119.22	44.55	12,163.77

Particulars	Balance as at 1 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2021	Changes during the year	Balance as at 31 March 2022
Equity share capital	11,454.24	-	11,454.24	664.98	12,119.22

B Other equity (refer note - 23)

Particulars	Treasury shares	Equity component of compulsory convertible debentures	Reserves and surplus					Equity instruments through other comprehensive income	Total
			Capital redemption reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings		
Balance as at 1 April 2021	(39,065.37)	-	4,933.69	4,98,509.63	3,381.78	4,531.14	20,419.81	316.01	4,35,026.73
Loss for the year	-	-	-	-	-	-	(2,471.46)	-	(2,471.46)
Other comprehensive income (net of tax)	-	-	-	-	-	-	2.88	1,128.60	1,131.49
Issue of equity shares	-	-	-	79,133.21	-	-	-	-	79,133.21
Expenses on issue of shares	-	-	-	(49.89)	-	-	-	-	(49.89)
Acquisition of own shares	(7,062.34)	-	-	-	-	-	-	-	(7,062.34)
Share based options for employees of subsidiaries	-	-	-	-	-	-	4,506.12	-	4,506.12
Share based options lapsed	-	-	-	-	-	-	-	-	-
Share based payment expense	-	-	-	-	-	-	(12.23)	-	(12.23)
Balance as at 31 March 2022	(46,127.67)	-	4,933.69	5,77,592.95	3,381.78	9,025.03	17,951.24	1,444.81	5,68,201.63



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**Dhari Services Limited**  
**Standalone Statement of Changes in Equity for the year ended 31 March 2023**  
*(All amounts in Indian Rupees in Lakh unless stated otherwise)*

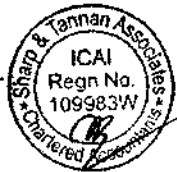
**B Other equity (Continued)**

Particulars	Share application money pending allotment	Treasury shares	Equity component of compulsory convertible debentures	Reserves and surplus					Equity instruments through other comprehensive income	Total
				Capital redemption reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings		
Balance as at 1 April 2022	-	(46,127.67)	-	4,933.69	5,77,592.95	3,381.79	9,025.83	17,951.24	1,444.61	5,68,201.63
Profit for the year	-	-	-	-	-	-	-	2,313.83	-	2,313.83
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	(0.97)	36.27	35.30
Issue of equity shares	-	-	-	-	551.86	-	-	-	-	551.86
Share based options for employees of subsidiaries	-	-	-	-	-	-	(5,821.48)	-	-	(5,821.48)
Transfer to on account of sale of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	1,489.88	(1,489.88)	-
Share based payment expense	-	-	-	-	-	-	(755.16)	-	-	(755.16)
Balance as at 31 March 2023	-	(46,127.67)	-	4,933.69	5,78,144.81	3,381.79	2,439.19	21,544.98	-	5,64,715.98


(i) Dividend paid during the year ended 31 March 2023 is ₹ Nil per share (31 March 2022: ₹ Nil per share).


The accompanying notes are an integral part of these standalone financial statements.  
 This is Statement of Changes in Equity referred to in our report of even date.

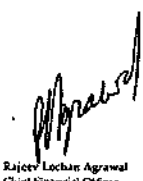
For Sharp & Tannan Associates  
 Chartered Accountants  
 Firm Registration No. 109983W  
  
 Anshu Khot  
 Partner  
 Membership No.: (F) 007157  
 Place: Pune  
 Date: 26 May 2023



For and on behalf of the Board of Directors

  
 Chirag B. Shah  
 Whole Time Director & CEO  
 DIN: 00010933  
 Place: Mumbai  
 Date: 26 May 2023

  
 Amit Ajit Gandhi  
 Director  
 DIN: 07606699  
 Place: Mumbai  
 Date: 26 May 2023

  
 Rajeev Lochan Agrawal  
 Chief Financial Officer  
 Place: Gurugram  
 Date: 26 May 2023

  
 Ram Mehar Garg  
 Company Secretary  
 Place: Gurugram  
 Date: 26 May 2023

**Dhani Services Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

**Note - 1**

**Nature of principal activities**

Dhani Services Limited ('DSL' or 'the Company', CIN: L74110DL1995PLC069631) had carried business as stock broker on the National Stock Exchange of India Limited ('NSE') and the BSE Limited ('BSE'); depository participants and renders other related ancillary services until 20th February 2020. The Company has transferred its stock broking business, including depository and other related ancillary services, through slump sale on going concern basis to its wholly owned subsidiary company Dhani Stocks Limited w.e.f. 21st February 2020. Post slump sale, the Company has assets in the form of loans given to subsidiary companies and investments made in subsidiary companies. Further, since the Company was a Non-Banking Financial Company as defined under Rule 2(g) of the Companies (Indian Accounting Standards) Rules, 2015 issued under Section 133 of the Companies Act, 2013 till 20 February 2020 and having regard to the nature of the continuing operations of the Group, the Management has continued to present the standalone financial statements using Division III of Schedule III to the Companies Act, 2013.

On 2 April 2008 the Equity shares of the Company got listed on the NSE and the BSE after the demerger of the Company from Indiabulls Financial Services Limited (erstwhile holding Company) vide Scheme of Arrangement. The Company is domiciled in India and its registered office is situated at 1/1 E, First Floor, East Patel Nagar, New Delhi - 110008.

**Note - 2**

**General information and statement of compliance with Ind AS**

These standalone financial statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented in these financial statements.

The standalone financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on 26 May 2023.

**Note - 3**

**Basis of preparation**

The standalone financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the standalone 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 value as explained in relevant accounting policies. These standalone financial statements of the Company are presented in Indian Rupees (INR) which is also the Company's functional currency.

**Note - 4**

**1 Significant management judgement in applying accounting policies and estimation uncertainty**

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

*Significant management judgements*

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

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

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

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





**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

**Note - 4**

*Significant estimates*

**1 Significant management judgement in applying accounting policies and estimation uncertainty (continued)**

**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 utility of assets.

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

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

**II Summary of significant accounting policies**

The standalone financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the standalone financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

**a) Property, plant and equipment**

*Recognition and initial measurement*

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

*Subsequent measurement (depreciation and useful lives)*

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives prescribed in Schedule II to the Act. Leasehold improvements are amortised over the duration of the lease.

Asset class	Useful life
Furniture and fixtures	10 years
Vehicles	8-10 years
Office equipment	3-5 years
Computers	3 years

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

*De-recognition*

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

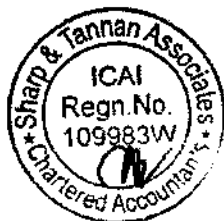
**b) Intangible assets**

*Recognition and initial measurement*

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

*Subsequent measurement (amortisation)*

Intangible assets consisting of software are amortised on a straight line basis over a period of 4 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.



**Dhani Services Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

**Note - 4**

**II. Summary of significant accounting policies (Continued)**

**c) Intangible assets under development**

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Company can demonstrate following recognition requirements:

- The development costs can be measured reliably;
- The project is technically and commercially feasible;
- The Company intends to and has sufficient resources to complete the project;
- The Company has the ability to use or sell the such intangible asset; and
- The software will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

**d) Revenue recognition**

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

**Step 1: Identify contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2: Identify performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer

**Step 3: Determine the transaction price:** The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step 4: Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

**Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.**

The Company recognises revenue from the following sources:

*Interest income*

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

*Brokerage income*

Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract.

*Commission income*

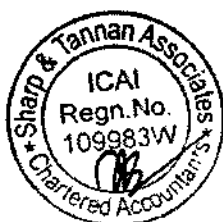
Commissions / brokerage from distribution of financial products are recognised upon allotment of the securities to the applicant.

*Depository account maintenance income*

Depository account maintenance income is recognised on accrual basis and as at the time when the right to receive is established by the reporting date.

*Dividend income*

Dividend income is recognised when the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.



Dhani Services Limited  
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Note - 4

Summary of significant accounting policies (Continued)

e) Borrowing costs

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

f) Taxation

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

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income-tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. 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).

g) Employee benefits

Short-term employee benefits

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

Defined contribution plans

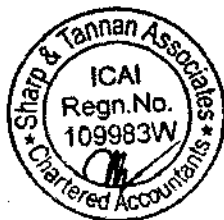
The Company has a defined contribution plans namely provident fund, pension fund, labour welfare fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the statement of profit and loss.

Defined benefit plans

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 as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Other long-term employee benefits

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



**Dhani Services Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

**Note - 4**

**Summary of significant accounting policies (Continued)**

**h) Share based payments**

The Company has formulated various Employees Stock Option Schemes. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

**i) Dividend**

Provision is made for the amount of any dividend declared on or before the end of the reporting period but not distributed at the end of the reporting period, being appropriately authorised and no longer at the discretion of the Company. The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**j) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**k) Equity investment in subsidiaries**

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statements'. Cost of investment represents amount paid for acquisition of the said investment and a proportionate recognition of the fair value of shares granted to employees of subsidiary under a group share based payment arrangement.

**Impairment of investments**

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

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

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

**Contingent liability is disclosed for:**

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

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

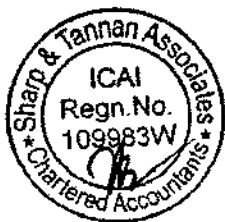
**m) Operating leases**

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

**n) Financial instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. However, trade receivables that do not contain a significant financing component are measured at transaction price. Subsequent measurement of financial assets and financial liabilities is described below.



**Dhani Services Limited**  
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

**Note - 4**  
Summary of significant accounting policies (Continued)

**Financial assets**

*Subsequent measurement*

- i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

- ii. **Investments in equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.
- iii. **Investments in mutual funds** – Investments in mutual funds are measured at fair value through profit and loss (FVTPL). The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

**Level 1 financial instruments:** Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date

**Level 2 financial instruments:** Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

**Level 3 financial instruments:** Those that include one or more unobservable input that is significant to the measurement as whole. Based on the Company's business model for managing the investments, the Company has classified its investments and securities for trade at FVTPL. Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments.

*De-recognition of financial assets*

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

**Financial liabilities**

*Subsequent measurement*

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

*De-recognition of financial liabilities*

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



**Dhani Services Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

**Note - 4**

**Summary of significant accounting policies (Continued)**

**Convertible debentures**

Convertible debentures are separated into liability and equity components basis the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as financial liability measured at amortised cost until it is extinguished on conversion. The remainder of the proceeds is recognised in equity since conversion option meets the fixed for fixed criteria.

**Offsetting of financial instruments**

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

**o) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company factors historical trends and forward looking information to assess expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

**Trade receivables**

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

**Other financial assets**

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition, if the financial asset is determined to have low credit risk at the balance sheet date.

**Write-offs**

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument in the statement of profit and loss.

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

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

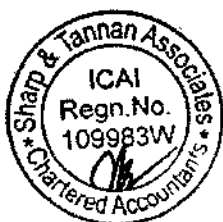
**q) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue. Partly paid-up equity shares are treated as a fraction of an equity share to the extent they are entitled to participate in dividend relative to a fully paid-up equity share during the reporting period. Compulsory convertible debentures are treated as equivalent of equity share for the purpose of basic earnings per equity share. Treasury shares are adjusted for computation of weighted average equity shares.

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

**r) Segment reporting**

The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM (chief operating decision maker) in deciding how to allocate resources and in assessing performance.



**Dhant Services Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

**Note - 4**

**Summary of significant accounting policies (Continued)**

**s) Foreign currency**

*Functional and presentation currency*

Items included in the standalone financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The standalone financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

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

**t) Treasury shares**

The Company had created "Udaan Employee Welfare Trust" ("Udaan - EWT") (Trust) for the implementation of schemes namely employees stock options plans, employees stock purchase plan and stock appreciation rights plan. The Company treats UEWT as its extension and the Company's own shares held by UEWT are treated as treasury shares. Treasury shares are presented as a deduction from other equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

**u) Classification of leases**

The Company enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.



**Dhani Services Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

**Note - 4**

Summary of significant accounting policies (Continued)

*Leases*

Till previous year, assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease (the transition approach has been explained and disclosed in note 39). A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

*Classification of leases*

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

*Recognition and initial measurement*

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

*Subsequent measurement*

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

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

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

v) **Non-current assets held for sale and discontinued operations**

The Company classifies assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

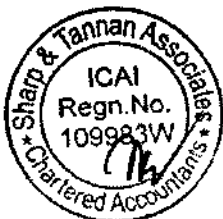
The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of assets for other assets when the exchange has commercial substance.

The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset.
- An active programme to locate a buyer and complete the plan has been initiated (if applicable).
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value.
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet. The results of discontinued operations are presented separately in the Statement of Profit and Loss.





**Dhani Services Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

**w) Recent Accounting Pronouncements**

The Ministry of Corporate Affairs (MCA) on 31 March 2023, has issued Companies (Indian Accounting Standard) Amendment Rules, 2023 in consultation with the National Financial Reporting Authority (NFRA).

The notification states that these rules shall be applicable from 1 April 2023 and would thus be applicable for the financial year ending 31 March 2024.

**- Amendments to Ind AS 1, "Presentation of Financial Statements"**

Companies should now disclose material accounting policy information rather than their significant accounting policies, together with other information, which is relevant to an understanding of financial statements.

**- Amendments to Ind AS 8, "Accounting policies, Change in Accounting Estimates and Errors"**

1. Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'

2. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty

3. A company develops an accounting estimate to achieve the objective set out by an accounting policy.

4. Accounting estimates include: a) Selection of a measurement technique (estimation or valuation technique) b) Selecting the inputs to be used when applying the chosen measurement technique.

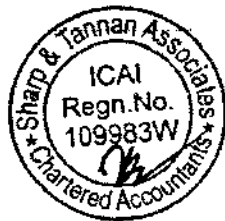
**- Amendments to Ind AS 12, "Income Taxes"**

1. Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations)

2. Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences

3. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on financial statements.



**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
*(All amounts in Indian Rupees in lakh unless stated otherwise)*

**Note - 5**

**Cash and cash equivalents**

	As at 31 March 2023	As at 31 March 2022
Cash on hand	-	0.08
Balance with banks		
- in current accounts	1,899.30	3,929.76
- in bank deposits with original maturity of less than 3 months, including interest accrued (refer note - 6(ii))	100.64	100.65
<b>Total</b>	<b>1,999.94</b>	<b>4,030.49</b>

**Note - 6**

**Other bank balances**

	As at 31 March 2023	As at 31 March 2022
Bank deposits with original maturity of more than 3 months <sup>(a)</sup>	1,939.52	1,925.97
In earmarked accounts:		
Unpaid dividend accounts	95.16	141.84
<b>Total</b>	<b>2,034.68</b>	<b>2,067.81</b>

**(i) Bank deposits include:**

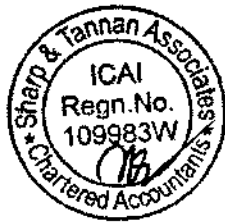
	As at 31 March 2023	As at 31 March 2022
a. Deposits pledged with banks for overdraft facilities availed by the Company.	-	103.00
b. Deposits pledged with bank against bank guarantees issued in favor of National Stock Exchange of India Limited for right issue of the Company.	1,700.00	1,700.00
<b>Total</b>	<b>1,700.00</b>	<b>1,803.00</b>

**Note - 7**

**Loans (at amortised cost)**

	As at 31 March 2023	As at 31 March 2022
(i) Loans		
Loans to related parties <sup>(a)</sup>	1,38,436.20	1,25,147.33
<b>Total - gross</b>	<b>1,38,436.20</b>	<b>1,25,147.33</b>
Less: Impairment loss allowance	-	-
<b>Total - net</b>	<b>1,38,436.20</b>	<b>1,25,147.33</b>
(ii) Loans in India		
(i) Public sector		
(ii) Others	1,37,984.79	1,24,350.35
<b>Total - gross</b>	<b>1,37,984.79</b>	<b>1,24,350.35</b>
Less: Impairment loss allowance	-	-
<b>Total (i) - net</b>	<b>1,37,984.79</b>	<b>1,24,350.35</b>
(iii) Loans outside India	451.41	796.98
Less: Impairment loss allowance	-	-
<b>Total (ii) - Net</b>	<b>451.41</b>	<b>796.98</b>
<b>Total (i + ii)</b>	<b>1,38,436.20</b>	<b>1,25,147.33</b>

(a) The inter corporate deposits given by the Company to its wholly owned subsidiaries are for the general/corporate business purpose.

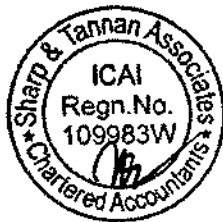


Dhani Services Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023  
 (All amounts in Indian Rupees in Lakh unless stated otherwise)

Note - 8

Investments

	As at 31 March 2023		As at 31 March 2022		
	Face value per share (₹)	Number of shares	Amount	Number of shares	Amount
<b>(At fair value through other comprehensive income)</b>					
<b>Investment in equity instruments (others)</b>					
BSE Limited				55,350	1,367.31
<b>Total (A)</b>					<b>1,367.31</b>
<b>(At cost)</b>					
<b>In equity instruments (in subsidiaries)</b>					
Dhani Stocks Limited	₹ 10.00	1,37,00,000	34,200.92	1,37,00,000	34,236.57
Indiabulls Investment Advisors Limited	₹ 10.00	-	15.87	-	34.84
Indiabulls Distribution Services Limited	₹ 10.00	50,000	66.56	50,000	66.56
Indiabulls Consumer Products Limited	₹ 10.00	50,000	5.00	50,000	5.00
Indiabulls Asset Reconstruction Company Limited	₹ 10.00	5,75,00,000	52,500.00	5,75,00,000	52,500.00
Indiabulls Infra Resources Limited	₹ 10.00	30,00,000	300.00	30,00,000	300.00
Dhani Loans and Services Limited	₹ 10.00	6,11,88,000	3,85,715.37	6,11,88,000	3,89,601.42
Pushpanji Fintolutions Limited	₹ 10.00	60,10,000	2,115.52	60,10,000	2,115.52
Dhani Healthcare Limited	₹ 10.00	40,10,000	1,076.48	40,10,000	2,093.41
Gyansagar Buildtech Limited	₹ 10.00	1,10,000	105.06	1,10,000	105.06
Auxesia Soft Solutions Limited	₹ 10.00	50,000	5.00	50,000	5.00
Evinos Developers Limited	₹ 10.00	50,000	5.00	50,000	5.00
Krathis Buildcon Limited	₹ 10.00	50,000	5.00	50,000	5.00
Krathis Developers Limited	₹ 10.00	50,000	5.00	50,000	5.00
Evinos Buildwell Limited	₹ 10.00	50,000	5.00	50,000	5.00
Jwala Technology Systems Private Limited	₹ 10.00	10,000	1.00	10,000	1.00
Transerv Limited	₹ 10.00	-	401.31	-	1,168.18
Devata Tradetink Limited	₹ 10.00	50,000	5.00	50,000	5.00
Juventus Estate Limited	₹ 10.00	98,039	254.80	-	-
Alabon Properties Limited	₹ 10.00	50,000	5.00	-	-
Euler Systems Inc.	\$ 0.00001	80,00,000	0.06	80,00,000	0.06
Dhani Limited	₹ 1.00	1,10,70,002	11,371.40	1,10,70,002	11,371.40
<b>In Convertible, redeemable preference shares</b>					
Compulsory convertible Preference Shares of Juventus Estate Limited			35.56		-
<b>In Optionally Convertible Debentures</b>					
In Optionally Convertible Debentures of Juventus Estate Limited			109.69		-
<b>In Compulsory Convertible Debentures</b>					
In Compulsory Convertible Debentures of Juventus Estate Limited			110.00		-
<b>Total (B)</b>			<b>4,88,422.59</b>		<b>4,93,729.01</b>
<b>Total gross C = (A)+(B)</b>			<b>4,88,422.59</b>		<b>4,95,296.32</b>
Less: Impairment loss allowance (D)			(120.05)		(120.05)
<b>Total net E = (C) - (D)</b>			<b>4,88,302.54</b>		<b>4,95,176.47</b>
Investments in India			4,77,051.13		4,83,925.06
Investments outside India			11,371.46		11,371.46
<b>Total gross (F)</b>			<b>4,88,422.59</b>		<b>4,95,296.32</b>
Less: Impairment loss allowance			(120.05)		(120.05)
<b>Total net</b>			<b>4,88,302.54</b>		<b>4,95,176.47</b>



**Dhani Services Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
(All amounts in Indian Rupees in lakh unless stated otherwise)

**Note - 6**

**Investments (Continued)**

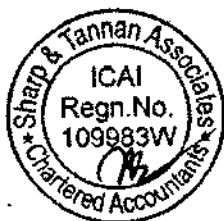
Name of subsidiary Companies	Principle place of business	Ownership interest	
		As at	As at
		31 March 2023	31 March 2022
Dhani Stocks Limited	India	100%	100%
Indiabulls Distribution Services Limited	India	14% <sup>5</sup>	14% <sup>5</sup>
Indiabulls Consumer Products Limited	India	100%	100%
Indiabulls Asset Reconstruction Company Limited	India	100%	100%
Indiabulls Infra Resources Limited	India	100%	100%
Dhani Loans and Services Limited	India	100%	100%
Pushpanji Finsolutions Limited	India	100%	100%
Dham Healthcare Limited	India	100%	100%
Gyanagar Buildtech Limited	India	100%	100%
Auxesia Soft Solutions Limited	India	100%	100%
Evinos Developers Limited	India	100%	100%
Kradhis Buildcon Limited	India	100%	100%
Kradhis Developers Limited	India	100%	100%
Evinos Buildwell Limited	India	100%	100%
Jwala Technology Systems Private Limited	India	100%	100%
Devata Tradelink Limited	India	100%	100%
Euler Systems Inc.	USA	100%	100%
Dhani Limited	Jersey	100%	100%
Juventus Estate Limited	India	100%	-
Mabon Properties Limited	India	100%	-

<sup>5</sup> Dhani Loans and Services Limited, a wholly owned subsidiary of the Company, is holding remaining 86% shares in Indiabulls Distribution Services Limited, hence it becomes the step down subsidiary of the Company.

- (i) The Company has not traded or invested in Cryptocurrency or Virtual Currency during the current as well as in previous financial year.
- (ii) During the current year ended 31 March 2023, the Company has acquired 100% equity share capital of Juventus Estate Limited and Mabon Properties Limited.
- (iii) The Company issues stock options/share appreciation rights to employees of its subsidiaries as well as provides guarantees to counter parties in favour of the subsidiaries. The fair value of the employee stock options/share appreciation rights granted to the employees of the subsidiaries and the fair value of such financial guarantees is added to the cost of investments in subsidiaries. The following are the amounts that have been added to the cost of investments in respective subsidiaries:

Name of subsidiary Companies	As at	As at
	31 March 2023	31 March 2022
Indiabulls Distribution Services Limited	61.56	61.56
Dhani Loans and Services Limited	6,430.75	10,336.80
Indiabulls Investment Advisors Limited	15.87	34.84
Dhani Stocks Limited	80.92	216.57
Dhani Healthcare Limited	675.48	1,692.41
Transere Limited	404.31	1,168.18
<b>Total</b>	<b>7,668.89</b>	<b>13,510.36</b>

- (iv) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction with the number of Layers) rules, 2017.



**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
*(All amounts in Indian Rupees in lakh unless stated otherwise)*

**Note - 9**

**Other financial assets**

	As at 31 March 2023	As at 31 March 2022
(a) Loan to employees	13.53	4.87
(b) Security deposits		
Unsecured		
(i) Deposits with stock exchanges, (unsecured, considered good)	300.00	300.00
Less: Impairment loss allowance	300.00	300.00
Other	14.00	-
<b>Total</b>	<b>327.53</b>	<b>309.87</b>

**Note - 10**

**Current tax assets (net)**

	As at 31 March 2023	As at 31 March 2022
Advance Income-tax (including tax deducted at source) (net of provision for income-tax)	2,676.47	2,324.52
<b>Total</b>	<b>2,676.47</b>	<b>2,324.52</b>

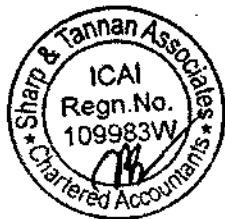
**Note - 11**

**Deferred tax assets (net)**

	As at 31 March 2023	As at 31 March 2022
<b>Deferred tax assets:</b>		
Disallowance under section 43(B) of the Income-tax Act, 1961	8.17	4.73
Disallowance under section 40A(7) of the Income-tax Act, 1961	15.54	16.31
Depreciation and amortisation	51.37	57.61
Financial assets measured at amortised cost	(10.10)	(1.86)
Impairment loss allowance	0.07	0.07
Share based payments	38.05	230.63
Compulsory convertible debentures	-	-
Tax losses carried forward	1,829.75	4,565.20
Others	-	-
<b>Total (A)</b>	<b>1,932.85</b>	<b>4,872.69</b>
<b>Deferred tax liability:</b>		
Financial liabilities measured at amortised cost	340.40	316.21
Equity instruments through other comprehensive income	-	122.81
Others	-	-
<b>Total (B)</b>	<b>340.40</b>	<b>439.02</b>
<b>Deferred tax assets (net) C=(A)-(B)</b>	<b>1,592.45</b>	<b>4,433.67</b>

**Movement in deferred tax assets (net) for the year ended 31 March 2023**

Particulars	As at 1 April 2022	Charged/ (credited) to statement of profit or loss	Charged/ (credited) to other comprehensive income	(Charged)/credited to equity	As at 31 March 2023
Disallowance under section 43(B) of the Income-tax Act, 1961	4.73	(3.43)	-	-	8.16
Disallowance under section 40A(7) of the Income-tax Act, 1961	16.31	1.09	0.32	-	19.34
Depreciation and amortisation	57.61	6.24	-	-	51.37
Financial assets measured at amortised cost	(1.86)	8.24	-	-	(10.10)
Impairment loss allowance	0.07	-	-	-	0.07
Share based payments	230.63	192.58	-	-	38.05
Tax losses carried forward	4,565.20	2,733.45	-	-	1,829.75
Financial liabilities measured at amortised cost	(340.21)	24.19	-	-	(340.40)
Equity instruments through other comprehensive income	(122.81)	-	122.81	-	-
<b>Total (net)</b>	<b>4,433.67</b>	<b>2,961.36</b>	<b>123.13</b>	<b>-</b>	<b>1,592.44</b>



**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
*(All amounts in Indian Rupees in lakh unless stated otherwise)*

**Movement in deferred tax assets (net) for the year ended 31 March 2022**

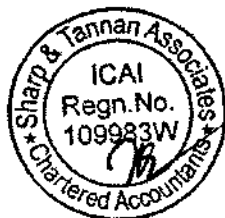
Particulars	As at 1 April 2021	Charged/ (credited) to statement of profit or loss	Charged/ (credited) to other comprehensive income	(Charged)/ credited to equity	As at 31 March 2022
Disallowance under section 43(B) of the Income-tax Act, 1961	3.55	(1.18)	-	-	4.73
Disallowance under section 40A(7) of the Income-tax Act, 1961	15.16	(2.12)	(0.97)	-	16.31
Depreciation and amortisation	66.88	9.27	-	-	57.61
Financial assets measured at amortised cost	6.56	5.42	-	-	(1.86)
Impairment loss allowance	0.07	-	-	-	0.07
Share based payments	233.71	3.08	-	-	230.63
Tax losses carried forward	5,192.67	627.47	-	-	4,565.20
Financial liabilities measured at amortised cost	(29.79)	36.42	-	-	(316.21)
Equity instruments through other comprehensive income	-	-	(122.81)	-	(122.81)
<b>Total (net)</b>	<b>5,238.81</b>	<b>681.36</b>	<b>(123.78)</b>	<b>-</b>	<b>4,433.67</b>

**Note - 12**  
**Property, plant and equipment**

	Vehicles	Office equipment	Computers	Total
<b>Gross block</b>				
Balance as at 1 April 2021				124.08
Additions	119.57	0.84	3.67	10.26
Sales/adjustment	-	-	-	-
Balance as at 31 March 2022	119.57	0.84	13.93	134.34
Additions	-	-	-	-
Sales/adjustment	(11.67)	-	(0.48)	(12.15)
Balance as at 31 March 2023	107.90	0.84	13.45	122.19
<b>Accumulated Depreciation</b>				
Balance as at 1 April 2021	42.00	0.63	1.85	44.48
Depreciation	15.52	0.21	2.40	18.13
Sales/adjustment	-	-	-	-
Balance as at 31 March 2022	57.52	0.84	4.25	62.61
Depreciation	14.78	-	3.90	18.68
Sales/adjustment	(6.79)	-	(0.48)	(7.27)
Balance as at 31 March 2023	65.51	0.84	7.67	74.02
<b>Net block as at 31 March 2022</b>	<b>62.05</b>	<b>-</b>	<b>9.68</b>	<b>71.73</b>
<b>Net block as at 31 March 2023</b>	<b>42.39</b>	<b>-</b>	<b>5.78</b>	<b>48.17</b>

**Notes:**

- 1-There is no immovable property in the company at the end of 31 March 2023 and 31 March 2022.
- 2-Company has not revalued any property, plant and equipment during the FY 2022-23 and FY 2021-22.
- 3-There is no CWIP in the Company and no project which has been suspended during the financial year ended 31 March 2023 and 31 March 2022.



**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
*(All amounts in Indian Rupees in lakh unless stated otherwise)*

**Note - 13**  
**Intangible assets**

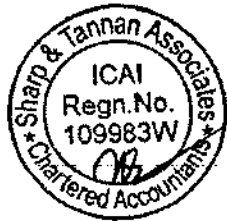
**Gross block**  
 Balance as at 1 April 2021  
 Additions  
 Sales/adjustment  
**Balance as at 31 March 2022**  
 Additions  
 Sales/adjustment  
**Balance as at 31 March 2023**

**Accumulated amortisation**  
 Balance as at 1 April 2021  
 Amortisation  
**Balance as at 31 March 2022**  
 Amortisation  
**Balance as at 31 March 2023**

**Net block as at 31 March 2022**

**Net block as at 31 March 2023**

Software	Total
15.01	15.01
-	-
-	-
15.01	15.01
-	-
-	-
<b>15.01</b>	<b>15.01</b>
2.65	2.65
3.75	3.75
6.40	6.40
3.75	3.75
<b>10.15</b>	<b>10.15</b>
<b>8.61</b>	<b>8.61</b>
<b>4.86</b>	<b>4.86</b>



**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
*(All amounts in Indian Rupees in lakh unless stated otherwise)*

**Note - 14**

**Other non-financial assets**

	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	6.24	4.08
Balance with government authorities	72.28	58.73
Advance to suppliers	9.53	9.80
Others	0.38	28.71
<b>Total</b>	<b>88.43</b>	<b>101.32</b>

**Note - 15**

**Trade payables**

	As at 31 March 2023	As at 31 March 2022
(a) Total outstanding due to micro enterprises and small enterprises <sup>(a)</sup>	-	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	7.73	16.55
<b>Total</b>	<b>7.73</b>	<b>16.55</b>

**Trade Payables aging schedule**

Particulars	As at 31 March 2023					Total
	Outstanding for following periods from due date of payment					
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	-	-	-	-	-	-
(ii) Others	1.81	5.92	-	-	-	7.73
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Particulars	As at 31 March 2022					Total
	Outstanding for following periods from due date of payment					
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	-	-	-	-	-	-
(ii) Others	16.55	-	-	-	-	16.55
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

(i) Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

	As at 31 March 2023	As at 31 March 2022
(a) Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	-
(b) Interest due thereon	-	-
(c) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
(d) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
(e) Interest accrued and remaining unpaid as at end of the year	-	-

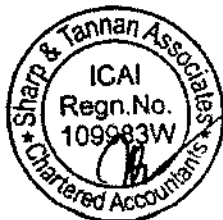
**Note - 16**

**Other payables**

	As at 31 March 2023	As at 31 March 2022
(a) Total outstanding due to micro enterprises and small enterprises <sup>(a)</sup>	-	-
(b) Total outstanding due to creditors other than micro enterprises and small enterprises	200.22	324.03
<b>Total</b>	<b>200.22</b>	<b>324.03</b>

(i) Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

	As at 31 March 2023	As at 31 March 2022
(a) Principal amount remaining unpaid to any supplier and service provider at the end of each reporting year	-	-
(b) Interest due thereon	-	-
(c) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
(d) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
(e) Interest accrued and remaining unpaid as at end of the year	-	-





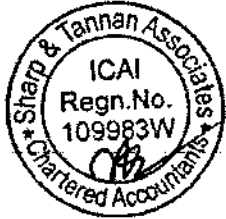
**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
*(All amounts in Indian Rupees in lakh unless stated otherwise)*

**Note - 17**

**Borrowings (other than debt securities) (at amortised cost)**

		As at 31 March 2023	As at 31 March 2022
<b>Unsecured</b>			
(a) Term loans			
- from others		56,100.00	52,500.00
<b>Total</b>	<b>Total</b>	<b>56,100.00</b>	<b>52,500.00</b>
<b>Borrowings in India</b>			
Borrowings outside India		56,100.00	52,500.00
<b>Total</b>	<b>Total</b>	<b>56,100.00</b>	<b>52,500.00</b>

- (i) Unsecured term loans carry rate of interest of 10% per annum (31 March 2022 : 10%) and are repayable within 36 months & 60 months from the date of disbursement of respective loans
- (ii) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India
- (iii) The company has utilized borrowed funds for the purpose for which same are availed.



**Dhand Services Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023  
(All amounts in Indian Rupees in lakhs unless stated otherwise)

**Note - 18**

**Other financial liabilities**

	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due on borrowings	1,684.94	-
Unpaid dividends <sup>(a)</sup>	95.17	141.94
Payable to related party	-	3.74
<b>Total</b>	<b>1,780.11</b>	<b>145.58</b>

(a) In respect of amounts mentioned under Section 124 (5) of the Companies Act, 2013, the Company has credited ₹ 46.67 lakh (31 March 2022: ₹ 59.24 lakh) to the Investor Education and Protection Fund.

(b) There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company due to technical error amounting to Rs. 9.94 Lakhs.

**Note - 19**

**Current tax liabilities (net)**

	As at 31 March 2023	As at 31 March 2022
Provision for taxation	174.15	11.14
<b>Total</b>	<b>174.15</b>	<b>11.14</b>

**Note - 20**

**Provisions**

	As at 31 March 2023	As at 31 March 2022
<b>For employee benefits</b>		
Provision for gratuity (refer note - 40)	61.73	64.80
Provision for compensated absences	32.43	19.81
<b>Total</b>	<b>94.16</b>	<b>83.61</b>

**Note - 21**

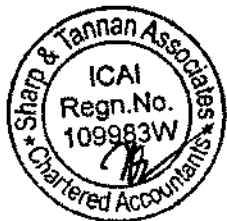
**Other non-financial liabilities**

	As at 31 March 2023	As at 31 March 2022
Guarantee liability	-	103.86
Statutory dues payables	275.13	161.20
<b>Total</b>	<b>275.13</b>	<b>265.06</b>

**Note - 22**

**Equity share capital**

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
<b>i. Authorised</b>				
Equity shares of face value of ₹ 2 each	1,00,00,00,000	20,000.00	1,00,00,00,000	20,000.00
<b>Total</b>		<b>20,000.00</b>		<b>20,000.00</b>
<b>ii. Issued</b>				
Equity shares of face value of ₹ 2	60,32,39,386	12,065.19	60,09,99,104	12,019.98
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 1.10 paid up)	88,88,524	97.77	89,48,306	98.44
<b>Total</b>	<b>61,21,47,910</b>	<b>12,162.96</b>	<b>60,99,47,910</b>	<b>12,118.42</b>
<b>iii. Subscribed and paid up</b>				
Equity shares of face value of ₹ 2	60,32,39,386	12,065.19	60,09,99,104	12,019.98
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 1.10 paid up)	88,88,524	97.77	89,48,306	98.44
Equity shares of face value of ₹ 2 each (partly paid up, ₹ 0.80 paid up)	-	-	-	-
Amount paid up on shares forfeited	-	0.81	-	0.80
<b>Total</b>	<b>61,21,47,910</b>	<b>12,163.77</b>	<b>60,99,47,910</b>	<b>12,119.22</b>



**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
*(All amounts in Indian Rupees in Lakhs unless stated otherwise)*

**iv. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year:**

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares, fully paid-up</b>				
Balance at the beginning of the year	60,09,99,104	12,019.98	52,71,14,392	10,542.30
Add: Partly paid up shares converted into fully paid up shares	60,282	1.21	7,38,84,212	1,477.68
Add: ESOP issued	22,00,000	44.00	-	-
Balance at the end of the year	<b>60,32,19,386</b>	<b>12,065.19</b>	<b>60,09,99,104</b>	<b>12,019.98</b>
<b>Equity shares, partly paid-up</b>				
Balance at the beginning of the year	89,48,806	98.44	8,29,09,118	911.75
Add: Amount received on 2nd and final call	-	0.53	-	664.98
Less: Shares converted into fully paid up shares	(60,282)	(1.21)	(7,38,84,212)	(1,478)
Less: Shares forfeited	-	-	(76,100)	(0.81)
Balance at the end of the year	<b>89,48,524</b>	<b>97.76</b>	<b>89,48,806</b>	<b>98.44</b>

**v. Rights, preferences and restrictions attached to the equity shares**

The Company has only one class of equity shares having a face value of ₹ 2 per share. Each holder of fully paid up equity share is entitled to one vote per share. Voting rights of each holder of partly paid up equity share is proportionate to the paid up amount of such share. The final dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Holders of Global Depository Receipts (GDRs) will be entitled to receive dividends, subject to the terms of the deposit agreement, to the same extent as the holders of equity shares, less the fees and expenses payable under such deposit agreement and any Indian tax applicable to such dividends. Holders of GDRs don't have voting rights with respect to the deposited shares. The GDRs can not be transferred to any person located in India including Indian residents or ineligible investors except as permitted by Indian laws and regulations.

**vi. Shares held by Shareholders each holding more than 5% shares:**

Name of the Shareholders	As at 31 March 2023		As at 31 March 2022	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Sameer Gehlaut	3,42,52,493	5.60	3,42,52,493	5.62
Oritha Properties Private Limited	4,72,48,080	7.72	4,72,48,080	7.73
Oritha Constructions Private Limited	3,70,74,335	6.06	3,70,74,335	6.08
Zelkova Builders Private Limited	4,89,33,258	7.99	4,89,33,258	8.02

**vii. Shares reserved for issue under options:**

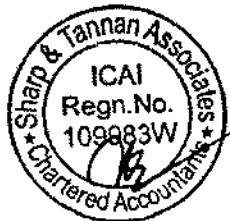
15,284,800 equity shares (As at 31 March 2022: 10,270,000 equity shares) of face value of ₹ 2 each are reserved under various option schemes of the Company (Refer 43)

**viii. The Company has not issued any bonus shares during the current year and five years immediately preceding current year.**

**ix. Shareholding of Promoters**

Shares held by promoters at the end of the year					
S. No	Promoter name	No. of Shares	% of total shares	% Change during the year	
1	Sameer Gehlaut	3,42,52,493	5.60	0.01	
2	Zelkova Builders Private Limited	4,89,33,258	7.99	0.03	
3	Oritha Properties Private Limited	4,72,48,080	7.72	0.03	
4	Oritha Constructions Private Limited	3,70,74,335	6.06	0.00	
5	Innus Properties Private Limited	1,70,00,000	2.78	0.01	
6	Innus Developers Private Limited	1,68,00,000	2.74	0.01	
<b>Total</b>		<b>20,13,08,186</b>			

**x. 54,433 shares (31 March 2022: 54,433 shares) of face value of ₹ 2 per share represent the shares underlying GDRs. Each GDR represents one underlying equity share.**



**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
*(All amounts in Indian Rupees in lakh unless stated otherwise.)*

**Note - 23**  
**Other equity**

	As at 31 March 2023	As at 31 March 2022
Capital redemption reserve	4,933.69	4,933.69
Securities premium	5,78,144.81	5,77,592.95
General reserve	3,381.78	3,381.78
Share options outstanding account	2,438.39	9,025.03
Retained earnings	21,544.96	17,951.24
Equity instruments through other comprehensive income	-	1,444.61
Treasury shares	(46,127.67)	(46,127.67)
<b>Total</b>	<b>5,64,719.96</b>	<b>5,68,201.63</b>

**Nature and purpose of other reserve**

**Capital redemption reserve**

The same had been created in accordance with provision of the Act on account of redemption of preference shares and buy-back of equity shares.

**Securities premium**

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Act.

**Foreign currency monetary item translation difference account**

Pursuant to the notification dated 29 December 2011 issued by the Ministry of Corporate Affairs amending Accounting Standard 11 - "Accounting for the Effects of Changes in Foreign Exchange Rates" the Company has exercised the option as per Paragraph 46A inserted in the said Accounting Standard for amortisation of foreign exchange gain/loss on long-term monetary items over the remaining life of the concerned monetary items.

**General reserve**

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Subsequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

**Share options outstanding account**

The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option plan.

**Retained earnings**

Retained earnings represents surplus / accumulated earning of the Company and are available for distribution to shareholders.

**Equity instruments through other comprehensive income**

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income. The balance of the reserve represents such changes recognised net of amounts reclassified to retained earnings on disposal of such investments.

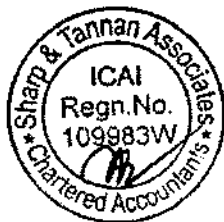
**Treasury shares**

This reserve represents Company's own equity shares held by the Udaan Employee Welfare Trust (formerly Indiabulls Ventures Limited - Employees Welfare Trust) which is created under Dhani Services Limited - Employee Stock Benefit Scheme 2019 (ESBS 2019) (formerly Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2019), Dhani Services Limited - Employee Stock Benefit Scheme 2020 (ESBS 2020) (formerly Indiabulls Ventures Limited - Employee Stock Benefit Scheme 2020) and Dhani Services Limited - Employee Stock Benefit Scheme 2021 (ESBS 2021). Treasury shares are acquired for the purpose of issuing equity shares to employees under Company's ESBS 2019, ESBS 2020 and ESBS 2021.

**Note - 24**

**Interest income (on financial assets measured at amortised cost)**

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income on inter-corporate loans	10,515.68	4,180.63
Interest income on fixed and other deposits	107.32	170.39
Other interest income	-	10.06
<b>Total</b>	<b>10,623.00</b>	<b>4,361.08</b>



Dhann Services Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023  
 (All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 25

	For the year ended 31 March 2023	For the year ended 31 March 2022
Dividend Income		
Dividend income from others	-	11.62
<b>Total</b>	<b>-</b>	<b>11.62</b>

Note - 26

	For the year ended 31 March 2023	For the year ended 31 March 2022
Net gain on fair value changes		
Net gain on financial assets at fair value through profit or loss		
Gain on sale of investment in mutual funds	40.18	81.20
<b>Total</b>	<b>40.18</b>	<b>81.20</b>
Total net gain on fair value changes		
Fair value changes		
- Realised	40.18	81.20
- Unrealised	-	-
<b>Total</b>	<b>40.18</b>	<b>81.20</b>

Note - 27

	For the year ended 31 March 2023	For the year ended 31 March 2022
Other Income		
Income from financial guarantees	103.86	156.31
Interest on income tax refund	39.26	1.15
Gain on foreign exchange fluctuations-Unrealised	32.72	23.39
Gain on foreign exchange fluctuations-Realised	34.29	-
Excess provision for expenses written back	26.56	20.65
Sundry credit balances written back	28.99	22.14
Miscellaneous income	0.43	8.41
<b>Total</b>	<b>266.11</b>	<b>232.05</b>

The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note - 28

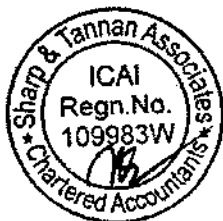
	For the year ended 31 March 2023	For the year ended 31 March 2022
Finance costs (on financial liabilities measured at amortised cost)		
Interest on borrowings		
Term loans	5,428.68	4,466.58
Bank overdraft	-	33.61
Vehicle loans	-	0.44
Others	-	-
Interest on taxes	0.78	2.93
Other borrowing costs	12.45	13.09
<b>Total</b>	<b>5,441.91</b>	<b>4,516.65</b>

Note - 29

	For the year ended 31 March 2023	For the year ended 31 March 2022
Fees and commission expense		
Membership and Depository fee	23.51	18.28
<b>Total</b>	<b>23.51</b>	<b>18.28</b>

Note - 30

	For the year ended 31 March 2023	For the year ended 31 March 2022
Impairment on financial assets		
Impairment of loans	-	788.77
<b>Total</b>	<b>-</b>	<b>788.77</b>



**Dhani Services Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023  
(All amounts in Indian Rupees in lakhs unless stated otherwise)

**Note - 31**

**Employee benefits expenses**

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	298.39	271.68
Contribution to provident and other funds	13.43	11.02
Share based payments expense/ (reversal) to employees	(765.16)	(12.23)
Staff welfare		0.09
<b>Total</b>	<b>(453.34)</b>	<b>270.56</b>

**Note - 32**

**Depreciation and amortisation**

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment	18.68	18.13
Amortisation of intangible assets	3.75	3.75
<b>Total</b>	<b>22.43</b>	<b>21.88</b>

**Note - 33**

**Other expenses**

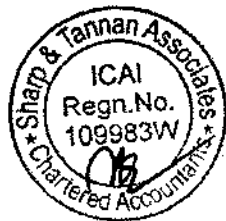
	For the year ended 31 March 2023	For the year ended 31 March 2022
Rent <sup>(i)</sup>	1.80	1.80
Electricity expenses <sup>(ii)</sup>	0.60	0.60
Printing and stationery	3.72	8.19
Rates and taxes	3.74	432.48
Software expense	0.29	0.15
Communication costs	3.56	6.52
Office maintenance	0.01	9.23
Director's sitting fee	23.00	27.00
Payment to statutory auditors <sup>(iii)</sup>	53.50	69.55
Legal and professional charges	254.07	141.52
Travelling and conveyance	10.90	2.85
Business promotion	3.49	28.44
Loss on sale/scraping of fixed assets	2.12	-
Corporate social responsibility expenses (refer note - 41)	41.81	107.90
Repairs and maintenance	1.39	0.92
Miscellaneous expenses	9.66	6.06
<b>Total</b>	<b>413.66</b>	<b>842.31</b>

(i) Expenses apportioned by Dhani Loans and Services Limited (a wholly owned subsidiary company) to the Company (excluding goods and services tax):

	For the year ended 31 March 2023	For the year ended 31 March 2022
Rent	1.80	1.80
Electricity expenses	0.60	0.60
<b>Total</b>	<b>2.40</b>	<b>2.40</b>

(ii) Auditor's remuneration (excluding goods and services tax):

	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor	53.50	67.00
For other services	-	2.53
For reimbursement of expenses	3.28	-
<b>Total</b>	<b>56.78</b>	<b>69.55</b>



**Dhani Services Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

(All amounts in Indian Rupees in lakh unless stated otherwise)

**Note - 34**

**Tax expense**

**Tax expense**

Current tax

Income tax for earlier years

Deferred tax

**Income-tax expense reported in the statement of profit and loss**

	For the year ended 31 March 2023	For the year ended 31 March 2022
	3.53	17.62
	2,964.36	681.35
	<u>2,967.89</u>	<u>698.97</u>

The major components of Income-tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% (31 March 2022: 25.17%) and the reported tax expense in profit or loss are as follows:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Accounting profit before tax expense	5,481.72	(1,772.49)
Income-tax rate	25.17%	25.17%
Expected tax expense	1,379.64	(446.10)
<b>Tax effect of adjustments to reconcile expected income-tax expense to reported income-tax expense:</b>		
Tax impact on deductions allowed under income-tax	(9.63)	(13.63)
Tax impact of expenses which will never be allowed	1,371.91	1,144.01
Earlier years tax adjustments (net)	3.53	17.62
Impact of difference in tax rate on certain items	(1.94)	(2.93)
Others	224.38	-
<b>Income-tax expense</b>	<u>2,967.89</u>	<u>698.97</u>

**Notes:**

(ii) **Detail of unused tax losses:**

Expiry assessment year (as per Income-tax Act, 1961)

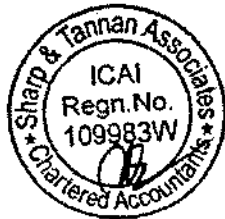
Tax losses (including unabsorbed depreciation)

1 April 2020 - 31 March 2029

1 April 2029 - 31 March 2030

1 April 2030 - 31 March 2031

	As at 31 March 2023	As at 31 March 2022
	5,402.35	18,770.03
	1,859.21	1,859.21
		5.79



**Dhani Services Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023***(All amounts in Indian Rupees in lakh unless stated otherwise)***Note - 35****Earnings per equity share (EPS)**

Disclosure in respect of Indian Accounting Standard - 33 'Earnings Per Share':

The basic earnings per equity share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Partly paid-up equity shares are treated as a fraction of an equity share to the extent they are entitled to participate in dividend relative to a fully paid-up equity share during the reporting period. Compulsory convertible debentures are treated as equivalent of equity share for the purpose of basic earnings per equity share. Treasury shares are adjusted for computation of weighted average equity shares. Diluted earnings per equity share is computed by considering the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential dilutive equity shares are adjusted for the potential dilutive effect of employee stock option plan and warrants as appropriate.

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit available for equity shareholders (₹ in lakh)	2,513.83	(2,471.46)
<b>Basic/diluted earnings per equity share:</b>		
Weighted-average number of equity shares for basic earnings per share	57,71,69,330	56,23,17,851
<b>Effect of dilution:</b>		
Add: Potential number of equity shares that could arise on exercise of employee stock options	37,47,818	63,54,070
Add: Potential number of equity shares that could arise on exercise of warrants	-	-
Weighted-average number of equity shares for diluted earnings per share	58,09,17,348	56,86,71,921
Face value of equity share (₹)	2.00	2.00
Earnings per equity share - basic (₹)	0.44	(0.44)
Earnings per equity share - diluted (₹)*	0.43	(0.44)

\* Anti-dilutive since loss decreasing per equity share

**Note - 36****Leases**

The Company had leases for office building, with the exceptions of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company reclassifies its right-of-use assets in a consistent manner to its property, plant and equipment.

**A Lease payments not included in measurement of lease liability**

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

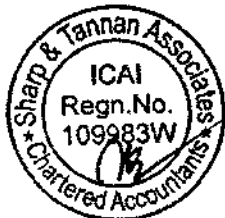
Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Short-term leases	1.80	1.80
Leases of low value assets	-	-
Variable lease payments	-	-

B Total cash outflow for leases for the year ended 31 March 2023 was ₹ 1.80 lakh (previous year ₹ 1.80 lakh).

C The Company has total commitment for short-term leases of ₹ Nil as at 31 March 2023 (as at 31 March 2022: ₹ Nil).

D Future minimum lease payments of the Company is ₹ Nil.

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2023 is of ₹ Nil (as at 31 March 2022: Nil).





**Dhani Services Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022  
(All amounts in Indian Rupees in lakh unless stated otherwise)

**Note - 37**

**A. Contingent liabilities not provided for in respect of:**

	As at 31 March 2023	As at 31 March 2022
- Claims against the Company not acknowledged as debts in respect of: Cases under Income-tax Act, 1961 <sup>(ii) &amp; (iii)</sup>	2,730.24	2,839.53
- Corporate guarantee for loans taken by Subsidiary Companies <sup>(iv)</sup>	-	73,014.72

(i) The Company was involved in various legal proceedings as respondents/ defendants for various claims including those related to conduct of its business. The Company had transferred its stock broking business on slump sale to its wholly owned subsidiary Dhani Stocks Limited (DSTL). Pursuant to business transfer agreement, all the litigations related to stock broking business after slump sale will now be handled by DSTL and all liabilities arising subsequently will be settled by DSTL.

(ii) Demand pending u/s 143(3) read with section 153A of the Income-tax Act, 1961:-

Financial Years	Authority	As at 31 March 2023	As at 31 March 2022
Disallowance under Income Tax Act, 1961	CIT (Appeal)	-	90.97
Disallowance under Income Tax Act, 1961	ITAT	33.02	33.02
Disallowance under Income Tax Act, 1961	ITAT	4.21	4.21
Disallowance under Income Tax Act, 1961	ITAT	43.33	43.33
Disallowance under Income Tax Act, 1961	ITAT	40.66	40.66
Disallowance under Income Tax Act, 1961	CIT (Appeal)	-	18.32
Disallowance under Income Tax Act, 1961	ITAT	67.17	67.17

(iii) Demand pending u/s 143(3) of the Income Tax Act, 1961

Financial Year	Authority	As at 31 March 2023	As at 31 March 2022
Disallowance under Income Tax Act, 1961	ITAT*	17.37	17.37
Disallowance under Income Tax Act, 1961	CIT (Appeal)	2,524.48	2,524.48

\* Income tax department has filed an appeal against the order of CIT(A).

(iv) Total guarantee of ₹ Nil (as at 31 March 2022: ₹ 263,900 lakh) has been shown to the extent of outstanding term loan of ₹ Nil (as at 31 March 2022: ₹ 73,014.72 lakh)

**Note - 38**

**Reconciliation of liabilities arising from financing activities**

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt securities)	Lease liabilities	Total
Balance as at 1 April 2021	-	41,315.19	-	41,315.19
Cash flows:				
- Proceeds	-	11,200.00	-	11,200.00
- Repayment	-	(15.19)	-	(15.19)
Non cash:				
- Amortisation of upfront fees	-	-	-	-
- Others	-	-	-	-
Balance as at 31 March 2022	-	52,500.00	-	52,500.00
Cash flows:				
- Proceeds	-	1,00,900.00	-	1,00,900.00
- Repayment	-	(97,300.00)	-	(97,300.00)
Non cash:				
- Amortisation of upfront fees	-	-	-	-
- Others	-	-	-	-
Balance as at 31 March 2023	-	56,100.00	-	56,100.00



**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
*(All amounts in Indian Rupees in Lakh unless stated otherwise)*

**Note - 39**

**Operating segments**

The Company's operations and business activities fall within a single business segment of financing and making strategic investments and as such no separate information is required to be furnished in terms of Ind-AS 108, Operating Segments. Further, the Company is operating in India which is considered as a single geographical segment.

**Note - 40**

**Employee benefits**

The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :

**Defined contribution plans**

**Provident fund**

The Company pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government of India, which invests the funds in permitted securities. Both the Company and employees make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. During the year, the Company has recognized the following amounts in the Statement of Profit and Loss in respect of defined contribution plans and included in "Employee benefits expense".

	For the year ended 31 March 2023	For the year ended 31 March 2022
Contribution made to Employees' Provident Fund Organisation	6.39	6.00
Contribution to Labour Welfare Fund	-	-
Contribution to Employees' National Pension Scheme	7.04	5.02
<b>Total</b>	<b>13.43</b>	<b>11.02</b>

**Defined benefit plans**

**Gratuity**

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation.

**Risks associated with plan provisions**

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.
Investment Risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

**Amount recognised in the balance sheet is as under:**

**Particulars**

Present value of obligation

Fair value of plan assets

Net obligation recognised in balance sheet as provision

Expected contribution for the next Annual reporting period

	As at 31 March 2023	As at 31 March 2022
Present value of obligation	61.75	64.80
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	<b>61.75</b>	<b>64.80</b>
Expected contribution for the next Annual reporting period	8.88	9.85

**Amount recognised in the statement of profit and loss is as under:**

**Particulars**

Current service cost

Past service cost including curtailment gains/losses

Interest cost on defined benefit obligation

Interest income on plan assets

Net impact on profit/ (loss) (before tax)

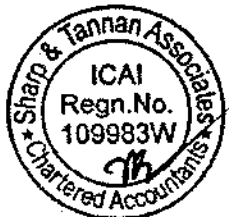
	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	3.81	5.12
Past service cost including curtailment gains/losses	-	-
Interest cost on defined benefit obligation	4.36	4.29
Interest income on plan assets	-	-
Net impact on profit/ (loss) (before tax)	<b>8.17</b>	<b>9.41</b>

**Amount recognised in the other comprehensive income:**

**Particulars**

Actuarial gain/ (loss) recognised during the year

	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial gain/ (loss) recognised during the year	(1.30)	3.86



**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
*(All amounts in Indian Rupees in lakh unless stated otherwise)*

**Note - 40**  
**Employee benefits (continued)**

Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Particulars	As at	As at
	31 March 2023	31 March 2022
Present value of defined benefit obligation as at the beginning of year	64.80	60.22
Current service cost	3.81	5.12
Interest cost	4.36	4.29
Acquisition adjustment	20.00	-
Past service cost including curtailment gains/losses	-	-
Benefits paid	(32.52)	(0.92)
Actuarial loss/(gain) on obligation	-	-
Actuarial gain on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	(0.93)	(2.67)
Actuarial gain on arising from experience adjustment	2.23	(1.19)
Present value of defined benefit obligation as at the end of the year	61.75	64.90

**Actuarial assumptions**

Particulars	For the year ended	For the year ended
	31 March 2023	31 March 2022
Discounting rate	7.36%	7.18%
Future salary increase	5.00%	5.00%
Retirement age (years)	60	60
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration (years)	15.26	15.17

Mortality rates inclusive of provision for disability -100% of IALM (2012-14) (previous year: 100% of IALM (2012-14))

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table (previous year Indian Assured Lives Mortality (2012-14) Ultimate table).

**Sensitivity analysis for gratuity liability**

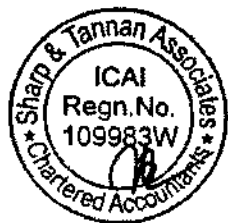
Particulars	For the year ended	For the year ended
	31 March 2023	31 March 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	61.75	64.80
- Impact due to increase of 0.50 %	(3.01)	(3.22)
- Impact due to decrease of 0.50 %	3.21	3.44
Impact of the change in salary increase		
Present value of obligation at the end of the year	61.75	64.80
- Impact due to increase of 0.50 %	3.27	3.50
- Impact due to decrease of 0.50 %	(3.09)	(3.30)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

**Maturity profile of defined benefit obligation (years)**

	As at	As at
	31 March 2023	31 March 2022
0 to 1 year	1.16	1.20
1 to 2 year	0.97	1.01
2 to 3 year	0.98	1.01
3 to 4 year	1.00	1.03
4 to 5 year	1.01	1.04
5 to 6 year	1.03	1.06
6 year onwards	55.60	58.46



**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
*(All amounts in Indian Rupees in lakh unless stated otherwise)*

**Note - 40**  
**Employee benefits (continued)**

**Other long-term employee benefits**

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. Expense of provision of ₹ 18.27 lakh (previous year provision of ₹ 4.71 lakh) for the year have been done on the basis of actuarial valuation at the year end and debited to the statement of profit and loss.

**Note - 41**

**Corporate Social Responsibility**

In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms with the provisions of the said Act, the Company was to spend a sum of ₹ 41.81 lakh (previous year ₹ 107 lakh) towards CSR activities during the year ended 31 March 2023. The details of amount actually spent by the Company are:

	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Gross amount required to be spent by the Company	41.81	107.00
(b) Amount spent on		
- Construction/acquisition of any asset	-	-
- Any other purpose other than above *	-	107.00
- Yet to be paid**	41.81	-
	<u>41.81</u>	<u>107.00</u>

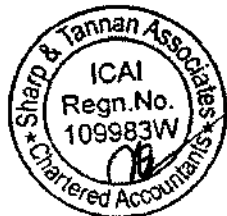
\*Contribution towards donation/corpus fund paid to Indiabulls Foundation

\*\* The unspent amount of CSR expenses has been deposited in Unspent CSR account no. 10101111339 of IDFC First Bank on 2nd May 2023. Banks remained closed on the last date of the deposit i.e. 30th April 2023 (Sunday). Further, bank also remained closed on 1st May 2023 on account of holiday. The amount was deposited on next working day of the last due date considering section 10 of the General Clauses Act, 1897.

**Note - 42**

The Company was carrying on the business of stock broking which was demerged during the financial year 2019-20. Accordingly, as at and during the financial year ended 31 March 2022 and 31 March 2023, the financial assets of the Company were more than fifty percent of its total assets and income from financial assets was more than fifty percent of the gross income. The Company's present business activities consists of providing loans and making investments in group companies, consequentially, the Company may be required to apply and obtain the Certificate of Registration (CoR) from Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) under the category of Core Investment Company (CIC). The management is of the view that basis of their present business operations and financials, the Company qualifies to fall under the category of an unregistered CIC and has written to RBI for their views in this regard, response to which is still awaited. The management is also of the view that the possible non-compliance with such requirement is not expected to have a material impact on the accompanying financial statement.

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**Dhoni Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
 (All amounts in Indian Rupees in Lakh unless stated otherwise)

**Note -43**  
**Employee stock option schemes:**

The Company has issued various Employees stock options scheme (ESOP / ESOS) for the benefit of the employees of the Company and its subsidiary companies.

**A. Grants during the year:**

The Company has established the "Udaan Employee Welfare Trust" ("Udaan - EWT") ("Trust") for the implementation and management of its employees benefit scheme viz. the "Dhoni Services Limited - Employee Stock Benefit Scheme - 2006 & 2009" (Scheme) for the benefit of the employees of the Company and its subsidiaries. Pursuant to Regulation 3(12) of the SEBI (Share Based Employee Benefits) Regulations, 2014, fully paid up equity shares of ₹1,16,00,000 (One crore sixteen lakh) lying in the Trust have been appropriated towards the Scheme for grant of Employees Stock Options (ESOPs) to the employees of the Company and its subsidiaries as permitted by SEBI.

The Company has granted 18,00,000 and 98,00,000 employees stock options under DSL ESOP-2006 and DSL ESOP-2009 schemes respectively. Detail of same is as below:

Name of Scheme	No. of options granted	DSL ESOP - 2006	DSL ESOP - 2009
Exercise price (₹)		18,00,000	98,00,000
		₹0	₹0

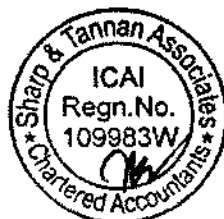
**B. Employee Stock Options Schemes:**  
 (i) Employee Stock Option Scheme - 2006 (DSL ESOP - 2006)

Total options under the scheme (Nos.)	DSL ESOP - 2006				
	97,00,000 (Regrant)	8,86,600 (Regrant)	2,00,00,000 (Regrant)	18,00,000 (Regrant)	17,90,000 (Regrant)
<b>Vesting period and percentage</b>	Ten years, 1st year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
<b>Vesting date</b>	2nd July each year, commencing 2 July 2017	25 <sup>th</sup> March each year, commencing 25 March 2014	28 <sup>th</sup> June each year, commencing 28 June 2023	23 <sup>rd</sup> February each year, commencing 23 February 2023	01 <sup>st</sup> April each year, commencing 01 April 2022
<b>Exercise period</b>	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
<b>Exercise price (₹)</b>	24.15	234.85	₹0	₹0	150
<b>Outstanding at the beginning of 1 April 2021 (Nos.)</b>	61,44,800	96,800	-	-	150
<b>Granted/ regranted during the year (Nos.)</b>	-	-	-	18,00,000	17,00,000
<b>Forfeited during the year (Nos.)</b>	30,000	59,400	-	-	17,00,000
<b>Expired during the year (Nos.)</b>	-	-	-	-	-
<b>Expired during the year (Nos.)</b>	-	-	-	-	-
<b>Surrendered and eligible for re-grant during the year (Nos.)</b>	-	-	-	-	-
<b>Outstanding as at 31 March 2022 (Nos.)</b>	45,94,800	27,400	-	18,00,000	-
<b>Vested and exercisable as at 31 March 2022 (Nos.)</b>	43,94,800	-	-	-	-
<b>Remaining contractual life (weighted months)</b>	42	72	-	95	-
<b>Outstanding at the beginning of 1 April 2022 (Nos.)</b>	45,94,800	27,400	-	18,00,000	-
<b>Granted/ regranted during the year (Nos.)</b>	-	-	18,00,000	-	-
<b>Forfeited during the year (Nos.)</b>	5,20,400	27,400	-	18,00,000	-
<b>Expired during the year (Nos.)</b>	22,00,000	-	-	-	-
<b>Expired during the year (Nos.)</b>	-	-	-	-	-
<b>Surrendered and eligible for re-grant during the year (Nos.)</b>	-	-	-	-	-
<b>Outstanding as at 31 March 2023 (Nos.)</b>	16,44,400	-	18,00,000	-	-
<b>Vested and exercisable as at 31 March 2023 (Nos.)</b>	16,44,400	-	-	-	-
<b>Remaining contractual life (weighted months)</b>	30	-	87	-	-

Weighted average exercise price of share during the year ended 31 March 2023: Not applicable (31 March 2022: Not applicable).

(ii) Employee Stock Option Scheme - 2009 (DSL - ESOP 2009)

Total options under the Scheme (Nos.)	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009
	2,00,00,000 20,50,000	2,00,00,000 98,00,000	2,00,00,000 98,00,000	2,00,00,000 1,00,00,000
<b>Vesting period and percentage</b>	10% each year	20% each year	20% each year	20% each year
<b>Vesting date</b>	11 <sup>th</sup> April each year, commencing 13 April 2011	11 <sup>th</sup> May each year, commencing 13 May 2017	28 <sup>th</sup> June each year, commencing 28 June 2023	2 <sup>nd</sup> September each year, commencing 2 September 2018
<b>Exercise period</b>	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
<b>Exercise price (₹)</b>		31.55	₹0	214.65
<b>Outstanding at the beginning of 1 April 2021 (Nos.)</b>		50,000	25,35,600	26,88,600
<b>Granted/ regranted during the year (Nos.)</b>		-	-	-
<b>Forfeited during the year (Nos.)</b>		-	34,000	1,50,000
<b>Expired during the year (Nos.)</b>		-	-	-
<b>Expired during the year (Nos.)</b>		-	-	-



**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
 (All amounts in Indian Rupees in lakh unless stated otherwise)

**Note 43 continued**

Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2022 (Nos.)	50,000	25,01,600	-	12,96,800
Vested and exercisable as at 31 March 2022 (Nos.)	50,000	25,01,600	-	-
Remaining contractual life (Weighted Months)	36	43	-	65
<b>Outstanding at the beginning of 1 April 2022 (Nos.)</b>	<b>50,000</b>	<b>25,01,600</b>	<b>-</b>	<b>12,96,800</b>
Granted/ re-granted during the year (Nos.)	-	-	95,00,000	-
Forfeited during the year (Nos.)	-	7,11,200	-	12,96,800
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2023 (Nos.)	50,000	17,90,400	95,00,000	-
Vested and exercisable as at 31 March 2023 (Nos.)	50,000	17,90,400	-	-
Remaining contractual life (Weighted Months)	24	31	87	-

	DSL ESOP - 2009	DSL ESOP - 2009
Total options under the Scheme (Nos.)	2,00,00,000	2,00,00,000
Options granted (Nos.)	98,00,000	84,00,000
	(Re-grant)	(Re-grant)
Vesting period and percentage	Five years, 20% each year	Five years, 20% each year
Vesting date	29 <sup>th</sup> February each year, commencing 23 February 2023	01 <sup>st</sup> April each year, commencing 01 April 2022
Exercisable period	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	68.00	150.00
Outstanding at the beginning of 1 April 2021 (Nos.)	-	-
Granted/ re-granted during the year (Nos.)	68,00,000	84,00,000
Forfeited during the year (Nos.)	-	54,00,000
Expired during the year (Nos.)	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-
Outstanding as at 31 March 2022 (Nos.)	98,00,000	-
Vested and exercisable as at 31 March 2022 (Nos.)	-	-
Remaining contractual life (Weighted Months)	45	-
Outstanding at the beginning of 1 April 2022 (Nos.)	98,00,000	-
Granted/ re-granted during the year (Nos.)	-	-
Forfeited during the year (Nos.)	98,00,000	-
Expired during the year (Nos.)	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-
Outstanding as at 31 March 2023 (Nos.)	-	-
Vested and exercisable as at 31 March 2023 (Nos.)	-	-
Remaining contractual life (Weighted Months)	-	-

Weighted average exercise price of share during the year ended 31 March 2023: Nil (31 March 2022: Nil)

(iii) Dhani Services Limited - Employee Stock Benefit Scheme 2019 ("Scheme") ("DSL-ESBS 2019")

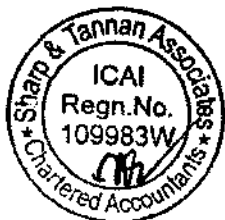
The Scheme has been adopted and approved pursuant to (a) a resolution of the Board of Directors of the Company at its meeting held on 22 October 2019, and (b) a special resolution of the shareholders of the Company passed through postal ballot on 4 December 2019, result of which were declared on 5 December 2019.

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2019 ("ESOP Plan 2019")
- Dhani Services Limited Employees Stock Purchase Plan 2019 ("ESP Plan 2019")
- Dhani Services Limited Stock Appreciation Rights Plan 2019 ("SARs Plan 2019")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEBS Regulations"), the Company has set up "Udhan - Employee Welfare Trust" ("Trust") for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEBS Regulations", is authorised to purchase upto an aggregate of 10,50,00,000 (Ten Crore Five Lakh) fully paid up equity shares, being not more than 2% (Two percent) of the fully paid up equity share capital of the Company as on the date of approval of shareholders, from the secondary market. The Company has appropriated 10,50,00,000 fully paid up equity shares of the Company purchased by the Trust under the Scheme.

	DSL-ESBS 2019
Total options under the Scheme (Nos.)	1,05,00,000
Options granted (Nos.)	1,04,00,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	17 <sup>th</sup> August each year, commencing 17 August 2021
Exercisable period	5 years from each vesting date
Exercise price (₹)	150



**Dhoni Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
 (All amounts in Indian Rupees in lakh unless stated otherwise)

**Note-43 continued**

Outstanding at the beginning of 1 April 2021 (Nos.)	1,04,00,000
Granted during the year (Nos.)	-
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered and eligible for re-grant during the year (Nos.)	-
Outstanding as at 31 March 2022 (Nos.)	1,04,00,000
Vested and exercisable as at 31 March 2022 (Nos.)	34,66,667
Remaining contractual life (Weighted Months)	68
<b>Outstanding at the beginning of 1 April 2022 (Nos.)</b>	<b>1,04,00,000</b>
Granted during the year (Nos.)	-
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered during the year (Nos.)	-
Outstanding as at 31 March 2023 (Nos.)	1,04,00,000
Vested and exercisable as at 31 March 2023 (Nos.)	-
Remaining contractual life (Weighted Months)	-

**(iv) Dhoni Services Limited - Employee Stock Benefit Scheme 2020 ("Scheme") ("DSL-ESBS 2020")**

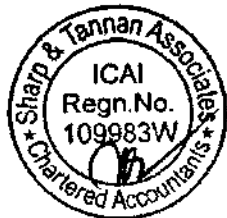
The Scheme has been adopted and approved pursuant to (a) a resolution of the Board of Directors of the Company at its meeting held on 23 January 2020 and (b) a special resolution of the shareholders of the Company passed through postal ballot on 20 March 2020, result of which were declared on 23 March 2020.

**This Scheme comprises:**

- Dhoni Services Limited Employees Stock Option Plan 2020 ("ESOP Plan 2020")
- Dhoni Services Limited Employees Stock Purchase Plan 2020 ("ESP Plan 2020")
- Dhoni Services Limited Stock Appreciation Rights Plan 2020 ("SAR Plan 2020")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEER Regulations"), the Company has set up "Dhoni - Employees Welfare Trust" (Trust) for the purpose of implementation of the Scheme as per the terms of the respective schemes as aforesaid. The Trust, in compliance with the "SBEER Regulations", is authorized to purchase upto an aggregate of 9,300,000 (Ninety Three lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Company as on the date of approval of shareholders, from the secondary market. The Company has appropriated 93,00,000 fully paid up equity shares of the Company purchased by the Trust under the Scheme.

	<b>DSL-ESBS 2020</b>
Total options under the Scheme (Nos.)	93,00,000
Options granted (Nos.)	93,00,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	7 <sup>th</sup> April each year, commencing 7 April 2021
Exercisable period	5 years from each vesting date
Exercise price (₹)	250
Outstanding as at 1 April 2021 (Nos.)	-
Granted/ re-granted during the year (Nos.)	93,00,000
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered and eligible for re-grant during	-
Outstanding as at 31 March 2022 (Nos.)	93,00,000
Vested and exercisable as at 31 March 2022 (Nos.)	NA
Remaining contractual life (Weighted Months)	NA
Remaining contractual life (Weighted Months)	-
<b>Outstanding as at 1 April 2022 (Nos.)</b>	<b>93,00,000</b>
Granted/ re-granted during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered during the year (Nos.)	-
Outstanding as at 31 March 2023 (Nos.)	93,00,000
Vested and exercisable as at 31 March 2023 (Nos.)	-
Remaining contractual life (Weighted Months)	-
Remaining contractual life (Weighted Months)	-



**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
 (All amounts in Indian Rupees in lakh unless stated otherwise)

Note -43 continued

(c) Dhani Services Limited - Employee Stock Benefit Scheme 2021 ("Scheme") ("DSL-ESBS 2021").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Company at its meeting held on 06 March 2021; and (b) a special resolution of the shareholders of the Company passed through postal ballot on 15 April 2021, result of which was declared on 16 April 2021.

The Scheme comprises:

- Dhani Services Limited Employee Stock Option Plan 2021 ("ESOP Plan 2021")
- Dhani Services Limited Employee Stock Purchase Plan 2021 ("ESP Plan 2021")
- Dhani Services Limited Stock Appreciation Rights Plan 2021 ("SARs Plan 2021")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEBS Regulations"), the Company has set up "Dhanu - Employees Welfare Trust" (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEBS Regulations", is authorised to purchase upto an aggregate of 1,05,00,000 (One Crore Five Lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Company as on the date of approval of shareholders, from the secondary market. The Company has not granted any options/ SARs under the said Scheme as at 31 March 2022.

C. Fair Valuation

The details of the Fair value of the options / SARs as determined by an independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Method Option Pricing Model:

	DSL ESOP - 2008		
	97,00,000 Options Granted	8,80,600 Options Granted	18,00,000 Options Granted
1. Exercise price (₹)	24.15	234.83	63.00
2. Expected volatility *	42.97%	47.15%	69.85%
3. Option Life (Weighted Average) (in years)	6	6	6
4. Expected Dividends yield	10.82%	1.01%	1.01%
5. Risk free interest rate	7.45%	7.56%	5.50%
6. Fair value of the options (₹)	4.31	131.06	34.58

- Exercise price (₹)
- Expected volatility \*
- Expected forfeiture percentage on each vesting date
- Expected dividends yield
- Risk free interest rate
- Fair value of the options (₹)

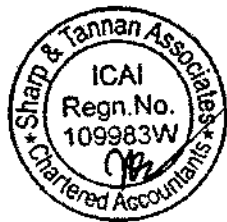
\* The expected volatility was determined based on historical volatility data

	DSL ESOP - 2009		
	20,50,000 Options	95,00,000 Options Granted	1,00,00,000 Options Granted
1. Exercise price (₹)	31.35	16	219.65
2. Expected volatility *	48.96%	40.74%	46.70%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil
4. Expected dividends yield	6.86%	16.33%	1.27%
5. Risk free interest rate	6.05%	7.43%	6.34%
6. Fair value of the options (₹)	9.39	1.38	106.31

- Exercise price (₹)
- Expected volatility \*
- Expected forfeiture percentage on each vesting date
- Expected dividends yield
- Risk free interest rate
- Fair value of the options (₹)

\* The expected volatility was determined based on historical volatility data

	DSL ESOP - 2009	DSL-ESBS 2020	DSL-ESBS 2019
	96,00,000 Options	93,00,000 SARs	1,04,00,000 SARs
1. Exercise price (₹)	68	250	250
2. Expected volatility *	69.05%	26.57%	68.45%
3. Expected forfeiture percentage on each vesting date	8	Nil	Nil
4. Expected dividends yield	1.01%	1.26%	1.71%
5. Risk free interest rate	5.30%	4.36%	4.17%
6. Fair value of the options (₹)	34.88	65.82	25.49





**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
 (All amounts in Indian Rupees in lakh unless stated otherwise)

Note -13 continued

	<b>DSE ESOP - 2008 &amp; 2009</b>				
	<b>18,00,000 and 98,00,000</b>				
	Options				
	28-Jun-21	28-Jun-22	28-Jun-23	28-Jun-20	28-Jun-27
1. Vesting Date					
2. Exercise price (₹)	30	30	30	30	30
3. Expected volatility *	70.92%	66.20%	60.60%	63.39%	61.19%
4. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil
5. Expected dividends yield	0.00%	0.00%	0.00%	0.00%	0.00%
6. Risk free interest rate	6.70%	6.07%	6.97%	7.08%	7.09%
7. Fair value of the options (₹)	15.69	17.00	18.13	19.09	19.69
8. Average Price			17.92		

\* The expected volatility was determined based on historical volatility data.

**D. Share based payment expense:**

The Company has reversed Share based payments to employees of ₹ (765.16) lakh (31 March 2022: ₹ (12.23) lakh reversal) in the statement of Profit and loss for the year ended 31 March 2023 as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Share based payments (reversal) / expense	(765.16)	(12.23)
	<u>(765.16)</u>	<u>(12.23)</u>



**Dhani Services Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
(All amounts in Indian Rupees in lakh unless stated otherwise)

**Note - 44**

**Disclosures in respect of Related Parties as per Indian Accounting Standard (Ind-AS) – 24 'Related Party Disclosures':**

The Company's related parties primarily consist of its subsidiaries including step down subsidiaries. The Company routinely enters into transactions with these related parties in the ordinary course of business on the terms equivalent to those that prevail in arm length transactions.

**Nature of relationship**

**Name of the party**

**(a) Related parties where control exists:**

Subsidiary companies  
(including step-down subsidiaries)

Dhani Stocks Limited  
Devata Tradelink Limited  
Indiabulls Investment Advisors Limited  
Indiabulls Infra Resources Limited  
Indiabulls Consumer Products Limited  
Indiabulls Distribution Services Limited  
Auxesia Soft Solutions Limited  
Puchparjili Finvolutions Limited  
Gyansagar Buildtech Limited  
Dhani Loans and Services Limited  
Dhani Healthcare Limited  
Indiabulls Assets Reconstruction Company Limited Group  
Indiabulls Alternate Investments Limited  
Evinos Buildsvell Limited  
Evinos Developers Limited  
Savron Medicare Limited  
Krathis Buildcon Limited  
Krathis Developers Limited  
Trossery Limited  
Jwala Technology Systems Private Limited  
Euler Systems Inc. (Incorporated in USA)  
Dhani Limited (Incorporated in Jersey)  
Dhani LTD (Incorporated in United Kingdom)  
Dhani Health Middle East FZ LLC (Incorporated in UAE)\*  
Juventus Estate Limited (from 23 December 2022)  
Mabon Properties Limited (from 23 December 2022)  
Milky Way Buildcon Limited (from 23 December 2022)

\* Dhani Health Middle East FZ LLC (Incorporated in UAE) has been deregistered during the financial year 2022-23 dated 25 May 2022.  
The Company has not entered into any transactions with deregistered Company under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.



**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
*(All amounts in Indian Rupees in lakh unless stated otherwise)*

**Note - 44**

**Related party disclosures (continued)**

**(b) Other related parties:**

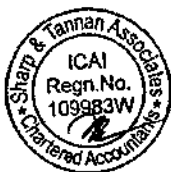
(i) Key management personnel

Mr. Sameer Gehlaut, Whole Time Director, Chairman and Chief Executive Officer (till 31 March 2023)  
Mr. Divyesh B. Shah, Whole Time Director & Chief Executive Officer #  
Mr. Pranik Jayant Shah, Whole Time Director (till 1 January 2023)  
Mr. Gagan Banga, Non-executive Director (till 14 March 2022)  
Mr. Anish Ernest Williams, Non-executive Director (till 23 September 2022)  
Mr. Praveen Kumar Tripathi (till 15 September 2022)  
Dr. Narendra Damodar Jadhav, Independent Director  
Mrs. Fanny Mein Jaswal, Independent Director (till 22 August 2022)  
Mr. Rakesh Mohan Garg, Independent Director (till 24 November 2022)  
Mr. Vijay Chug, Independent Director (till 28 December 2022)  
Mr. Mr. Sandeep Narthkar Kadam, Non-Executive Director (till 1 January 2023)  
Mr. Prof. Mohanbir Singh Sawhney, Independent Director (till 6 October 2022)  
Ms. Swati Jain, Independent Director (w.e.f 11 November 2022)  
Mr. Anit Ajit Gandhi, Non-Executive Director (w.e.f 1 January 2023)  
Mr. Rajeev Lochan Agrawal (Chief Financial Officer)  
Mr. Ram Mehar Garg (Company Secretary w.e.f 30 December 2022)  
Mr. Vikas Khandelwal (Company Secretary w.e.f 17 August 2022 till 30 December 2022)  
Mr. Lalit Sharma (Company Secretary till 17 August 2022)  
Mr. Aishwarya Katoch, Independent Director (w.e.f 1 January 2023)  
Mr. Sameer Gehlaut (Promoter)

(ii) Person exercising significant influence

# During the year, Mr. Divyesh B. Shah has been redesignated as Chief Executive Officer w.e.f. 31 March 2023.

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Dhani Services Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023  
(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 44

Related party disclosures (continued)

(c) Transactions with related parties during the year

	Subsidiary companies		Key management personnel		Person exercising significant influence		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Income</b>								
i. Brokerage income	-	-	-	0.05	-	-	-	0.05
ii. Interest income on inter corporate loans	10,515.68	4,180.63	-	-	-	-	10,515.68	4,180.63
iii. Income from Financial Guarantee	103.86	156.31	-	-	-	-	103.86	156.31
<b>Expenses</b>								
i. Reimbursement of expenses paid	2.40	2.40	-	-	-	-	2.40	2.40
ii. Compensation to Key Management Personnel								
- Short term employee benefits	-	-	89.33	39.24	-	-	89.33	39.24
- Post employment benefits- gratuity	-	-	-	(0.24)	-	-	-	(0.24)
- Other long-term employee benefits- comp	-	-	-	0.24	-	-	-	0.24
- Remuneration	-	-	52.07	54.67	-	-	52.07	54.67
- Share based expenses	-	-	-	(219.68)	-	-	-	(219.68)
- Sitting fees	-	-	23.00	27.00	-	-	23.00	27.00
<b>Finance</b>								
i. Inter corporate loans given (Maximum balance outstanding during the year)	1,60,133.65	1,59,898.45	-	-	-	-	1,60,133.65	1,59,898.45
ii. Call money received against right issue	-	-	-	10,161.64	-	-	-	10,161.64
<b>Investment</b>								
i. Investment in equity shares of subsidiary companies	259.80	7,655.89	-	-	-	-	259.80	7,655.89



**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
*(All amounts in Indian Rupees in lakh unless stated otherwise)*

**Note - 44**

**Related party disclosures (continued)**

**(c) Transactions with related parties during the year**

	Subsidiary companies		Key management personnel		Person exercising significant		Total	
	As at	As at	As at	As at	As at	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Contingent Liability</b>								
i. Corporate guarantees given on behalf of subsidiary companies	-	20,000.00	-	-	-	-	-	20,000.00
ii. Reduction of corporate guarantees on account of repayment of loan by subsidiary / guarantee released by bank *	-	57,545.28	-	-	-	-	-	57,545.28

\* Guarantees released by bank ₹ Nil (previous year ₹ Nil) and reduction of guarantee on account of repayment of loan by ₹ Nil (previous year ₹ 57,545.28 lakh).

**(d) Balance outstanding as at 31 March 2023:**

Inter-corporate loans given (unsecured)	1,38,404.41	1,25,108.45	-	-	-	-	1,38,404.41	1,25,108.45
Accrued Interest	31.79	38.88	-	-	-	-	31.79	38.88
Margin from customers	-	-	-	463.72	-	-	-	463.72
Corporate guarantees given to third parties on behalf of subsidiary companies	-	73,014.72	-	-	-	-	-	73,014.72
Payable for reimbursement of expenses	-	-	-	-	-	-	-	-

Amount presented in brackets represent liabilities.

**(e) Loans and advances to specified persons as at 31 March 2023:**

Type of Borrower	As at 31 March 2023		As at 31 March 2022	
	Amount of loan or advance in the nature of outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	1,38,436.20	100%	1,25,147.33	100%



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**Dhani Services Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023  
(All amounts in Indian Rupees in lakh unless stated otherwise)

**Note - 44**

Related party disclosures (continued)

(c) Transactions with related parties during the year

	Subsidiary companies		Key management personnel		Person exercising significant		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Income</b>								
<b>i. Brokerage income</b>								
- Mr. Divyesh B. Shah	-	-	-	0.05	-	-	-	0.05
				0.05				0.05
<b>ii. Interest income on inter corporate loans</b>								
- Indiabulls Distribution Services Limited	2573	-	-	-	-	-	2573	-
- Dhani Stock Limited	2202	41.16	-	-	-	-	2202	41.16
- Savren Medicare Limited	9.27	-	-	-	-	-	9.27	-
- Indiabulls Investment Advisors Limited	0.00	-	-	-	-	-	0.00	-
- Dhani Healthcare Limited	8,120.74	3,914.33	-	-	-	-	8,120.74	3,914.33
- Jwala Technology Systems Private Limited	15.59	15.35	-	-	-	-	15.59	15.35
- Euler Systems, Inc	67.11	32.06	-	-	-	-	67.11	32.06
- Krathis Buildcon Limited	36.47	0.19	-	-	-	-	36.47	0.19
- Krathis Developers Limited	26.56	0.13	-	-	-	-	26.56	0.13
- Transerv Limited	1,657.40	177.41	-	-	-	-	1,657.40	177.41
- Juventus Estate Limited	531.54	-	-	-	-	-	531.54	-
- Anxesia Soft Solutions Limited	1.46	-	-	-	-	-	1.46	-
- Gyansagar Buildtech Limited	1.79	-	-	-	-	-	1.79	-
	<u>10,515.68</u>	<u>4,180.63</u>					<u>10,515.68</u>	<u>4,180.63</u>
<b>iii. Income from Financial Guarantee</b>								
Dhani Loans and Services Ltd.	103.86	156.31	-	-	-	-	103.86	156.31
<b>Expenses</b>								
<b>i. Reimbursement of expenses paid</b>								
- Dhani Loans and Services Ltd.	2.40	2.40	-	-	-	-	2.40	2.40
	<u>2.40</u>	<u>2.40</u>					<u>2.40</u>	<u>2.40</u>



**Dhani Services Limited.**

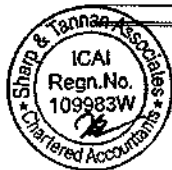
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023  
(All amounts in Indian Rupees in lakh unless stated otherwise)

**Note - 14**

Related party disclosures (continued)

(c) Transactions with related parties during the year

	Subsidiary companies		Key management personnel		Person exercising significant		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Expenses</b>								
<b>i. Compensation to Key Management Personnel</b>								
- Short term employee benefits								
- Mr. Divyesh B. Shah	-	-	89.33	39.24	-	-	89.33	79.24
			89.33	39.24	-	-	89.33	39.24
- Post employment benefits- gratuity								
- Mr. Divyesh B. Shah	-	-	-	(0.24)	-	-	-	(0.24)
- Other long-term employee benefits- compensated absences								
- Mr. Divyesh B. Shah	-	-	-	0.24	-	-	-	0.24
- Remuneration								
- Mr. Rajeev Lochan Agrawal	-	-	45.31	39.28	-	-	45.31	39.28
- Mr. Vikas Khosdelwal	-	-	-	-	-	-	-	-
- Mr. Lalit Sharma	-	-	3.85	15.38	-	-	3.85	15.38
- Mr. Ram Mehar Garg	-	-	2.91	-	-	-	2.91	-
			52.07	54.67	-	-	52.07	54.67
- Share based expenses								
- Mr. Divyesh B. Shah	-	-	-	0.42	-	-	-	0.42
- Mr. Gagan Banga	-	-	-	(220.10)	-	-	-	(220.10)
			-	(219.68)	-	-	-	(219.68)
- Sitting fees								
- Aishwarya Katoch	-	-	3.00	-	-	-	3.00	-
- Mr. Praveen Kumar Tripathi	-	-	2.00	5.00	-	-	2.00	5.00
- Swati Jain	-	-	3.00	-	-	-	3.00	-
- Mr. Narendra Jadhav	-	-	6.00	5.00	-	-	6.00	5.00
- Mrs. Foztry Mehn Jaswal	-	-	2.00	5.00	-	-	2.00	5.00
- Mr. Mohan Sawhney	-	-	2.00	2.00	-	-	2.00	2.00
- Mr. Vijay Chugh	-	-	2.00	5.00	-	-	2.00	5.00
- Mr. Rakesh Mohan Garg	-	-	3.00	5.00	-	-	3.00	5.00
			23.00	27.00	-	-	23.00	27.00



**Dhani Services Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023  
(All amounts in Indian Rupees in lakh unless stated otherwise)

**Finance**

**i. Inter corporate loans given**

(Maximum balance outstanding during the year)

- Indiabulls Distribution Services Limited	1,543.00	-	-	-	-	-	1,543.00	-
- Krathis Buildcon Limited	474.25	461.25	-	-	-	-	474.25	461.25
- Krathis Developers Limited	345.40	333.40	-	-	-	-	345.40	333.40
- Transerv Limited	22,250.00	19,450.00	-	-	-	-	22,250.00	19,450.00
- Pushpaaji Finsolutions Limited	-	-	-	-	-	-	-	-
- Dhani Stocks Limited	2,700.00	-	-	-	-	-	2,700.00	-
- Jwala Technology Systems Private Limited	188.70	172.70	-	-	-	-	188.70	172.70
- Euler Systems, Inc	827.86	758.10	-	-	-	-	827.86	758.10
- Dhani Healthcare Limited	1,06,038.00	1,38,723.00	-	-	-	-	1,06,038.00	1,38,723.00
- Sevren Medicare Limited	233.00	-	-	-	-	-	233.00	-
- Indiabulls Investment Advisors Limited	13.00	-	-	-	-	-	13.00	-
- Juventus Estate Limited	24,209.94	-	-	-	-	-	24,209.94	-
- Auxesia Soft Solutions Limited	587.50	-	-	-	-	-	587.50	-
- Gyansagar Buildtech Limited	719.00	-	-	-	-	-	719.00	-
	<u>1,60,133.65</u>	<u>1,59,898.45</u>	-	-	-	-	<u>1,60,133.65</u>	<u>1,59,898.45</u>
<b>ii. Call money received against right issue</b>								
- Mr. Sameer Gehlaut	-	-	-	10,161.64	-	-	-	10,161.64
	-	-	-	<u>10,161.64</u>	-	-	-	<u>10,161.64</u>





**Dhani Services Limited**

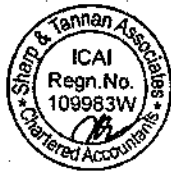
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023  
(All amounts in Indian Rupees in lakh unless stated otherwise)

**Note - 44**

**Related party disclosures (continued)**

**(c) Transactions with related parties during the year**

	Subsidiary companies		Key management personnel		Person exercising significant		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Investment</b>								
i. Investment in equity shares of subsidiary companies								
- Juventus Estate Limited	254.80	-	-	-	-	-	254.80	-
- Mabon Properties Limited	5.00	-	-	-	-	-	5.00	-
- Dhani Limited (UK)	-	7,655.89	-	-	-	-	-	7,655.89
	<u>259.80</u>	<u>7,655.89</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>259.80</u>	<u>7,655.89</u>
<b>Contingent Liability</b>								
ii. Corporate guarantees given on behalf of subsidiary companies								
- Dhani Loans and Services Ltd.	-	20,000.00	-	-	-	-	-	20,000.00
	<u>-</u>	<u>20,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000.00</u>
iii. Reduction of corporate guarantees on account of repayment of loan by subsidiary / guarantee released by bank *								
- Dhani Loans and Services Ltd.	-	57,545.28	-	-	-	-	-	57,545.28
	<u>-</u>	<u>57,545.28</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,545.28</u>



**Dhani Services Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
(All amounts in Indian Rupees in lakh unless stated otherwise)

**Note - 44**

**Related party disclosures (continued)**

	Subsidiary companies		Key management personnel		Person exercising significant		Total	
	As at	As at	As at	As at	As at	As at	As at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>(d) Balance outstanding as at 31 March 2023</b>								
<b>Inter-corporate loans given</b>								
Dhani Healthcare Limited	91,812.00	1,03,965.00	-	-	-	-	91,812.00	1,03,965.00
Kraftis Buildcon Ltd.	474.25	441.25	-	-	-	-	474.25	441.25
Kraftis Developers Ltd.	345.40	321.40	-	-	-	-	345.40	321.40
Transerv Ltd.	19,400.00	19,450.00	-	-	-	-	19,400.00	19,450.00
Jwala Technology Systems Private Limited	188.70	172.70	-	-	-	-	188.70	172.70
Juventus Estate Limited	24,209.94	-	-	-	-	-	24,209.94	-
Auxesia Soft Solutions Limited	587.50	-	-	-	-	-	587.50	-
Cyansagar Buildtech Limited	719.00	-	-	-	-	-	719.00	-
Savren Medicare Limited	233.00	-	-	-	-	-	233.00	-
Indiabulls Investment Advisors Limited	15.00	-	-	-	-	-	15.00	-
Euler Systems, Inc	419.62	758.10	-	-	-	-	419.62	758.10
	<b>1,38,404.41</b>	<b>1,25,108.45</b>					<b>1,38,404.41</b>	<b>1,25,108.45</b>
<b>Accrued Interest</b>								
Accrued Interest (Euler Systems, Inc)	31.79	38.88	-	-	-	-	31.79	38.88
<b>Margin from customers</b>								
- Mr Dnyesh B. Shah	-	-	-	463.72	-	-	-	463.72
<b>Corporate guarantees given on behalf of subsidiary companies</b>								
- Dhani Loans and Services Ltd.	-	73,014.72	-	-	-	-	-	73,014.72
	-	<b>73,014.72</b>	-	-	-	-	-	<b>73,014.72</b>



**Dhansi Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
*(All amounts in Indian Rupees in lakh unless stated otherwise)*

**Note - 45**  
**Financial instruments**

**A Financial assets and liabilities**

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at 31 March 2023	As at 31 March 2022
<b>Financial assets measured at fair value</b>			
Investments* measured at fair value through other comprehensive income	Note - 8	-	1,567.51
<b>Financial assets measured at amortised cost</b>			
Cash and cash equivalents	Note - 5	1,999.94	4,030.49
Bank balance other than cash and cash equivalents	Note - 6	2,034.68	2,067.81
Loans (including interest accrued)	Note - 7	1,38,436.20	1,25,147.33
Security deposits	Note - 9	300.00	300.00
Other financial assets	Note - 9	27.53	4.87
<b>Total</b>		<b>1,42,798.35</b>	<b>1,33,118.01</b>
<b>Financial liabilities measured at amortised cost</b>			
Trade payables	Note - 15	7.73	16.55
Other payables	Note - 16	200.22	324.03
Borrowings (other than debt securities)	Note - 17	56,100.00	52,500.00
Other financial liabilities	Note - 18	1,780.11	145.58
<b>Total</b>		<b>58,088.06</b>	<b>52,986.16</b>

\* Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

**B Fair values hierarchy**

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

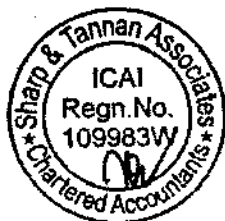
**B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements**

Particulars	Period	Level 1	Level 2	Level 3	Total
<b>Assets</b>					
<b>Investments at fair value through other comprehensive income</b>					
Quoted equity investment in BSE Limited	31 March 2023	-	-	-	-
	31 March 2022	1,567.51	-	-	1,567.51

**B.2 Fair value of instruments measured at amortised cost**

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	1,999.94	1,999.94	4,030.49	4,030.49
Bank balance other than cash and cash equivalents	2,034.68	2,034.68	2,067.81	2,067.81
Loans	1,38,436.20	1,38,436.20	1,25,147.33	1,25,147.33
Security deposits	300.00	300.00	300.00	300.00
Other financial assets	27.53	27.53	4.87	4.87
<b>Total</b>	<b>1,42,798.35</b>	<b>1,42,798.35</b>	<b>1,31,550.50</b>	<b>1,31,550.50</b>
<b>Financial liabilities</b>				
Trade payables	7.73	7.73	16.55	16.55
Other payables	200.22	200.22	324.03	324.03
Debt securities (including interest accrued)	-	-	-	-
Borrowings (other than debt securities) (including interest accrued)	56,100.00	56,100.00	52,500.00	52,500.00
Other financial liabilities	1,780.11	1,780.11	145.58	145.58
<b>Total</b>	<b>58,088.06</b>	<b>58,088.06</b>	<b>52,986.16</b>	<b>52,986.16</b>



**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
*(All amounts in Indian Rupees in lakh unless stated otherwise)*

**Note - 45**  
**Financial instruments (continued)**

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables, loans, trade payables, other payables and other financial liabilities approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

- (i) The fair values of the Company's fixed interest bearing security deposits, loan notes and escrow account are determined by applying discounted cash flows ("DCF") method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.
- (ii) The fair values of the Company's fixed rate interest-bearing debt securities and borrowings are determined by applying discounted cash flows ("DCF") method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities and borrowings carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

**Financial risk management**

**i) Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company's risk are managed by a treasury department under policies approved by the board of directors. The board of directors provides written principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	Ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, debt securities, trade payables, other payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities (whenever required)
Market risk - foreign exchange	Financial assets and liabilities not denominated in Indian rupee	Sensitivity analysis	Forward contract/hedging, if required
Market risk - interest rate	Variable rates borrowings and debt securities	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

**A) Credit risk**

Credit Risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**a) Credit risk management**

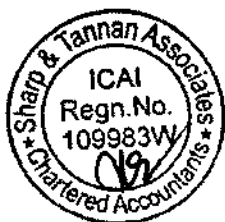
Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

The company provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, investments, trade receivables, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss
High credit risk	Trade receivables	Life time expected credit loss or fully provided for

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.



**Dhani Services Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023  
(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 45

Financial instruments (continued)

**Financial assets that expose the entity to credit risk\***

Particulars	As at 31 March 2023	As at 31 March 2022
(i) <b>Low credit risk</b>		
Cash and cash equivalents	1,999.94	4,030.49
Other bank balances	2,034.68	2,067.81
Loans	1,38,436.20	1,25,147.33
Investments	-	1,567.51
Security deposits	300.00	300.00
Other financial assets	27.53	4.87
(ii) <b>Moderate credit risk</b>		
Trade receivables	-	-

\* These represent gross carrying values of financial assets, without deduction for expected credit losses

**Cash and cash equivalents and bank deposits**

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

**Trade receivables**

Credit risk related to trade receivables is managed by continuously monitoring the recoverability of such amounts.

**Other financial assets measured at amortized cost**

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by continuously monitoring the recoverability of such amounts.

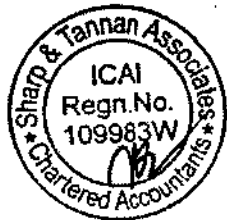
**b) Credit risk exposure**

**i) Expected credit losses for financial assets**

As at 31 March 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,999.94	-	1,999.94
Other bank balances	2,034.68	-	2,034.68
Loans	1,38,436.20	-	1,38,436.20
Investments	-	-	-
Security deposits	300.00	-	300.00
Other financial assets	27.53	-	27.53

As at 31 March 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	4,030.49	-	4,030.49
Other bank balances	2,067.81	-	2,067.81
Loans	1,25,147.33	-	1,25,147.33
Investments	1,567.51	-	1,567.51
Security deposits	300.00	-	300.00
Other financial assets	4.87	-	4.87



**Dhani Services Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023  
(All amounts in Indian Rupees in lakh unless stated otherwise)

**Note - 48**

**Financial instruments (continued)**

**Reconciliation of loss allowance provision from beginning to end of reporting period:**

Reconciliation of loss allowance	Trade receivables
Loss allowance on 1 April 2021	-
Impairment loss recognised during the year	-
Write - offs	-
Loss allowance on 31 March 2022	-
Impairment loss recognised during the year	-
Write - offs	-
Loss allowance on 31 March 2023	-

**c) Concentration of financial assets**

Loans and financial assets majorly represents loans to subsidiaries and deposits given for business purposes.

**B) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

**(i) Financing arrangements**

The Company had access to the following funding facilities:

As at 31 March 2023	Total facility	Drawn	Undrawn
- Expiring within one year	25,000.00	23,400.00	1,600.00
- Expiring beyond one year	40,000.00	32,700.00	7,300.00
<b>Total</b>	<b>65,000.00</b>	<b>56,100.00</b>	<b>8,900.00</b>

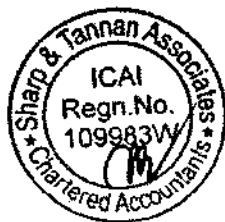
As at 31 March 2022	Total facility	Drawn	Undrawn
- Expiring within one year	-	-	-
- Expiring beyond one year	60,000.00	52,500.00	7,500.00
<b>Total</b>	<b>60,000.00</b>	<b>52,500.00</b>	<b>7,500.00</b>

**(ii) Maturities of financial assets and liabilities**

The tables below analyse the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2023	Less than 1 year	1-3 years	More than 3 years	Total
<b>Non-derivatives</b>				
Cash and cash equivalent	1,999.94	-	-	1,999.94
Other bank balances	2,034.68	-	-	2,034.68
Loans	1,38,436.20	-	-	1,38,436.20
Investments	-	-	4,88,302.54	4,88,302.54
Other financial assets	27.53	300.00	-	327.53
<b>Total undiscounted financial assets (A)</b>	<b>1,42,498.35</b>	<b>300.00</b>	<b>4,88,302.54</b>	<b>6,31,100.89</b>
<b>Non-derivatives</b>				
Debt Securities	-	-	-	-
Borrowings (other than debt securities)	23,400.00	-	32,700.00	56,100.00
Trade payables	7.73	-	-	7.73
Other payables	200.22	-	-	200.22
Other financial liabilities	1,780.11	-	-	1,780.11
<b>Total undiscounted financial liabilities (B)</b>	<b>25,388.06</b>	<b>-</b>	<b>32,700.00</b>	<b>58,088.06</b>
<b>Net undiscounted financial assets/(liabilities) (A) - (B)</b>	<b>1,17,110.29</b>	<b>300.00</b>	<b>4,55,602.54</b>	<b>5,73,012.83</b>



**Dhani Services Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
(All amounts in Indian Rupees in lakh unless stated otherwise)

**Note - 45**

**Financial instruments (continued)**

**(ii) Maturities of financial assets and liabilities (continued)**

As at 31 March 2022	Less than 1 year	1-3 years	More than 3 years	Total
<b>Non-derivatives</b>				
Cash and cash equivalent	4,030.49	-	-	4,030.49
Other bank balances	2,067.81	-	-	2,067.81
Loans	1,25,147.33	-	-	1,25,147.33
Investments	-	-	4,95,176.47	4,95,176.47
Other financial assets	4.87	300.00	-	304.87
<b>Total undiscounted financial assets (A)</b>	<b>1,31,250.50</b>	<b>300.00</b>	<b>4,95,176.47</b>	<b>6,26,726.97</b>
<b>Non-derivatives</b>				
Borrowings (other than debt securities)	17,500.00	35,000.00	-	52,500.00
Trade payables	16.55	-	-	16.55
Other payables	324.03	-	-	324.03
Other financial liabilities	145.58	-	-	145.58
<b>Total undiscounted financial liabilities (B)</b>	<b>17,986.16</b>	<b>35,000.00</b>	<b>-</b>	<b>52,986.16</b>
<b>Net undiscounted financial assets/(liabilities) (A) - (B)</b>	<b>1,13,264.34</b>	<b>(34,700.00)</b>	<b>4,95,176.47</b>	<b>5,73,740.81</b>

**C) Market risk**

**a) Foreign currency risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. To mitigate the Company's exposure to foreign currency risk, non-rupee cash flows are monitored and forward exchange contracts are entered into in accordance with the Company's risk management policies. The Company has not hedged its foreign currency receivables and payables.

**(i) Foreign currency risk exposure in USD:**

The Company exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows:

Particulars	As at	Foreign currency	Exchange rate	Amount in Foreign Currency	Amount
<b>Financial assets</b>					
Loans to foreign subsidiary company	31 March 2023	USD	82.22	5.10	419.62
Loans to foreign subsidiary company	31 March 2022	USD	75.91	10.50	796.97

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>USD sensitivity</b>		
INR/USD- increase by 6.03% (31 March 2022: 5.70%)*	25.30	45.43
INR/USD- decrease by 6.03% (31 March 2022: 5.70%)*	(25.30)	(45.43)

\* Holding all other variables constant



**Dhani Services Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023  
(All amounts in Indian Rupees in lakh unless stated otherwise)

Note - 45

Financial instruments (continued)

b) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2023, the Company is exposed to variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2023	As at 31 March 2022
Variable rate liabilities		
Borrowings (other than debt securities)	-	-
Fixed rate liabilities		
Debt securities	-	-
Borrowings (other than debt securities)	56,100.00	52,500.00
<b>Total</b>	<b>56,100.00</b>	<b>52,500.00</b>

Note - 45

Financial instruments (continued)

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest sensitivity*		
Interest rates – increase by 1%	-	-
Interest rates – decrease by 1%	-	-

\* Holding all other variables constant

ii) Assets

The Company's bank deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

i) Exposure

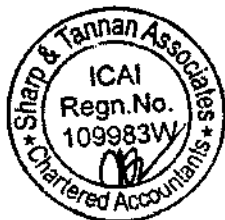
The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity:

Impact on other comprehensive income

Particulars	As at 31 March 2023	As at 31 March 2022
Quoted equity instruments		
Value per share – increase by Nil (31 March 2022: 26%)	-	407.55
Value per share – decrease by Nil (31 March 2022: 26%)	-	(407.55)





**Dhani Services Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

*(All amounts in Indian Rupees in lakh unless stated otherwise)*

**Note - 46**

**Capital management**

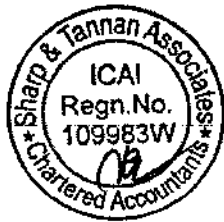
The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at	As at
	31 March 2023	31 March 2022
Net debt*	55,785.00	48,469.51
Total equity	5,76,879.75	5,80,320.85
Debt to equity ratio	0.10	0.08

\* Net debt includes debt securities + Borrowings (other than debt securities) + interest accrued-cash and cash equivalents



**Dhani Services Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
*(All amounts in Indian Rupees in lakh unless stated otherwise)*

**Note - 47**

**Accounting Ratios**

Particulars	As at 31 March 2023			As at 31 March 2022			Variance (%)*
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio	
Current Ratio [Current Assets / Current Liabilities]	6,738.62	2,531.52	2.66	8,127.69	845.97	9.96	(73.28)
Debt-Equity Ratio [Debt / Equity]	55,783.00	5,76,879.75	0.10	48,469.51	5,90,320.85	0.08	15.78
Debt Service Coverage Ratio [Net Profit + Depreciation + Interest on long term loans] / Total amount of interest & principal of long term loan payable or paid during the year]	7,977.57	5,440.53	1.47	2,067.07	4,528.91	0.46	221.27
Return on Equity Ratio [(PAT + exceptional items)/(Total op. Equity+Total cl. Equity)/2]	2,513.83	5,78,600.30	0.004	(2,471.46)	5,42,400.91	(0.005)	(195.35)
Inventory turnover ratio [Consumption / (op Inventory+cl. Inventory)/2]	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Trade Receivables turnover ratio [Sales / (op receivable+cl. Receivables) / 2]	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Trade payables turnover ratio [Consumption / (op payables+cl. Payables)]	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Net capital turnover ratio [Total Operational Revenue / Working Capital]	10,663.18	4,307.10	2.37	4,453.90	7,681.72	0.57	318.67
Net profit ratio [PAT before exceptional items/Revenue from Operation]	2,513.83	10,663.18	0.236	(2,471.46)	4,453.90	(0.555)	(142.49)
Return on Capital employed [PBT before exceptional items/Total capital employed (NW-DTA+debt+DTL)]	10,923.03	6,31,387.30	0.017	2,744.16	6,28,387.18	0.004	296.16
Return on Investment [ROI-Income received on Investment/ Investment outside the group]	-	-	-	11.62	1,567.51	0.01	(100.00)

**\*Reason for variance over 25%**

**Current Ratio:** This is mainly decrease due to decrease in cash and cash equivalents and increase in interest on loan liability accrued but not due in current financial year.

**Debt Service Coverage Ratio:** This is increased due to increase in profit during the current financial year.

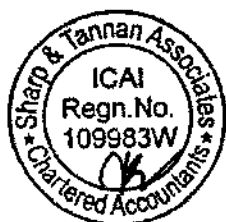
**Return on Equity Ratio:** This is due to increase in profit in comparison to last financial year.

**Net Capital Turnover Ratio:** This is due to increase in operational revenue with reduced working capital.

**Net Profit Ratio:** This is due to increase in profit in current financial year.

**Return on Capital employed:** This is due to increase in profit in current financial year with reduced capital employed.

**Return on Investment:** This is due to no income on investment in current financial year.



**Dhani Services Limited**

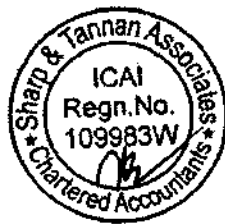
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023  
(All amounts in Indian Rupees in lakh unless stated otherwise)

**Note - 48**

**Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	As at 31 March 2023		As at 31 March 2022	
	Within 12 months	After 12 months	Within 12 months	After 12 months
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	1,999.94	-	4,030.49	-
Other bank balances	2,034.68	-	2,067.81	-
Loans	1,38,436.20	-	1,25,147.33	-
Investments	-	4,88,302.54	-	4,95,176.47
Other financial assets	27.53	300.00	4.87	300.00
	<b>1,42,498.35</b>	<b>4,88,602.54</b>	<b>1,31,250.50</b>	<b>4,95,476.47</b>
<b>Non-financial assets</b>				
Current tax assets (net)	-	2,676.47	-	2,324.52
Deferred tax assets (net)	-	1,592.45	-	4,433.67
Property, plant and equipment	-	48.17	-	71.73
Other intangible assets	-	4.86	-	8.61
Other non-financial assets	88.43	-	101.32	-
	<b>88.43</b>	<b>4,321.95</b>	<b>101.32</b>	<b>6,838.53</b>
<b>TOTAL ASSETS</b>	<b>1,42,586.78</b>	<b>4,92,924.49</b>	<b>1,31,351.82</b>	<b>5,02,315.00</b>
<b>LIABILITIES</b>				
<b>Financial liabilities</b>				
<b>Payables</b>				
<b>Trade payables</b>				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7.73	-	16.55	-
<b>Other payables</b>				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	200.22	-	324.03	-
Borrowings (other than debt securities)	23,400.00	32,700.00	17,500.00	35,000.00
Other financial liabilities	1,780.11	-	143.58	-
	<b>25,388.06</b>	<b>32,700.00</b>	<b>17,986.16</b>	<b>35,000.00</b>
<b>Non-financial liabilities</b>				
Current tax liabilities (net)	174.15	-	11.14	-
Provisions	1.77	92.41	1.51	82.10
Other non-financial liabilities	342.27	36.72	228.34	36.72
	<b>518.19</b>	<b>129.13</b>	<b>240.99</b>	<b>118.82</b>
<b>TOTAL LIABILITIES</b>	<b>35,906.25</b>	<b>32,829.13</b>	<b>18,227.15</b>	<b>35,118.82</b>
<b>Net</b>	<b>1,16,680.53</b>	<b>4,60,095.36</b>	<b>1,13,124.67</b>	<b>4,67,196.18</b>



**Dhani Services Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

(All amounts in Indian Rupees in lakh unless stated otherwise)

**Note - 49**

**Benami Property**

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

**Note - 50**

**Guarantee, security or the like on behalf of the Ultimate Beneficiaries**

(i) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The Company has not received any fund from any person(s) or entity (is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Note - 51**

Disclosure as per Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186(4) of the Act.

**(i) Loans and advances in the nature of loans given to subsidiaries:**

Name of the Subsidiaries	Maximum balance outstanding during the year		Balance outstanding as at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Indiabulls Distribution Services Limited	1,343.00	-	-	-
Dhani Stocks Limited	2,700.00	-	-	-
Indiabulls Investment Advisors Limited	15.00	-	15.00	-
Krathus Buildcon Limited	474.25	461.25	474.25	441.25
Krathis Developers Limited	345.40	333.40	345.40	321.40
Transerv Limited	22,250.00	19,450.00	19,400.00	19,450.00
Sevren Medicare Limited	233.00	-	233.00	-
Dhani Healthcare Limited (formerly Pushpanji Fincon Limited)	1,06,038.00	1,38,723.00	91,812.00	1,03,965.00
Jwala Technology Systems Private Limited	188.70	172.70	188.70	172.70
Euler Systems, Inc	827.86	758.10	451.41	796.96
Juventus Estate Limited	24,209.94	-	24,209.94	-
Auxesia Soft Solutions Limited	587.50	-	587.50	-
Gyansagar Buildtech Limited	719.00	-	719.00	-

All above loans have been given for business purpose.

**(ii) Guarantees given on behalf of subsidiaries:**

Name of the Subsidiary	Guarantees given during the year		Balance outstanding as at *	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Dhani Loans and Services Limited	-	20,000.00	-	73,014.72

\* Closing balance is net of repayment of loans made by subsidiary companies

**(iii) Investments in subsidiaries:**

Details of investments made are given in note - 8

**Note - 52**

The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.



**Dhani Services Limited**  
**(Formerly known as Indiabulls Ventures Limited)**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
*(All amounts in Indian Rupees in lakh unless stated otherwise)*

**Note - 53**

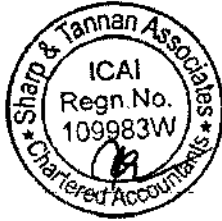
Previous year's figures have been regrouped / reclassified and rearranged wherever necessary to correspond with the current year's classification/ disclosure.

For Sharp & Tannan Associates  
Chartered Accountants  
Firm Registration No. 109983W




Anuraj Khot  
Partner  
Membership No.: (F) 037457


Place: Pune  
Date: 26 May 2023



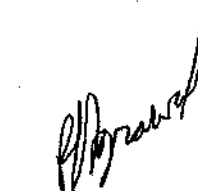
For and on behalf of the Board of Directors



Divyesh B. Shah  
Whole Time Director & CEO  
DIN: 00010933  
Place: Mumbai  
Date: 26 May 2023



Amit Ajit Gandhi  
Director  
DIN: 07606699  
Place: Mumbai  
Date: 26 May 2023



Rajeev Lochan Agrawal  
Chief Financial Officer  
Place: Gurugram  
Date: 26 May 2023



Ram Mehar Garg  
Company Secretary  
Place: Gurugram  
Date: 26 May 2023



The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

Name of the Company: Auxesia Soft Solutions Limited

(Rs. in Crores)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2022-23	2021-22	2020-21
Equity Paid up Capital	0.05	0.05	0.05
Reserves and surplus	-5.97	-5.51	-5.08
Carry forward losses			
Net Worth	-5.92	-5.46	-5.03
Miscellaneous Expenditure			
Secured Loans			
Unsecured Loans	5.88	5.42	5.01
Fixed Assets	-	-	-
Income from Operations	-	-	-
Total Income	-	-	-
Total Expenditure	0.46	0.42	0.42
Profit before Tax	-0.46	-0.42	-0.42
Profit after Tax	-0.46	-0.42	-0.42
Cash profit	-0.46	-0.42	-0.42
EPS	(91.61)	(84.60)	(84.52)
Book value	(1183.13)	(1091.52)	(1006.92)

For Auxesia Soft Solutions Limited

*Deepak*

Deepak Chadda  
Authorized Signatory



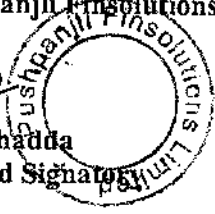
The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

Name of the Company: Pushpanjli Finsolutions Limited

(Rs. in Crores)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2022-23	2021-22	2020-21
Equity Paid up Capital	6.01	6.01	6.01
Reserves and surplus	8.71	7.78	2.59
Carry forward losses			
Net Worth	14.72	13.79	8.60
Miscellaneous Expenditure			
Secured Loans			
Unsecured Loans	-	-	-
Fixed Assets	-	-	-
Income from Operations	-	-	-
Total Income	1.27	0.85	72.73
Total Expenditure	0.03	0.10	45.46
Profit before Tax	1.24	0.75	27.27
Profit after Tax	0.93	5.20	20.36
Cash profit	0.93	5.20	20.36
EPS	1.54	8.65	33.87
Book value	24.50	22.95	14.30

For Pushpanjli Finsolutions Limited

*Deepak*  
  
 Deepak Chadda  
 Authorized Signatory

The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

Name of the Company: **Gyansagar Buildtech Limited**

(Rs. in Crores)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2022-23	2021-22	2020-21
Equity Paid up Capital	0.11	0.11	0.11
Reserves and surplus	-3.27	-2.95	-2.47
Carry forward losses			
Net Worth	-3.16	-2.84	-2.36
Miscellaneous Expenditure			
Secured Loans			
Unsecured Loans	7.19	6.67	4.92
Fixed Assets	-	-	-
Income from Operations	-	-	-
Total Income	0.24	-	-
Total Expenditure	0.56	0.48	0.41
Profit before Tax	-0.32	-0.48	-0.41
Profit after Tax	-0.32	-0.48	-0.41
Cash profit	-0.32	-0.48	-0.41
EPS	(29.28)	(43.32)	(37.19)
Book value	(287.15)	(257.88)	(214.55)

For Gyansagar Buildtech Limited

Deepak Chandra  
Authorized Signatory



The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

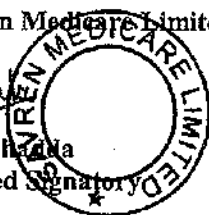
Name of the Company: Savren Medicare Limited

(Rs. in Crores)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2022-23	2021-22	2020-21
Equity Paid up Capital	0.05	0.05	0.05
Reserves and surplus	-1.95	-0.88	-0.01
Carry forward losses			
Net Worth	-1.90	-0.83	0.04
Miscellaneous Expenditure			
Secured Loans	-	-	-
Unsecured Loans	2.33	1.46	-
Fixed Assets	-	-	-
Income from Operations	-	-	-
Total Income	16.30	0.01	0.01
Total Expenditure	1.22	0.91	0.01
Profit before Tax	-1.06	-0.90	-0.01
Profit after Tax	-1.06	-0.87	-0.01
Cash profit	-0.45	-0.42	-0.01
EPS	(212.91)	(175.13)	(0.61)
Book value	(379.15)	(166.24)	8.89

For Savren Medicare Limited

*Deepak Choudha*  
 Deepak Choudha  
 Authorized Signatory



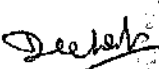
The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

Name of the Company: **Mabon Properties Limited**

(Rs. in lakhs)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2022-23	2021-22	2020-21
Equity Paid up Capital	5.00	5.00	5.00
Reserves and surplus	60.51	60.19	60.14
Carry forward losses			
Net Worth	(55.51)	(55.19)	(55.14)
Miscellaneous Expenditure			
Secured Loans			
Unsecured Loans	208.30	208.30	208.20
Fixed Assets	-	-	-
Income from Operations	-	-	-
Total Income	-	-	-
Total Expenditure	0.31	0.06	0.07
Profit before Tax	(0.31)	(0.06)	(0.07)
Profit after Tax	(0.31)	(0.06)	(0.07)
Cash profit	(0.31)	(0.06)	(0.07)
EPS	(0.61)	(0.12)	(0.14)
Book value	(111.01)	(110.40)	(110.28)

For Mabon Properties Limited

  
Deepak Chadda  
Authorized Signatory



The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

Name of the Company: Evinos Developers Limited

(Rs. in Lakhs)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2022-23	2021-22	2020-21
Equity Paid up Capital	5.00	5.00	5.00
Reserves and surplus	-2.12	-1.51	-0.86
Carry forward losses			
Net Worth	2.88	3.49	4.14
Miscellaneous Expenditure			
Secured Loans	-	-	-
Unsecured Loans	-	-	-
Fixed Assets	-	-	-
Income from Operations	-	-	-
Total Income	-	-	-
Total Expenditure	0.61	0.65	0.51
Profit before Tax	-0.61	-0.65	-0.51
Profit after Tax	-0.61	-0.65	-0.51
Cash profit	-0.61	-0.65	-0.51
EPS	-1.22	-1.29	-1.03
Book value	5.76	6.98	8.27

For Evinos Developers Limited

*Deepak*  
Deepak Chadda  
Authorized Signatory



The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

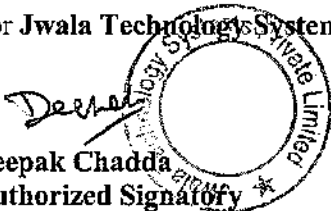
Name of the Company: Jwala Technology Systems Private Limited

(Rs. in Lakhs)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2022-23	2021-22	2020-21
Equity Paid up Capital	1.00	1.00	1.00
Reserves and surplus	-136.12	-118.71	-80.65
Carry forward losses			
Net Worth	-135.12	-117.71	-79.65
Miscellaneous Expenditure			
Secured Loans	-	-	-
Unsecured Loans	-	-	-
Fixed Assets	-	-	-
Income from Operations	2.12	11.23	274.49
Total Income	2.12	11.23	274.49
Total Expenditure	19.24	17.45	259.24
Profit before Tax	-17.12	-6.22	15.25
Profit after Tax	-17.41	-38.06	8.80
Cash profit	-18.34	-15.79	-11.27
EPS	-174.10	-380.63	87.98
Book value	(1351.19)	(1177.09)	(796.46)

For Jwala Technology Systems Private Limited

Deepak Chadda  
Authorized Signatory



The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

Name of the Company: Milky Way Buildcon Limited

(Rs. in lakhs)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2022-23	2021-22	2020-21
Equity Paid up Capital	5.00	5.00	5.00
Reserves and surplus	7.61	(2.10)	(2.04)
Carry forward losses			
Net Worth	12.61	2.90	2.96
Miscellaneous Expenditure			
Secured Loans			
Unsecured Loans	-	13.10	13.00
Fixed Assets	-	-	-
Income from Operations	-	-	-
Total Income	13.17	-	-
Total Expenditure	0.47	0.06	0.15
Profit before Tax	12.70	(0.06)	-0.15
Profit after Tax	9.71	(0.06)	-0.15
Cash profit	12.70	(0.06)	-0.15
EPS	19.42	(0.12)	(0.30)
Book value	25.23	5.81	5.92

For Milky Way Buildcon Limited

Deepak Chadda  
Authorized Signatory\*





The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

Name of the Company: **Indiabulls Infra Resources Limited**

(Rs. in Crores)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2022-23	2021-22	2020-21
Equity Paid up Capital	3.00	3.00	3.00
Reserves and surplus	1.17	0.94	0.73
Carry forward losses			
Net Worth	4.17	3.94	3.73
Miscellaneous Expenditure			
Secured Loans			
Unsecured Loans	-	-	-
Fixed Assets	-	-	-
Income from Operations	-	-	-
Total Income	0.33	0.31	0.32
Total Expenditure	0.02	0.02	0.06
Profit before Tax	0.31	0.28	0.25
Profit after Tax	0.23	0.21	0.19
Cash profit	0.23	0.21	0.19
EPS	0.77	0.70	0.63
Book value	13.91	13.14	12.44

For Indiabulls Infra Resources Limited

  
  
 Deepak Chadda  
 Authorized Signatory

The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

Name of the Company: **Indiabulls Consumer Products Limited**

(Rs. in Lakhs)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2022-23	2021-22	2020-21
Equity Paid up Capital	5.00	5.00	5.00
Reserves and surplus	-4.68	-1.68	-1.22
Carry forward losses			
Net Worth	0.32	3.32	3.78
Miscellaneous Expenditure			
Secured Loans	-	-	-
Unsecured Loans	-	-	-
Fixed Assets	-	-	-
Income from Operations	0.58	0.32	1.72
Total Income	0.58	0.32	1.72
Total Expenditure	3.51	0.78	9.76
Profit before Tax	-2.93	-0.46	-8.04
Profit after Tax	-3.00	-0.46	-8.33
Cash profit	-3.00	-0.46	-9.53
EPS	-5.99	-0.92	-16.67
Book value	0.64	6.63	7.55

For Indiabulls Consumer Products Limited

Deepak Chadda  
Authorized Signatory



The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

Name of the Company: **Devata Tradelink Limited**

(Rs. in Crores)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2022-23	2021-22	2020-21
Equity Paid up Capital	0.05	0.05	0.05
Reserves and surplus	-180.95	-180.98	-180.99
Carry forward losses			
Net Worth	-180.90	-180.93	-180.94
Miscellaneous Expenditure			
Secured Loans			
Unsecured Loans	180.93	180.93	180.93
Fixed Assets	-	-	-
Income from Operations	-	-	-
Total Income	0.03	0.02	0.04
Total Expenditure	0.01	0.01	0.01
Profit before Tax	0.03	0.01	0.04
Profit after Tax	0.03	0.01	0.04
Cash profit	0.03	0.03	0.03
EPS	5.06	2.11	6.70
Book value	(36,180.62)	(36,185.68)	(36,187.78)

For Devata Tradelink Limited

Deepak Chaudhary  
Authorized Signatory





The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

Name of the Company: **Juventus Estate Limited**

(Rs. in lakhs)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2022-23	2021-22	2020-21
Equity Paid up Capital	9.80	9.80	9.80
Reserves and surplus	(1313.42)	9,360.10	9,746.02
Carry forward losses			
Net Worth	(1,303.62)	9,369.90	9,755.82
Miscellaneous Expenditure			
Secured Loans			
Unsecured Loans	24,209.94	32,329.45	30,666.83
Fixed Assets	25.53	57.50	83.21
Income from Operations	-	-	-
Total Income	601.19	109.04	1,731.35
Total Expenditure	22,273.72	493.43	321.07
Profit before Tax	(21,672.53)	(384.39)	1,410.28
Profit after Tax	(21,673.52)	(384.39)	1,409.08
Cash profit	266.42	(358.87)	1,438.50
EPS	(22,170.04)	(392.08)	1,438.47
Book value	(1329.70)	9557.32	9,950.96

For Juventus Estate Limited

  
 Deepak Chadda  
 Authorized Signatory



Financial details of the Demerged Company for the previous 3 years as per the audited statement of Accounts:

Name of the Company: India Land Hotels Mumbai Private Limited

(Rs. in Crores)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2022-23	2021-22	2020-21
Equity Paid up Capital	0.25	0.25	0.25
Reserves and surplus	8.36	6.52	6.03
Carry forward losses	-	-	-
Net Worth	8.61	6.77	6.28
Miscellaneous Expenditure	-	-	-
Secured Loans	-	-	-
Unsecured Loans	-	-	-
Fixed Assets	1.55	1.60	1.60
Income from Operations	-	-	-
Total Income	2.60	1.74	1.75
Total Expenditure	0.23	0.93	0.46
Profit before Tax	2.37	0.81	1.29
Profit after Tax	1.84	0.50	0.98
Cash profit	1.50	0.49	1.00
EPS	72.69	19.65	38.92
Book value (Note 1)	340.53	267.85	248.21

Note 1: Book value is computed by dividing net worth by number of equity shares outstanding.





## Indiabulls General Insurance Limited

Annexure IV

The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

Name of the Company: **Indiabulls General Insurance Limited**

(Rs. in Thousands)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2022-23	2021-22	2020-21
Equity Paid up Capital	10,00,999.98	10,00,999.98	10,00,999.98
Reserves and surplus	4,89,581.02	4,89,581.02	4,89,581.02
Carry forward losses	(6,35,950.02)	3,19,594.20	2,30,363.51
Net Worth	8,54,630.98	18,10,175.20	17,20,944.51
Miscellaneous Expenditure	-	-	-
Secured Loans	-	-	-
Unsecured Loans	-	-	-
Fixed Assets	-	-	243.29
Income from Operations	-	-	-
Total Income	64,289.82	1,39,318.22	1,36,529.32
Total Expenditure	10,09,509.43	8,530.48	3,037.02
Profit/(Loss) before Tax	(9,45,219.61)	1,30,787.74	1,33,432.30
Profit/(Loss) after Tax	(9,14,244.22)	90,110.69	99,090.61
Cash profit	Nil	90,110.69	99,090.61
EPS	(9.13)	0.90	0.99
Book value	8.54	18.08	17.19


**Akhil Malhotra**

Director

DIN: 09784585

### Indiabulls General Insurance Limited

CIN : U66000DL2018PLC328939

Registered Office : 1/1E, First Floor, East Patel Nagar, New Delhi-110008

# Indiabulls Life Insurance Company Limited


## Annexure IV

The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

Name of the Company: **Indiabulls Life Insurance Company Limited**

(Rs. in Thousands)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2022-23	2021-22	2020-21
Equity Paid up Capital	15,00,000.00	15,00,000.00	15,00,000.00
Reserves and surplus	15,95,500.00	23,57,764.80	21,79,754.94
Carry forward losses	(14,84,561.04)	-	-
Net Worth	16,10,938.96	38,57,764.80	36,79,754.94
Miscellaneous Expenditure	-	-	-
Secured Loans	-	-	-
Unsecured Loans	-	-	-
Fixed Assets	-	-	305.82
Income from Operations	-	-	-
Total Income	1,52,647.65	2,99,199.26	3,42,442.10
Total Expenditure	24,67,890.19	21,797.08	82,494.37
Profit / Loss before Tax	(23,15,242.54)	2,77,402.18	2,59,947.73
Profit/Loss after Tax	(22,46,825.84)	1,78,009.86	2,09,426.94
Cash profit	Nil	2,88,593.20	2,09,426.94
EPS	(14.98)	1.19	1.40
Book value	10.74	25.72	24.53



**Akhil Malhotra**

Chief Financial Officer

## Indiabulls Life Insurance Company Limited

CTIN : U66000DL2007PLC171001

Registered Office : 1/1E, First Floor, East Patel Nagar, New Delhi-110008

# Indiabulls Pharmacare Limited

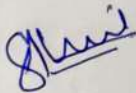
## Annexure IV

The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

Name of the Company: **Indiabulls Pharmacare Limited**

(Rs. in Lakh)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2022-23	2021-22	2020-21
Equity Paid up Capital	5.00	5.00	5.00
Reserves and surplus	32,453.67	4,853.67	4,823.56
Carry forward losses	(31,140.10)	(32,848.46)	(25,372.04)
Net Worth	1,318.57	(27,989.79)	(20,543.48)
Miscellaneous Expenditure	-	-	-
Secured Loans	-	-	-
Unsecured Loans	-	23,130.00	17,455.00
Fixed Assets	9.42	389.85	190.79
Income from Operations	4,669.01	7,303.17	5,256.86
Total Income	5,249.91	7,518.96	5,292.83
Total Expenditure	3,622.19	15,013.66	14,119.21
Profit/(Loss) before Tax	1,689.88	(7,476.42)	(8,826.38)
Profit/(Loss) after Tax	1,708.36	(7,457.87)	(8,826.38)
Cash profit	1,753.49	Nil	Nil
EPS	3,416.72	(14,934.29)	(17,652.76)
Book value	2,637.14	(55,979.58)	(41,086.96)



**Akhil Malhotra**

Director

DIN: 09784585

**Indiabulls Pharmacare Limited**  
CIN: U46909HR2019PLC077935

Registered Office: Plot No. 108, Udyog Vihar, Phase-I, Gurugram - 122016, Haryana



# Yaari Digital Integrated Services Limited

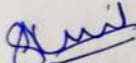
## Annexure IV

The financial details and capital evolution of the transferee/resulting and transferor/demerged companies for the previous 3 years as per the audited statement of Accounts:

Name of the Company: **Yaari Digital Integrated Services Limited**

(Rs. in Crores)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2022-23	2021-22	2020-21
Equity Paid up Capital	19.74	19.74	19.74
Reserves and surplus	664.31	651.82	25.05
Carry forward losses	(689.26)	(1070.11)	(266.82)
Net Worth	(5.21)	(398.55)	(222.03)
Miscellaneous Expenditure	-	-	-
Secured Loans	-	-	-
Unsecured Loans	464.26	1047.64	728.65
Fixed Assets	0.75	5.76	2.17
Income from Operations	0.11	0.70	0.00
Total Income	529.69	20.79	6.38
Total Expenditure	116.92	190.94	123.88
Profit/(Loss) before Tax	412.77	(170.15)	(117.50)
Profit/(Loss) after Tax	412.99	(170.15)	(117.50)
Cash profit	Nil	Nil	Nil
EPS	41.12	(16.94)	(11.70)
Book value	(0.53)	(40.39)	(22.50)

  
Akhil Malhotra

Chief Financial Officer

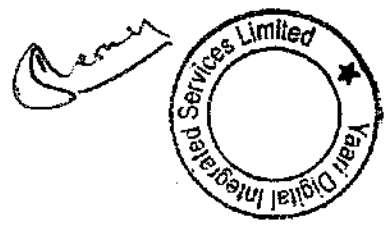
**YAARI DIGITAL INTEGRATED SERVICES LIMITED**

CIN :L51101HR2007PLC077999

Registered Office: Plot No. 108, Udyog Vihar, Phase-1, Gurugram - 122016, Haryana



**Indiabulls**  
INTEGRATED SERVICES  
(Now known as Yarsi Digital)



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## Forward-looking statement

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

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



# Company Information

## Board of Directors

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

## Company Secretary

Ms. Priya Jain

## Chief Financial Officer

Mr. Saurabh Garg

## Statutory Auditors

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

## Internal Auditors

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

## Secretarial Auditors

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

## Registrar and Transfer Agent

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

## Registered Office

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

## Corporate Office

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

## Bankers

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

Dear Shareholders,

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

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

## FINANCIAL HIGHLIGHTS

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

(Amount in ₹ crores)

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

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

## BUSINESS OVERVIEW

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

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

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

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

## Board's Report (contd.)

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

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

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

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

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

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

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

### **DIVIDEND**

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

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

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

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

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

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

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

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

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

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

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

### **PUBLIC DEPOSITS**

During the year under review, the Company has not accepted any deposits from the public, falling within the ambit of Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, therefore, the disclosures required in terms of Rule 8 of the Companies (Accounts) Rules, 2014, are not required to be given.

### **LISTING WITH STOCK EXCHANGES**

The Equity Shares (ISIN: INE126M01010) of the Company, continue to remain listed at BSE Limited and National Stock Exchange of India Limited. The listing fees payable to both the exchanges for the financial year 2020-21 have been paid.

### **AUDITORS**

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

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

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

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

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

### **CORPORATE SOCIAL RESPONSIBILITY**

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects as per its CSR Policy (available on Company's website at web-link: <https://www.indiabullsinintegratedservices.com/pdf/CSR%20Policy.pdf> and the details are contained in the Annual Report on CSR Activities given in Annexure 3, forming part of this Report. These projects are in accordance with Schedule VII of the Companies Act, 2013, read with the relevant rules.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Regulation 34 of the SEBI LODR, Management Discussion and Analysis Report, for the year under review, is presented in a separate section forming part of this Annual Report.

### **CORPORATE GOVERNANCE REPORT**

Pursuant to Regulation 34 of SEBI LODR, a separate section on Corporate Governance Practices followed by the Company, together with a certificate from a Practicing Company Secretary confirming compliance, is presented in a separate section forming part of this Annual Report.

### **BUSINESS RESPONSIBILITY REPORT**

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

## Board's Report (contd.)

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, as at March 31, 2020 and the profit and loss of the Company for the year ended on that date;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual financial statements have been prepared on a going concern basis;
- (e) that proper internal financial controls are in place and that such financial controls are adequate and are operating effectively; and
- (f) that systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.

### EXTRACT OF ANNUAL RETURN

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

### BOARD MEETINGS

During the FY 2019-20, 4 (Four) Board Meetings were convened and held. The details of such meetings are given in Corporate Governance Report forming part of this Annual Report. The intervening gap between these meetings was within the period prescribed under the Companies Act, 2013. The notice and agenda including all material information and minimum information required to be made available to the Board under Regulation 17 read with Schedule II Part A of the SEBI LODR were circulated to all directors, well within the prescribed time, before the meeting or placed at the meeting with the consent of majority of Directors (including one Independent Director). During the year, separate meeting of the Independent Directors was held on February 14, 2020, without the presence of Non-Independent Directors and the members of the Company Management.

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

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

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

### REMUNERATION POLICY

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

### LOANS, GUARANTEES OR INVESTMENTS

During the FY 2019-20, in terms of the provisions of Section 186(1) of the Companies Act, 2013, the Company did not make any investments through more than two layers of investment companies. The Company's investment/loans/guarantees during FY 2019-20 were in compliance with the provisions of Section 186 of the Companies Act, 2013, particulars of which are captured in financial statements of the Company, forming part of this Annual Report.

### RELATED PARTY TRANSACTIONS

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

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.indiabullsinintegratedservices.com/pdf/Policy%20for%20Dealing%20with%20Related%20Party%20Transactions.pdf>

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

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

#### **MATERIAL CHANGES AND COMMITMENTS**

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

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

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

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

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

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

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

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

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

The Company has implemented / shall implement best of the class applications to manage and automate its business processes to achieve higher efficiency, data integrity and data security. It has helped it in implementing best business practices and shorter time to market new schemes, products and customer services. The Company's investment in technology has improved customer services, reduced operational costs and development of new business opportunities.

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

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

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

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



## Board's Report (contd.)

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

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

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

### C. Foreign Exchange Earnings and Outgo

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

### BUSINESS RISK MANAGEMENT

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

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

### PARTICULARS OF EMPLOYEES

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

### FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

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

### SUBSIDIARY COMPANIES

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

For the performance and financial position of each of the subsidiaries of the Company, along with other related information required pursuant to Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014, the Members are requested to refer to the Financial Statements of the Company. Further pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are also available on the website of the Company. Shareholders may write to the Company for the annual financial statements and detailed information on subsidiary companies. Further, the documents shall also be available for inspection by the shareholders at the registered office of the Company.

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

During the FY 2019-20, none of the companies became or ceased to be the subsidiaries or associate of the Company.

### COMMITTEES OF THE BOARD

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

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

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

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

### SECRETARIAL STANDARDS

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

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

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

### UTILIZATION OF PROCEEDS OF PREFERENTIAL ISSUE

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

### APPLICABILITY OF MAINTENANCE OF COST RECORDS

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

### VIGIL MECHANISM

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

### GREEN INITIATIVES

In terms of General Circular No. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 22/2020 dated 15th June, 2020, issued by Ministry of Corporate Affairs, and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, issued by SEBI ("Circulars"), Electronic copies of the Annual Report 2019-20 and Notice of the 13th AGM are being sent to all the members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses are requested to follow procedure specified in the AGM Notice, to receive soft copies of the Annual Report 2019-20 and Notice of the 13th AGM through e-mail.

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice of the 13th AGM. This is pursuant to section 108 of the Companies Act, 2013, read with applicable Rules and in accordance with the SEBI LODR Regulations. The instructions for e-voting are provided in the AGM Notice. Additionally, Insta-poll facility will also be provided to Members at AGM by KFinTech, to enable casting of vote by such members who have not utilized e-voting mechanism.

### ACKNOWLEDGEMENT

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

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

Date: October 16, 2020  
Place : Gurugram

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

**Ajit Kumar Mittal**  
Director  
DIN: 02698115



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

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

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

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

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

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

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

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

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

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

It is further reported that:

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

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

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

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

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

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

**For Neha S & Associates  
Company Secretaries**

**Neha Sharma**  
Proprietor

Membership No: 44741

CP No.:16522

UDIN: A044741B000622296

Date: 27.08.2020

Place: New Delhi

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

## Board's Report (contd.)

### 'Annexure A'

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

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

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

**For Neha S & Associates**  
**Company Secretaries**

Date: 27.08.2020  
Place: New Delhi

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

## ANNEXURE- 1(ii)

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

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

- (a) all the documents and records made available to us and explanation provided by Indiabulls Integrated Services Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2020 ("Review Period") in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

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

and circulars/ guidelines issued thereunder;

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

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

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

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

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

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

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

For **Neha S & Associates**  
Company Secretaries

**Neha Sharma**  
Proprietor

M.No.: A44741

CP No.: 16522

UDIN: A044741B000482453

Place: New Delhi  
Date: July 21, 2020

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

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

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

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

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

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

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

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

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

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

It is further reported that:

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

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

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

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

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

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

For **Neha S & Associates**  
Company Secretaries

**Neha Sharma**  
Proprietor  
M.No.: A44741  
CP No.: 16522

UDIN: A044741B000622331

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.

## Board's Report (contd.)

### 'Annexure A'

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

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

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

**For Neha S & Associates**  
**Company Secretaries**

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

Date: 27.08.2020  
Place: New Delhi

## ANNEXURE 3

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

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

2. Composition of the CSR Committee.

Mr. Shamsher Singh Ahlawat, Chairman (Independent Director)

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

Mr. Manvinder Singh Walia, Member (Executive Director)

3. Average Net Profit of the Company for last three financial years: ₹ 1141.57 lakhs  
 4. Prescribed CSR expenditure (two percent of the amount as in item 3 above): ₹ 22.90 lakhs  
 5. Details of CSR expenditure for the financial year 2019-20:

(a) Total amount spent for the financial year: ₹ 22.90 lakhs

(b) Amount unspent, if any: Nil

(c) 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 project or activity identified	Sector in which the project is covered	Projects or Programs		Amount outlay (budget) projects or programme wise	Amount spent on projects or programs Sub Heads:		Cumulative expenditure up to 31st March, 2020	Amount spent directly or through implementing agency
			District	State		Direct Exp. on Project or programme wise	Over heads		
1	Medical Aid to Poor	Health	Pan India	Pan India	22,90,000		-	-	Implementing Agency (Indiabulls Foundation)
	<b>TOTAL</b>				<b>22,90,000</b>	-	-	-	

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 to ₹ 22.90 lakhs 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 were environmental friendly and in compliance with the applicable laws, CSR objectives and Policy of the Company.

For Indiabulls Integrated Services Limited

Date: October 16, 2020  
 Place: Gurugram

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

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

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



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

**I REGISTRATION & OTHER DETAILS**

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

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

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

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

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

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

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

## Board's Report (contd.)

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

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

\*Acting as PACs with the Promoters.

<sup>^</sup>rounded off upto two decimals.

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

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

\*No change in shareholding

**(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)<sup>^</sup>**

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 <sup>#</sup>	82,53,187	9.24	82,53,187	9.24
2.	TIMF Holdings <sup>#</sup>	31,47,424	3.52	31,47,424	3.52
3.	UNO Metals Ltd <sup>5</sup>	3,53,260	0.40	26,40,000	2.96
4.	ABG Capital <sup>#</sup>	29,39,090	3.29	25,57,748	2.86
5.	Shubhi Consultancy Services LLP <sup>5</sup>	0	0.00	14,42,415	1.61
6.	Chartered Finance & Leasing Limited <sup>#</sup>	7,63,872	0.86	14,08,872	1.58

## Board's Report (contd.)

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

<sup>5</sup>Top 10 shareholders as on March 31, 2020 only.

\*Top 10 shareholders as on April 1, 2019 only.

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

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

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

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

**V. INDEBTEDNESS**

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

(Amount in ₹)

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

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole time director and/or Manager:**

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

## Board's Report (contd.)

### B. Remuneration to other Directors:

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

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

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

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

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

For and on behalf of the Board of Directors

Date: October 16, 2020  
Place : Gurugram

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

**Ajit Kumar Mittal**  
Director  
DIN: 02698115



### DISCLOSURES ON MANAGERIAL REMUNERATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Date: October 16, 2020  
Place : Gurugram

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

**Ajit Kumar Mittal**  
Director  
DIN: 02698115

## ECONOMIC OVERVIEW

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

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

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

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

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

## INDUSTRY OVERVIEW

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

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

## BUSINESS OVERVIEW

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

## Management Discussion and Analysis (contd.)

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

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

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

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

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

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

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

### INDUSTRY STRUCTURE AND DEVELOPMENT AND BUSINESS OUTLOOK

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

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

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

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

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

### OUR STRATEGY

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

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

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

#### Digitisation

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

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

### OUR STRENGTHS

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

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

#### Technological expertise

## Management Discussion and Analysis (contd.)

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

### **Robust systems and process**

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

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

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

### **OPPORTUNITIES**

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

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

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

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

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

#### **Increasing awareness**

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

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

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

### **RISKS AND THREATS**

#### **Economic Slowdown**

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

#### **Uncertainty**

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

#### **Cut Throat Competition**

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

## Change in individual tax rate

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

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

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

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

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

## Change in Return on Networth:

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

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

## HUMAN RESOURCES

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

## CAUTIONARY STATEMENT

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

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



# BUSINESS RESPONSIBILITY REPORT

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

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

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

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

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

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

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

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

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

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

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

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

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

#### SECTION C: OTHER DETAILS

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

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

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

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

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

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

#### SECTION D: BR INFORMATION

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

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

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



**b) Details of the BR head**

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

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

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

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

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

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

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

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

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

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

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

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

### 3. Governance related to BR

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

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

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

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

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

### SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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

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

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

## Code of Conduct

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

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

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

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

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

## Stakeholder Complaints

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

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

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

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

## Environmental Standards

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

## Resource Savings

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

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

#### **Equitable Employment**

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

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

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

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

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

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

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

#### **Gender Inclusion**

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

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

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

#### **Employee Engagement**

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

#### **Development of Employees**

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

#### **Mentoring Program**

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

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

#### **Corporate Social Responsibility**

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

## **Employee Welfare & Participation**

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

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

#### **Human Rights**

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

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

#### **Green Initiatives**

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

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

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

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

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

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

#### **Managing System**

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

#### **Transparent Communication**

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

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

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

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

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

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

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

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

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

### A. Composition and size of the Board

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

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

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

## Corporate Governance Report (contd.)

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

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

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

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

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

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



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

The Board of Directors of the Company had accepted all recommendation of committees of the Board which are mandatorily required, during the financial year 2019-20.

None of the Non-Executive Directors held any equity share and/or convertible security of the Company during the financial year ended March 31, 2020, except Mr. Ajit Kumar Mittal who is holding 10,000 equity shares of the Company.

The Company has familiarization programme for Independent Directors with regard to their roles, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programmes along with details of the same imparted to the Independent Directors during the year are available on the website of the Company, at web-link: <https://www.indiabullsin Integrated Services.com/pdf/Details%20of%20familiarization%20programmes%20imparted%20to%20independent%20directors.pdf>

#### B. Details of Board Meetings and the last Annual General Meeting (AGM) and attendance record of Directors thereat

The Board meetings of the Company are held in a highly professional manner, after giving proper notice, Board papers, agenda and other explanatory notes / relevant information to each of the directors of the Company, well in advance. At least one meeting is held in every quarter, to review the quarterly performance and the financial results of the Company.

Senior management including the CFO and concerned senior management personnel are generally invited to attend the board meetings so as to provide additional inputs on the items being discussed by the Board. At the board meetings, the Executive Directors and senior management explain the Board members on various matters including the financial results, operations related issues etc.

During the financial year 2019-20, the Board met 4 (Four) times. The dates of the meetings were April 23, 2019, August 14, 2019, November 14, 2019 and February 14, 2020. During the year, separate meeting of the Independent Directors was held on February 14, 2020 without the attendance of non-independent directors and the members of the management. All Independent Directors attended the said meeting.

The last Annual General Meeting (AGM) of the Company was held on September 30, 2019.

Attendance of Directors at the Board Meetings held during the FY 2019-20 and at the last Annual General Meeting are as under:

Sl. No.	Name of the Directors	No. of Meetings held during the tenure	No. of Board Meetings attended	Attendance at the last AGM
1	Mr. Manvinder Singh Walia (DIN: 07988213)	4	3 <sup>^</sup>	Yes
2	Mr. Ajit Kumar Mittal (DIN: 02698115)	4	4	Yes
3	Mr. Shamsher Singh Ahlawat (DIN: 00017480)	4	4	Yes
4	Mr. Gurrappa Gopalakrishna(DIN: 06407040)	4	4	Yes
5	Justice Gyan Sudha Misra(Retd.) (DIN: 07577265)	4	4	Yes
6	Mr. Praveen Kumar Tripathi (DIN: 02167497)	4	4	Yes

<sup>^</sup> Mr. Manvinder Singh Walia could not attend the meeting held on November 14, 2019, due to his overseas travelling schedule.

The minutes of the Board meetings of the unlisted subsidiary companies of the Company are placed before the Board meetings of the Company on a quarterly basis.

### 3. COMMITTEES OF THE BOARD

The Board has constituted various Committees to take informed decisions in the best interest of the Company. These Committees monitor the activities falling within their terms of reference.

The role and the composition of statutory committees including number of meetings held during the financial year and participation of the members at the meetings of the committees, during the year are as under:



## Corporate Governance Report (contd.)

### A. Audit Committee

#### Composition

The Audit Committee of the Board currently comprises of three members, all Non-executive Independent Directors, namely Justice Gyan Sudha Misra (Retd.), as Chairperson, Mr. Shamsher Singh Ahlawat and Mr. Gurrappa Gopalakrishna, as other two members of the Committee. Ms. Priya Jain, Company Secretary of the Company also acts as the Secretary of the Audit Committee.

#### Terms of reference of the Audit Committee

The terms of reference of the Audit Committee, inter-alia, includes:

- To oversee the financial reporting process and disclosure of financial information;
- To review with management, quarterly and annual financial statements and ensure their accuracy and correctness before submission to the Board;
- To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations;
- To recommend the appointment of the internal and statutory auditors and fixing their remuneration;
- To hold discussions with the statutory and internal auditors;
- To review and monitor auditor's independence and performance, and effectiveness of audit process;
- To examine the auditors' report on financial statements of the Company (in addition to the financial statements) before submission to the Board;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters as and when such funds are raised and also there viewing with the management the utilization of the funds so raised, for purposes other than those stated in the relevant offer document, if any and making appropriate recommendations to the Board in this regard;
- Evaluation of the risk management systems (in addition to the internal control systems);
- Review and monitoring of the performance of the statutory auditors and effectiveness of the audit process;
- To hold post audit discussions with the auditors to ascertain any area of concern;
- To review the functioning of the whistle blower mechanism;
- Approval to the appointment of the CFO after assessing the qualifications, experience and background etc. of the candidate;
- Reviewing the utilization of loans and/or advances and/or investment by the Company to its subsidiary companies, exceeding rupees 100 Crore or 10% of the assets side of the respective subsidiary companies, whichever is lower, including existing loans / advances / investment existing as on April 01, 2019.

#### Meetings and Attendance during the year

During the FY 2019-20, the Audit Committee met four times. The dates of the meetings being April 23, 2019, August 14, 2019, November 14, 2019 and February 14, 2020.

The attendance record of committee members to the meetings so held is depicted in the table given below:

Name of the Member	No. Meetings held during the tenure	No. of Meetings attended
Justice Gyan Sudha Misra (Retd.)	4	4
Mr. Shamsher Singh Ahlawat	4	4
Mr. Gurrappa Gopalakrishna	4	4

The Chief Financial Officer, Statutory and Internal Auditors attended the meetings by invitation.

## B. Nomination & Remuneration Committee

### Composition

The Nomination & Remuneration Committee (N&R Committee) of the Board currently comprises of three Non-Executive Directors as its members namely Mr. Shamsher Singh Ahlawat, as the Chairman, Justice Gyan Sudha Misra (Retd.) and Mr. Ajit Kumar Mittal, as the other two members. Two out of the three members namely Mr. Shamsher Singh Ahlawat and Justice Gyan Sudha Misra (Retd.), are Independent Directors.

### Terms of reference

The terms of reference of N&R Committee, inter-alia, includes:

- 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.
- Recommending to the Board all remuneration, in whatever form, payable to senior management.

### Meetings and Attendance during the year

During the FY 2019-20, the Committee met once on August 14, 2019.

The attendance record of committee members to the meeting, so held, is depicted in the table given below:

Name of the Member	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Shamsher Singh Ahlawat	1	1
Justice Gyan Sudha Misra (Retd.)	1	1
Mr. Ajit Kumar Mittal	1	1

### Policy for selection and appointment of Directors

The N&R Committee has adopted a charter which, inter alia, deals with the manner of selection of the Board of Directors, senior management and their compensation. This Policy is accordingly derived from the said Charter.

- 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.
- 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.
- In case of appointment of Independent Directors, the independent nature of the proposed appointee vis-a-vis the Company, shall be ensured.
- 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.
- In case of re-appointment, the Board shall take into consideration, the performance evaluation of the Director and his engagement level.

### Remuneration Policy

Company's Remuneration Policy is market led, based on the fundamental principles of payment for performance, for potential and for growth. It also takes into account the competitive circumstances of the business, so as to attract and retain quality talent and leverage performance significantly. The N&R Committee recommends the remuneration payable to the Executive Directors and/or Key Managerial Personnel, for approval by Board of Directors of the Company, subject to the approval of its

## Corporate Governance Report (contd.)

shareholders, wherever necessary. The Remuneration Policy is also available at the website of the Company, at web-link: [https://www.indiabullsintegratedservices.com/pdf/Remuneration%20Policy\\_IBULISL.pdf](https://www.indiabullsintegratedservices.com/pdf/Remuneration%20Policy_IBULISL.pdf)

### **Performance Evaluation criteria for Independent Directors**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI LODR, the N&R Committee has laid down the criteria for performance evaluation of Independent Directors, which inter-alia covers level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board of Directors except the Directors subject to evaluation. The Directors expressed their satisfaction with the evaluation process.

### **Policy on Board Diversity**

The N&R Committee devises the policy to provide for having a broad experience and diversity on the Board.

### **Directors' Remuneration:**

#### **(i) Remuneration of Executive Director**

Mr. Manvinder Singh Walia, Executive Director did not draw any remuneration from the Company.

#### **(ii) Remuneration of Non-Executive Director**

With changes in the corporate governance norms brought in by the Companies Act, 2013 as well as SEBI LODR, the role of Non-Executive Directors (NED) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time. The Company is being hugely benefited from the expertise, advice and inputs provided by the NEDs. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company. The Company is making payment of fee/remuneration payable to its NEDs in accordance with the provisions of the Companies Act, 2013 and SEBI LODR. The Company has placed on its website, criteria for making payment to Non- Executive Directors. During the FY ended March 31, 2020, the Independent Directors have been paid sitting fees for attending the Board meetings of the Company. Except sitting fees, the Non-Executive Directors have not been paid any remuneration / Bonus / Severance fees / Performance Linked Incentives or by way of any other benefits, during the FY 2019-20. Details of sitting fees paid to the Independent Directors has been disclosed in Extract of Annual Return, being Annexure - 4 to the Directors' Report, forming part of this Annual Report. The Company has not issued any stock option to its Non-Executive Directors. There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

## **C. Stakeholders Relationship Committee**

### **Composition**

The Stakeholders Relationship Committee of the Board currently comprises of three members namely Mr. Ajit Kumar Mittal, Non-Executive Director, as the Chairman and Justice Gyan Sudha Misra (Retd.) and Mr. Manvinder Singh Walia, as other two members.

### **Terms of Reference**

- To approve requests for share transfers and transmissions;
- To approve the requests pertaining to remat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc.;
- To oversee all matters encompassing the shareholders' / investors' related issues.
- Resolving the grievances of the security holders of the Company, including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

### **Meetings and Attendance during the year**

During the FY 2019-20, the Committee met four times. The dates of the meetings were April 8, 2019, July 3, 2019, October 7, 2019 and January 6, 2020.

The attendance record of committee members in respect of the meetings so held is depicted in the table given below:

Name of the Member	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Ajit Kumar Mittal	4	4
Mr. Manvinder Singh Walia	4	4
Justice Gyan Sudha Misra (Retd.)	4	4

#### Name and designation of Compliance Officer

Ms. Priya Jain, Company Secretary is the Compliance Officer pursuant to Regulation 6(1) of SEBI LODR.

#### Details of queries / complaints received and resolved during the year 2019-20

Sl. No.	Particulars	Opening	Received	Disposed	Pending
1.	Letters from SEBI / Stock Exchange	0	0	0	0
2.	Non-receipt of dividend	0	0	0	0
3.	Non-receipt of shares	0	1	1	0
4.	Non-receipt of Annual Report	0	1	1	0
	<b>Total</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>

#### D. Corporate Social Responsibility (CSR) Committee

##### Composition

The Corporate Social Responsibility Committee of the Board currently comprises of three members namely Mr. Shamsher Singh Ahlawat, an Independent & Non-Executive Director, as the Chairman, and Mr. Ajit Kumar Mittal and Mr. Manvinder Singh Walia, as other two members.

##### Terms of Reference of Corporate Social Responsibility

The terms of reference of the CSR Committee, inter-alia, includes:

- To recommend to the Board, the CSR activity to be undertaken by the Company;
- To approve the expenditure to be incurred on the CSR activity;
- To oversee and review the effective implementation of the CSR activity;
- To ensure compliance of all related applicable regulatory requirements.

##### Meetings and Attendance during the year

During the FY 2019-20, the Committee met two times. The dates of the meetings were February 14, 2020 and March 20, 2020. The attendance record of Committee members in respect of the meetings so held is depicted in the table given below:

Name of the Member	No. of meetings held during the tenure	No. of meetings attended
Mr. Shamsher Singh Ahlawat	2	2
Mr. Ajit Kumar Mittal	2	2
Mr. Manvinder Singh Walia	2	2

#### E. Risk Management Committee

##### Composition

The Risk Management Committee comprises of five members namely Mr. Manvinder Singh Walia, an Executive Director, as the Chairman, Mr. Ajit Kumar Mittal, Mr. Praveen Kumar Tripathi, Mr. Shamsher Singh Ahlawat and Mr. Saurabh Garg, as members.

##### Terms of Reference

- Monitor and review the Risk Management Plan of the Company;
- Approve all functional policies of the Company;

## Corporate Governance Report (contd.)

- c. To ensure appropriate fraud control mechanism and cyber security in the system, while dealing with the customers etc.;
- d. Any other matter involving Risk to the asset / business of the Company

### Meetings and Attendance during the year

During the FY 2019-20, the committee met on May 06, 2019. The attendance record of Committee members in respect of the meeting so held is depicted in the table given below:

Name of the Member	No. of meetings held during the tenure	No. of meetings attended
Mr. Manvinder Singh Walia	1	1
Mr. Ajit Kumar Mittal	1	1
Mr. Praveen Kumar Tripathi	1	1
Mr. Shamsher Singh Ahlawat	1	1
Mr. Saurabh Garg	1	1

Apart from the above, the Board has also constituted Compensation Committee for administration of stock option scheme(s), Management Committee for operational matters, Issuance Committee for considering issuance of securities and Reorganization Committee for on-going Scheme and reorganization plans.

## 4. GENERAL BODY MEETINGS

### A. Location and time of last three Annual General Meetings (AGMs) and number of special resolutions passed thereat:

Year	Meeting	Location	Date	Time	No. of special resolutions passed
2016-17	10th AGM	Mapple Emerald, Rajokri, NH-8, New Delhi-110038	September 28, 2017	02:00 P.M.	3
2017-18	11th AGM	Mapple Emerald, Rajokri, NH-8, New Delhi-110038	September 29, 2018	01:00 P.M.	2
2018-19	12th AGM	'The Pllazio Hotel', 292-296, Near City Center, Sector 29, South City, Gurugram-122001, Haryana	September 30, 2019	02:00 P.M.	4

### B. Special Resolutions passed during the financial year 2019-20 through Postal Ballot:

During the financial year 2019-20, the Company approached the shareholders once, for passing resolutions through postal ballot process. The Details of postal ballot are as follows:

Date of Postal Ballot Notice: January 2, 2020

E-voting period: January 7, 2020 (10:00 AM) to February 5, 2020 (5:00 PM)

Date of passing of Resolutions: February 5, 2020

Sl. No.	Particulars of Resolution	Type of Resolution	No. of Votes polled	Votes cast in favour		Votes cast against	
				No. of Votes	%	No. of Votes	%
1	Enabling Authorization for increase in borrowing limits of the Company	Special	56167969	56092092	99.865	75877	0.135
2	Approval of Trust Route and Secondary market acquisition for implementation of ESOP Scheme(s) of the Company.	Special	56167969	56166167	99.997	1802	0.003
3	Approval for giving loan and/or providing guarantee or security by the Company for purchase of its own shares by the Trust/ Trustees for the benefit of Employees under Employee Benefit Scheme(s).	Special	56166363	56165439	99.998	924	0.002

**Scrutinizer:**

The Board of Directors of the Company had appointed Mr. Ajay Khandelwal, Practicing Chartered Accountant (Membership No. 519516), as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

**Procedure for Postal Ballot:**

In compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Section 108 and 110 of the Act read with the Rules, the Company provides electronic voting (“e-voting”) facility as an alternative to its members to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Forms by post. The Company engages M/s. KFin Technologies Private Limited (KFintech) to provide e-voting facility.

The Postal Ballot Notice along with the ‘Postal Ballot Form’ and self-addressed, postage pre-paid envelope (postage borne by the Company), are dispatched to all the members of the Company whose names appear in the Register of Members/List of Beneficial Owners as received from NSDL/CDSL as on cut off date. Members who have registered their e-mail ids for receipt of documents in electronic mode under the Green Initiative of the Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and others are being sent by post along with Postal Ballot Form and self-addressed postage pre-paid business reply envelope. The Company also publishes a notice in the newspaper as per the details and requirements mandated by the Act and applicable rules.

The voting rights are reckoned on the paid-up value of shares registered in the name of the Member(s) as on the cut-off date. Members who opted for voting through Postal Ballot Form (i.e. Physical Ballot), are requested to return it, duly completed and signed along with your assent (FOR) or dissent (AGAINST) in the attached self-addressed postage pre-paid business reply envelope (BRE), so as to reach the Scrutinizer on or before the close of voting period. Those using e-voting option are requested to vote before the close of the working hours of the last day of voting period.

The Scrutinizer submits his report to the Executive Director / Director / Company Secretary after the completion of scrutiny, and the result of the voting by Postal Ballot and e-voting are announced by the Executive Director or any Director or Company Secretary of the Company. The Results along with the Scrutinizers’ Report are also placed on the Company’s website [www.indiabullsinintegratedservices.com](http://www.indiabullsinintegratedservices.com), besides being communicated to the Stock exchanges, depository and Registrar and share transfer agent. The resolution, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting.

**Details of special resolution proposed to be conducted through postal ballot:**

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot. However, the voting at the ensuing AGM shall be done pursuant to the guidelines and manner contained in the Circulars released by MCA on conducting of AGMs through Audit Visual means.

**5. MEANS OF COMMUNICATION**

The Company has provided adequate and timely information to its member’s inter-alia through the following means:

- i) **Publication of Financial Results:** The quarterly / annual results of the Company are published in newspapers viz. Financial Express, Jansatta and The Pioneer (English & Hindi).
- ii) **News, Release, etc.:** The Company has its own website: [www.indiabullsinintegratedservices.com](http://www.indiabullsinintegratedservices.com) and all vital information relating to the Company and its performance including financial results, press releases pertaining to important developments, performance updates and corporate/ investor presentations etc. is regularly posted on the website and are also uploaded on the designated portals of NSE and BSE, which are disseminated by the Exchanges for information of the public.
- iii) **Management Discussion and Analysis Report:** The same has been included in a separate section, which forms a part of this Annual Report.
- iv) **Investors’ Relation:** The Company’s website contains a separate dedicated section ‘Investors’ where general information is available for shareholders.

**6. GENERAL SHAREHOLDERS’ INFORMATION****(A) Company Registration Details**

The Company is registered in the State of Haryana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L51101HR2007PLC077999.

## Corporate Governance Report (contd.)

### (B) Date, Time and Venue of Annual General Meeting (AGM)

The 13th AGM of the Company would be held on the day, date, time and venue as mentioned in the Notice convening the said AGM.

### (C) Financial year

The financial year of the Company is a period of twelve months beginning on 1st April every calendar year and ending on 31st March the following calendar year.

### (D) Date of Book Closure

The dates of Book Closure for the purpose of AGM are mentioned in the Notice convening the 13th AGM of the Company.

### (E) Dividend Payment date

During the FY 2019-20, no dividend was declared by the Company.

### (F) Listing on Stock Exchanges

The Company's Equity Shares are listed on the following stock exchanges:

#### BSE Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai – 400 001

#### National Stock Exchange of India Limited (NSE)

“Exchange Plaza”, Bandra-Kurla Complex,  
Bandra (E), Mumbai-400 051

The listing fees for the financial year 2020-21, have been paid to BSE and NSE.

### (G) Stock Code

BSE Limited	– 533520
National Stock Exchange of India Limited	– IBULISL
ISIN for Dematerialization	– INE126M01010

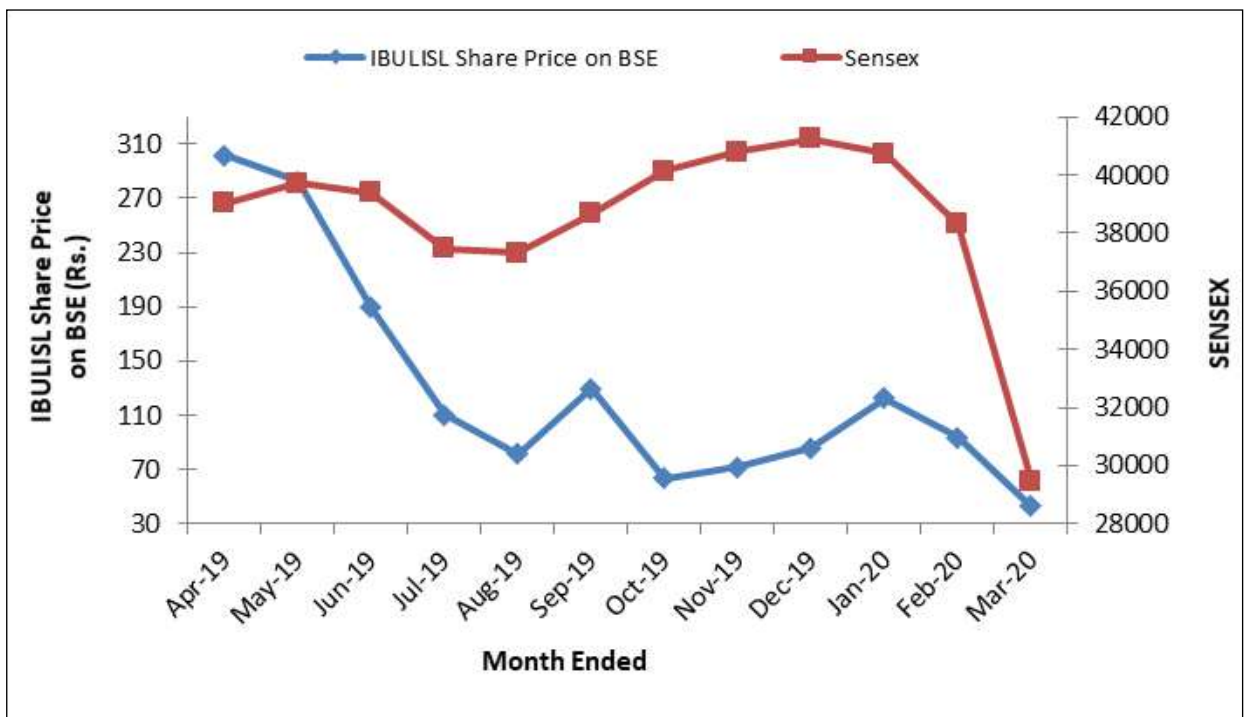
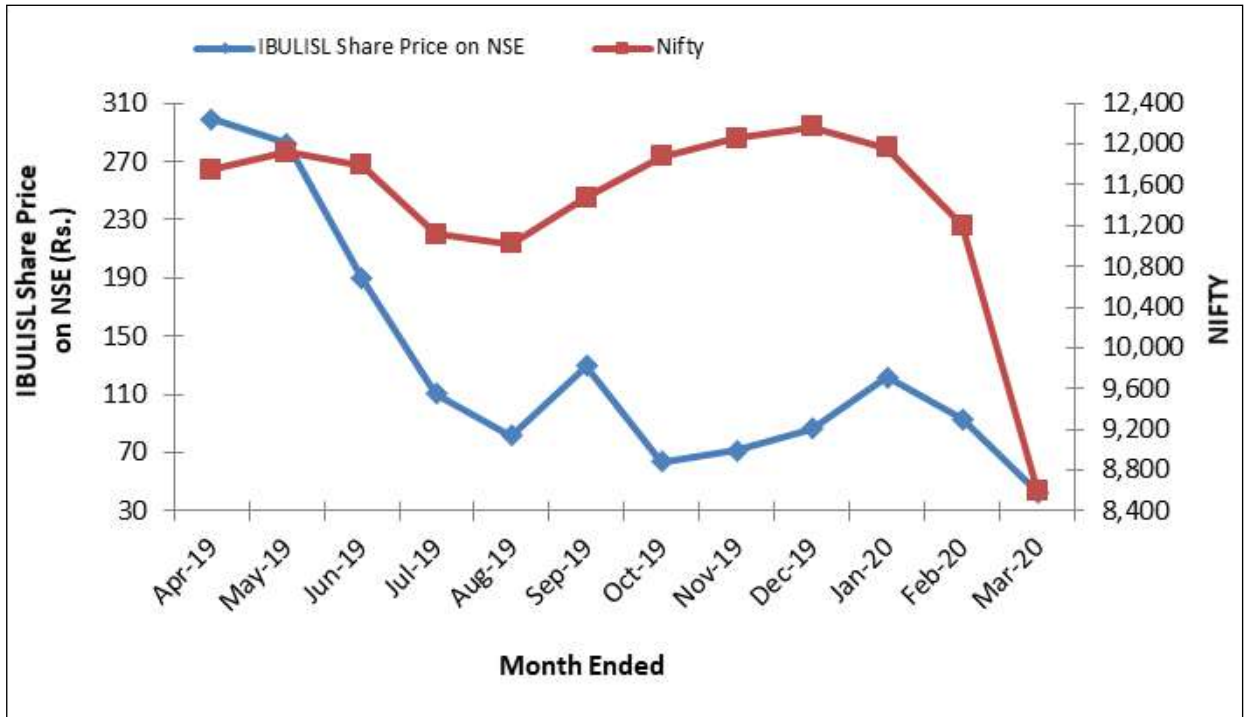
### (H) Market Price Data

The monthly high and low market prices of shares at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year ended March 31, 2020 are as under:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2019	376.30	299.35	376.00	301.45
May 2019	313.20	237.10	314.05	236.70
June 2019	294.65	172.10	294.00	170.10
July 2019	208.45	109.75	208.95	109.70
August 2019	114.80	79.95	115.30	79.95
September 2019	150.50	77.50	150.75	77.00
October 2019	122.95	52.55	123.20	52.60
November 2019	93.50	61.30	93.85	61.25
December 2019	91.50	73.50	91.25	72.50
January 2020	146.50	90.65	146.90	90.55
February 2020	120.70	93.30	120.90	93.45
March 2020	104.05	42.70	104.70	42.75



(I) Comparison of Company's share price with the broad-based indices viz. NSE Nifty & BSE Sensex.





## Corporate Governance Report (contd.)

### (J) Registrar and Transfer Agents

M/s KFin Technologies Private Limited (formerly M/s. Karvy Fintech Private Limited) is the Registrar and Share Transfer Agents (RTA) of the Company for handling the share related matters, both in physical and the dematerialized mode.

The contact details are as under:

M/s. KFin Technologies Private Limited  
(formerly Karvy Fintech Private Limited)  
(Unit: Indiabulls Integrated Services Limited)  
Selenium Building, Tower B, Plot No. 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad - 500 032  
Contact Person: Ms. Shobha Anand, DGM, Corporate Registry  
Phone: 040-6716 2222 Fax : 040-23001153  
E-mail: einward.ris@kfintech.com  
Website: <https://www.kfintech.com/>

### (K) Share Transfer System

The Board has delegated the authority for share transfers, transmissions, remat/demat of shares/sub-division/ consolidation/ issue of renewed and duplicate share certificates etc. to the board constituted Stakeholders' Relationship Committee. For any such action request is to be made to the RTA, which after scrutinizing all such requests, forwards it for approval by Stakeholders' Relationship Committee.

#### (L) i) Distribution of equity shareholding as on March 31, 2020

Sl. No.	Shareholding of nominal Value (in ₹)		No. of holders	% to total no. of holders	Value (in ₹)	% to nominal Value
	From	To				
1.	1	- 5000	49747	97.91	86,66,650	4.85
2.	5001	- 10000	426	0.84	31,69,990	1.77
3.	10001	- 20000	254	0.50	36,51,998	2.04
4.	20001	- 30000	116	0.23	29,25,652	1.64
5.	30001	- 40000	52	0.10	18,84,824	1.06
6.	40001	- 50000	37	0.07	16,94,966	0.95
7.	50001	- 100000	67	0.13	48,02,470	2.69
8.	100001	and above	108	0.22	15,18,54,588	85.00
	<b>Total</b>		<b>50807</b>	<b>100.00</b>	<b>17,86,51,138</b>	<b>100.00</b>

#### ii) Equity Shareholding pattern as on March 31, 2020.

Sl. No.	Category	No. of Shares	% holding
1.	Promoters and Promoters Group	38,633,988	43.25
2.	Financial Institutions/ Banks/ Mutual Funds	5,479	0.01
3.	Foreign Portfolio Investors	17,943,929	20.08
4.	NBFCs Registered with RBI	87	0.00
5.	Bodies Corporate	11,807,926	13.22
6.	Indian Public	19,976,299	22.36
7.	NRIs	729,993	0.82
8.	Foreign Nationals	15,000	0.02
9.	Clearing Members	212,868	0.24
	<b>Total</b>	<b>89,325,569</b>	<b>100.00</b>

**(M) Dematerialization of shares and liquidity**

Equity Shares of the Company are compulsorily traded in dematerialized form and are available for trading under both the depositories i.e. NSDL and CDSL.

As on March 31, 2020, 99.98% Equity shares of the Company representing 8,93,05,797 out of a total of 8,93,25,569 Equity shares were held in dematerialized form and the balance 19,772 shares were held in physical form.

The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI LODR and files a copy of the certificate with the Stock Exchanges.

**(N) Outstanding Convertible Instruments**

As on March 31, 2020, an aggregate of 5,566,600 Employees Stock options were in force.

These options, upon exercise, are convertible into equal number of Equity Shares of the Company. As and when these options are exercised, the paid-up share capital of the Company shall stand increased accordingly.

**(O) Commodity price risk or foreign exchange risk and hedging activities**

During the FY 2019-20, the Company neither had any exposure to commodity price risks nor had any foreign exchange exposure by way of foreign currency borrowings. However, company has a policy to manage import procurements by continuous monitoring of foreign exchange market and hedging through a combination of forward contracts, principal only swaps, interest rate swaps and / or cross currency swaps, if required.

**(P) Plant Locations – Not applicable****(Q) Address for Correspondence****a. Registered Office:**

Plot No. 448-451, Udyog Vihar, Phase-V, Gurugram-122016, Haryana  
Email: helpdesk@indiabulls.com,  
Tel: 0124-6681199, Fax: 0124-6681111,  
Website: www.indiabullsinintegratedservices.com

**b. Corporate Office:**

One International Center, Tower 1, Senapati Bapat Marg,  
Elphinstone Road, Mumbai – 400013  
Tel: 022-61899700, Fax: 022-61891421

**(R) Profiles of the directors seeking appointment/re-appointment have been captured in the Notice convening the Thirteenth Annual General Meeting.****(S) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.**

Not applicable

**(T) Details of utilization of funds raised through preferential allotment or qualified institutions placement**

The funds raised by the Company through Preferential issue(s) of equity shares in previous years were fully utilized by the Company, as per stated objects of the issues, during the FY 2019-20.

**(U) Fees paid to Statutory Auditors**

The total fees incurred by the Company and its subsidiaries on a consolidated basis, for services rendered by Statutory auditors and its affiliates entities, is given below:

Particulars	Amount in (₹)
Statutory Audit Fees	56,35,100
Certification Fees	6,01,000
<b>Total</b>	<b>62,36,100</b>

## Corporate Governance Report (contd.)

### 7. COMPLIANCE CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

A certificate from a Practicing Company Secretary certifying the Company's compliance with the provisions of Corporate Governance as stipulated in Regulation 34(3) read with Schedule-V of the SEBI LODR and confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of the Companies by SEBI/Ministry of Corporate Affairs or any such statutory Authority is annexed to and forms a part of this Report.

### 8. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Particulars	Numbers
Number of complaints filed during the FY 2019-20	0
Number of complaints disposed during the FY 2019-20	0
Number of complaints pending as on end of the financial FY 2019-20	0

### 9. OTHER DISCLOSURES

#### i) Subsidiary Companies

The Company has formulated a Policy for determining material unlisted subsidiaries, pursuant to the provisions of the SEBI LODR which is available on the website of the Company, at web-link: <https://www.indiabullsintegratedservices.com/pdf/Policy%20for%20Determining%20material%20subsidiary.pdf>

Indiabulls Life Insurance Company Limited was material subsidiary of the Company during the FY 2019-20.

#### ii) Related Party Transactions

During the year, no materially significant related party transaction was entered by the Company with its Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. The Policy on materiality of Related Party Transactions and also on dealing with such transactions is available on the website of the Company, at web-link: <https://www.indiabullsintegratedservices.com/pdf/Policy%20for%20Dealing%20with%20Related%20Party%20Transactions.pdf>

#### iii) Executive Director / CFO Certification

(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.indiabullsintegratedservices.com](http://www.indiabullsintegratedservices.com)

All Board Members and Senior Management personnel have affirmed compliance with the Code. A declaration signed by the Executive Director to this effect is enclosed at the end of this Report.

The Code seeks to ensure that the Board Members and Senior Management personnel observe a total commitment to their duties and responsibilities while ensuring a complete adherence with the applicable statutes along with business values and ethics.

#### (b) Code of Conduct for Prevention of Insider Trading

The Company has laid down a Code of Conduct for Prevention of Insider Trading, in accordance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013, with a view to regulate trading in securities of the Company by its directors, designated persons and employees.

#### v) Whistle Blower Policy

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Whistle Blower Policy ("the Policy"), to provide an avenue for

employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees working for the Company and its subsidiaries. Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds / assets etc. A whistle-blowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company and its subsidiaries. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The details of the Whistle Blower Policy are available on the website of the Company: [www.indiabullsinTEGRATEDSERVICES.com](http://www.indiabullsinTEGRATEDSERVICES.com) The Audit committee set by the Board, constitutes a vital component of the whistle blower mechanism and instances of financial misconduct, if any, are reported to the Audit committee. No employee is denied access to the Audit Committee.

**vi) Strictures and penalties**

During the last three financial years, there has not been any instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence, no penalty has been imposed on the Company or no strictures have been passed against it, by SEBI or Exchanges or any other statutory authorities on any such matters.

**vii) Details of compliance with mandatory requirements and adoption of the discretionary requirements of SEBI LODR.** The Company has complied with all the mandatory requirements of the SEBI LODR in letter as well as in spirit. The details of these compliances have been given in the relevant sections of this Report. The status on compliance with the discretionary requirements is given later in this Report.

**10. DISCRETIONARY REQUIREMENTS**

**(A) Unmodified Opinion in Audit Report**

The Auditors' Report on the annual accounts of the Company does not contain any qualification from the Statutory Auditors, and it shall be the endeavor of the Company to continue the trend by building up accounting systems and controls which ensure complete adherence to the applicable accounting standards and practices obviating the possibility of the Auditors qualifying their report as to the audited accounts.

**(B) Shareholders Rights**

The Company would be getting its quarterly/half yearly and annual financial results published in leading newspapers with wide circulation across the country and regularly update the same on its public domain website. In view of the same individual communication of quarterly / annual financial results to the shareholders will not be made. Further, information per training to important developments in the Company shall be brought to the knowledge of the public at large and to the shareholders of the Company in particular, through communications sent to the stock exchanges where the shares of the Company are listed, through press releases in leading newspapers and through regular uploads made on the Company website.

**(C) Reporting of Internal Auditor**

The Internal Auditor of the Company reports to Audit Committee and the Board of Directors of the Company.

Except as set out above, the Company has not adopted the discretionary requirements as to any of the other matters recommended under Part E of Schedule II of Regulation 27(1) of SEBI LODR. The Board, at every meeting, elect any one of the directors present at the meeting, as Chairman.

**11. UNCLAIMED SHARES LYING IN DEMAT SUSPENSE ACCOUNT**

The Company was not required to transfer any shares in Demat Suspense Account. Accordingly, the disclosure required to be made in terms of Regulation 34(3) read with Schedule V of the SEBI LODR, in respect of shares in the demat suspense account or unclaimed suspense account, is not applicable to the company.

This Corporate Governance Report of the Company for the financial year ended 31st March, 2020 is in compliance with the requirements of Corporate Governance as prescribed under Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI LODR to the extent applicable to the Company. There is no non-compliance of any requirement of Corporate Governance Report, as required under SEBI LODR.

## Corporate Governance Report (contd.)

**ANNUAL DECLARATION BY THE EXECUTIVE DIRECTOR PURSUANT TO REGULATION 34(3)  
READ WITH SCHEDULE-V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015.**

I confirm that for the year under review, directors and senior management have affirmed their adherence to the provisions of the Code of Conduct.

for **Indiabulls Integrated Services Limited**

**Manvinder Singh Walia**  
Executive Director  
DIN: 07988213

Date: July 11, 2020  
Place: Gurugram

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### **CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Members of  
**Indiabulls Integrated Services Limited**

We have examined the compliance of conditions of Corporate Governance by Indiabulls Integrated Services Limited ("the Company"), for the year ended March 31, 2020, as prescribed in Regulations 17 to 27, 46(2) (b) to (i) and Para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI "LODR")

We state that the compliance of conditions of Corporate Governance is the responsibility of the Company's management and, our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI LODR.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

We further state that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing directors of the Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **Neha S & Associates**  
Company Secretaries

**Neha Sharma**  
Proprietor  
C.P. No. - 16522  
Membership No.: A44741  
UDIN: A044741B000631866

Place: New Delhi  
Date: August 29, 2020

## To the Members of Indiabulls Integrated Services Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying Consolidated Financial Statements of Indiabulls Integrated Services Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated balance sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('The Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the Consolidated state of affairs of the Group as at 31 March 2020, its Consolidated loss and Consolidated total comprehensive income, 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 4 of the Consolidated Financial Statements, which describes the uncertainties due to the outbreak of 'Covid-2019' pandemic and management's evaluation of the same on the consolidated financial results of the Group as at the Balance Sheet date. In view of these uncertainties, the impact on the Group's results is significantly dependent on future developments.

The above matter has also been reported as emphasis of matter in audit report issued by us on the standalone financial statements of the 2 subsidiary companies for the year ended 31 March 2020.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our audit report.

Key audit matter	How the matter was addressed in our audit
<b>Information technology</b>	
<p><b>IT systems and controls</b></p> <p>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.</p> <p>We have focused on user access management, change management, segregation of duties, system reconciliation controls over key financial accounting and reporting systems.</p>	<p><b>Our audit procedures to assess the IT system access management included the following:</b></p> <p><b>General IT controls/user access management</b></p> <ul style="list-style-type: none"> <li>• We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.</li> <li>• We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties.</li> <li>• For a selected group of key controls over financial and reporting systems, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process.</li> <li>• Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission.</li> <li>• Other areas that were independently assessed included password policies, system interface controls, controls over changes to applications and databases and those business users, developers and production support did not have access to change applications, the operating system or databases in the production environment.</li> </ul>
<p><b>Property, Plant and Equipment</b></p> <p>The Group's policies on the property, plant and equipment are set out in note 5(c) to the Consolidated Financial Statements.</p> <p>The Group carries property, plant and equipment with net written down value of ₹ 264.75 crores as at 31 March 2020, with the majority of value attributed to plant &amp; machinery as disclosed in note- 6A of the Consolidated Financial Statements.</p> <p>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.</p>	<p>Our Procedures in relation to the property, plant and equipment, but not limited to the following:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the company's accounting policy by comparing with applicable Ind AS.</li> <li>• We obtained an understanding of the management process for identification of possible impairment indicators and process performed by the management for impairment testing.</li> <li>• Enquired of the management and understood the internal controls related to completeness of the list of property, plant and equipment alongwith the process followed.</li> <li>• Performed test of details: <ul style="list-style-type: none"> <li>a. For all significant additions made during the year, underlying supporting documents were verified to ensure that the transaction has been accurately recorded in the Consolidated Financial Statements;</li> <li>b. Obtaining management reconciliation of property, plant and equipment and agreeing to general ledger. Further, all the significant reconciling items were tested;</li> <li>c. Analysing management's plan for the assets in the future and the associated consideration of Ind AS 16;</li> <li>d. Reviewing the management impairment consideration documentation relating to the carrying value to property, plant and equipment; and</li> <li>e. Reviewing the appropriateness of the related disclosure within the Consolidated Financial Statements.</li> </ul> </li> </ul>



Key audit matter	How the matter was addressed in our audit
<p><b>De-recognition of financial asset</b></p> <p>The Group’s policies on de-recognition of financial assets are set out in note 5(j) to the Consolidated Financial Statements.</p> <p>During the year, the Group has assigned loans amounting to ₹41.51 crores for managing its funding requirements and recorded a net income of ₹ 3.11 crores. As per Ind AS 109, de-recognition of loans transferred by the Company through assignment is based on the ‘risk and reward’ model and a ‘control’ model. If de-recognition criteria are met, the financial assets transferred are de-recognized and difference between carrying value and consideration including the present value of interest payments that it would not give up (excess interest spread receivable) is recorded as income in the statement of profit and loss.</p> <p>The Group also records a servicing asset at their fair value for the right retained for servicing the financial asset for the service contract.</p> <p>The assessment of de-recognition criteria being met involves significant judgements and furthermore the measurement of the related EIS receivable income and servicing asset requires significant estimates to be made with respect to the discount rate, expected portfolio life, prepayment and foreclosures. Given the complexity and the volume of such transactions it is considered a key audit matter.</p>	<p>Our Procedures in relation to the de-recognition of financial assets, but not limited to the following:</p> <ul style="list-style-type: none"> <li>Assessed the terms of assignment agreements on a sample basis to evaluate whether the de-recognition criteria have been met.</li> <li>Assessed the significant estimates and judgments, including the discount rate and expected remaining life of the portfolio transferred used by the Group for computation of excess interest spread receivable and servicing asset.</li> <li>Tested the arithmetical accuracy of computation of the excess interest spread receivable and servicing asset.</li> <li>Assessed the disclosures included in the Ind AS financial statements with respect to de-recognition in accordance with the requirements of Ind AS 109 and Ind AS 107.</li> </ul>

**Information Other than the Consolidated Financial Statements and Auditor’s Report thereon**

The Holding Company’s Board of Directors is responsible for the other information. The other information does not include the Consolidated Financial Statements and our auditor’s report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor’s report.

**Management’s Responsibility for the Consolidated Financial Statements**

The Holding Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance, Consolidated total comprehensive income, Consolidated changes in equity and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of Consolidated Financial



Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies are also responsible for overseeing financial reporting process of the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We did not audit the annual financial statements of a subsidiary included in the statement, whose financial information reflects total assets of ₹ 354.61 crores as at 31 March 2020 and total revenue of ₹ 45.02 crores and total net profit after tax of ₹ 29.27 crores total comprehensive income of ₹ 29.27 crores and net cash outflows of ₹ 0.27 crores for the year ended on that date as considered in the Statement.

These annual financial statement has been audited by other auditor whose report have been furnished to us by the management, and our opinion insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on other information in so far as it relates to the aforesaid subsidiary and is based solely on the reports of the other auditor.

Our opinion on the statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Consolidated Financial Statements dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements as at 31 March 2020— Refer Note 43 to the Consolidated Financial Statements.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries during the year ended 31 March 2020.
- (h) With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiaries did not pay any remuneration to its Directors during the year.

For **Agarwal Prakash & Co.**  
Chartered Accountants  
Firm's Registration No.: 005975N

**Vikas Aggarwal**  
Partner  
Membership No. 097848  
UDIN: 20097848AAAABP7357

Place: Gurugram  
Date: 11 July 2020

# Annexure A to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the Consolidated Financial Statements for the year ended 31 March 2020 of even date.

## **Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls with reference to Consolidated Financial Statements of Indiabulls Integrated Services Limited (hereinafter referred to as the "Holding Company") as of 31 March 2020 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Consolidated Financial Statements.

### **Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

A Company's internal financial controls with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

### **Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company, its subsidiary companies have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31 March 2020, based on the internal financial controls with reference to Consolidated Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

### **Other Matters**

We did not audit the annual financial statements of a subsidiary included in the statement, whose financial information reflects total assets of ₹ 354.61 crores as at 31 March 2020 and total revenue of ₹ 45.02 crores and total net profit after tax of ₹ 29.27 crores total comprehensive income of ₹ 29.27 crores and net cash outflows of ₹ 0.27 crores for the year ended on that date as considered in the Statement.

These annual financial statement has been audited by other auditor whose report have been furnished to us by the management, and our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with references to the consolidated financial statements insofar as it relates to the aforesaid subsidiary, which are company incorporated in India and is based solely on the reports of the other auditor. Our opinion is not qualified in respect of this matter.

For **Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration No.: 005975N

**Vikas Aggarwal**

Partner

Membership No. 097848

UDIN: 20097848AAAABP7357

Place: Gurugram

Date: 11 July 2020

# Consolidated Balance Sheet

as at 31 March 2020

(All amount in ₹ crores, unless otherwise stated)

	Note	31 March 2020	31 March 2019
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	6A	264.75	286.69
(b) Right to use Asset	6B	12.70	-
(c) Other intangible assets	6C	4.65	2.23
(d) Goodwill	6D	72.56	130.98
(e) Financial assets			
Investments	7A	244.83	-
Loans	8A	192.53	140.47
Other financial assets	9A	2.09	0.61
(f) Deferred tax assets, net	10	0.37	7.58
(g) Non-current tax assets, net	11	28.75	35.40
(h) Other non-current assets	12A	0.14	3.51
<b>Total</b>		<b>823.37</b>	<b>607.47</b>
<b>Current assets</b>			
(a) Inventories	13	28.48	21.39
(b) Financial assets			
Investments	7B	296.48	874.16
Trade receivables	14	81.00	86.61
Cash and cash equivalents	15	10.35	10.85
Other bank balances	16	1.07	0.65
Loans	8B	122.02	5.60
Other financial assets	9B	3.02	46.93
(c) Other current assets	12B	318.51	317.37
<b>Total</b>		<b>860.93</b>	<b>1,363.56</b>
<b>Total of Assets</b>		<b>1,684.30</b>	<b>1,971.03</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	17	17.87	17.87
(b) Other equity	18	290.33	1,415.23
<b>Equity attributable to the owners of the Holding Company</b>		<b>308.20</b>	<b>1,433.10</b>
(c) Non-controlling interest		84.82	80.45
<b>Total of Equity</b>		<b>393.02</b>	<b>1,513.55</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
Borrowings	19A	25.88	288.71
Lease Liabilities	20A	10.02	-
(b) Provisions	21A	4.68	3.54
(c) Deferred tax liabilities	22	2.95	-
(d) Other non-current liabilities	23A	-	0.15
<b>Total</b>		<b>43.53</b>	<b>292.40</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
Borrowings	19B	838.42	27.02
Lease Liabilities	20B	3.29	-
Trade payables	24	-	-
- 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		22.43	15.94
Other financial liabilities	25	352.41	47.49
(b) Other current liabilities	23B	12.50	42.18
(c) Provisions	21B	0.08	0.42
(d) Current tax liabilities, net	26	9.22	26.99
<b>Total</b>		<b>1,247.75</b>	<b>165.08</b>
<b>Total of Equity and Liabilities</b>		<b>1,684.30</b>	<b>1,971.03</b>
<b>Summary of significant accounting policies</b>	5		

The accompanying notes form an integral part of the financial statements

This is the consolidated balance sheet referred to in our report of even date.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number.: 005975N

**Vikas Aggarwal**

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

**For and on behalf of the Board of Directors**

**Manvinder Singh Walia**

Whole Time Director

[DIN:07988213]

**Priya Jain**

Company Secretary

**Ajit Kumar Mittal**

Director

[DIN:02698115]

**Saurabh Garg**

Chief Financial Officer

# Consolidated Statement of Profit and Loss

for the year ended 31 March 2020



(All amount in ₹ crores, unless otherwise stated)

	Note	Year ended	
		31 March 2020	31 March 2019
<b>Revenue</b>			
Revenue from operations	27	225.47	170.90
Other income	28	122.56	178.71
<b>Total of Revenue</b>		<b>348.03</b>	<b>349.61</b>
<b>Expenses</b>			
Cost of revenue	29	51.93	32.02
Operating expenses	30	80.85	63.69
Employee benefits expenses	31	66.88	48.02
Finance costs	32	129.65	42.04
Depreciation and amortisation expenses	33	32.13	26.10
Other expenses	34	253.33	29.30
<b>Total of Expenses</b>		<b>614.77</b>	<b>241.17</b>
<b>(Loss)/Profit before tax</b>		<b>(266.74)</b>	<b>108.44</b>
<b>Tax expenses</b>	35		
Current tax (including earlier years)		17.18	31.70
Deferred tax charge/(credit)		9.26	(1.38)
<b>(Loss)/ Profit after tax</b>		<b>(293.18)</b>	<b>78.12</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefits plans, net of tax		0.25	0.58
Realised/ Fair Value measurement of equity instruments, net of tax		(832.98)	-
<b>Total of other comprehensive income</b>		<b>(832.73)</b>	<b>0.58</b>
<b>Total Comprehensive Income for the year</b>		<b>(1,125.91)</b>	<b>78.70</b>
<b>Net profit attributable to</b>			
Owners of the Holding Company		(295.53)	73.31
Non-controlling interest		2.35	4.81
		<b>(293.18)</b>	<b>78.12</b>
<b>Other comprehensive income attributable to</b>			
Owners of the Holding Company		(834.23)	0.35
Non-controlling interest		1.50	0.23
		<b>(832.73)</b>	<b>0.58</b>
<b>Total comprehensive income attributable to</b>			
Owners of the Holding Company		(1,129.76)	73.66
Non-controlling interest		3.85	5.04
		<b>(1,125.91)</b>	<b>78.70</b>
<b>Earnings per equity share</b>	36		
Basic (₹)		(33.08)	8.87
Diluted (₹)		(33.08)	7.88
<b>Summary of significant accounting policies</b>	5		

The accompanying notes form an integral part of the consolidated financial statements

This is the consolidated statement of profit and loss referred to in our report of even date.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number.: 005975N

**Vikas Aggarwal**

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

**For and on behalf of the Board of Directors**

**Manvinder Singh Walia**

Whole Time Director

[DIN:07988213]

**Priya Jain**

Company Secretary

**Ajit Kumar Mittal**

Director

[DIN:02698115]

**Saurabh Garg**

Chief Financial Officer

# Consolidated Cash Flow Statement

for the year ended 31 March 2020

(All amount in ₹ crores, unless otherwise stated)

		Year ended	
		31 March 2020	31 March 2019
<b>A.</b>	<b>Cash flow from operating activities:</b>		
	(Loss)/profit before tax	(266.74)	108.44
	<b>Adjustments for :</b>		
	Depreciation and amortization expense	32.13	26.10
	Interest expense	123.84	34.23
	Interest income	(43.98)	(26.59)
	Interest income from financing and related activities	(32.66)	-
	Net gain on derecognition of assigned loans	(3.10)	-
	Dividend income	(34.93)	(16.54)
	Profit on redemption of investments	(8.19)	(130.11)
	Fair valuation of financial instruments, net	(16.98)	(0.36)
	Profit on sale of property, plant and equipment	(14.33)	(0.09)
	Loss on sale/written off of property, plant and equipment	0.01	0.00
	Provision for employee benefits	1.80	1.06
	Provisions against standard assets	0.15	0.35
	Provision for warranties	(0.18)	0.18
	Advances written off	-	0.59
	Liabilities written back	(1.07)	(2.77)
	Provision for expected credit loss	0.59	-
	Impairment of goodwill	58.42	-
	Marked to market income on forward contract	-	(1.80)
	Share based payment expenses	5.28	8.70
	<b>Operating (loss)/profit before working capital changes and other adjustments</b>	<b>(199.94)</b>	<b>1.39</b>
	<b>Working capital changes and other adjustments:</b>		
	Trade receivables	5.02	14.46
	Loans and other financial assets	(11.95)	(190.57)
	Other assets	1.36	(5.96)
	Inventories	(7.09)	(3.55)
	Trade payables	10.05	1.55
	Other financial liabilities	12.64	1.27
	Other liabilities and provisions	(29.83)	16.09
	<b>Cash used in operating activities</b>	<b>(219.74)</b>	<b>(165.32)</b>
	Interest received from financing and related activities	31.03	-
	Interest paid on borrowings from financing and related activities	(1.54)	-
	Income tax (paid)/ refund received, net	(28.23)	(9.30)
	<b>Net cash used in operating activities</b>	<b>(218.48)</b>	<b>(174.62)</b>
<b>B.</b>	<b>Cash flow from investing activities:</b>		
	Purchase of property, plant and equipment and other intangible assets	(11.30)	(70.63)
	Sale of property, plant and equipment and other intangible assets	17.46	0.84
	(Investment in)/maturity of fixed deposits	0.07	(0.83)
	Interest received on fixed deposits	0.08	0.09
	Investment in securities, net	(474.14)	(521.15)
	Inter-corporate loans given, net	(103.00)	-
	Interest received	37.16	26.16
	Dividend income received	34.93	16.54
	<b>Net cash used in investing activities</b>	<b>(498.74)</b>	<b>(548.98)</b>

# Consolidated Cash Flow Statement

## for the year ended 31 March 2020 (Contd...)



(All amount in ₹ crores, unless otherwise stated)

		Year ended	
		31 March 2020	31 March 2019
<b>C.</b>	<b>Cash flow from financing activities: (refer note-50)</b>		
	Payment of lease liabilities	(3.97)	-
	Proceeds from issue of equity share capital by Subsidiary Company (including securities premium)	-	209.12
	Proceeds from preferential allotment of equity share capital (including securities premium)	-	702.78
	Proceeds from conversion of warrants into equity share capital	-	173.25
	Payment for shares issue expenses	-	(0.19)
	Borrowings from banks and financial institutions	1.02	95.82
	Repayment of borrowings to banks and financial institutions	(44.37)	(57.85)
	Proceeds from/ (repayment of) inter-corporate borrowings, net	829.08	(124.20)
	Interest paid on borrowings	(65.04)	(31.04)
	Redemption of preference capital	-	(251.77)
	Dividends paid including corporate dividend tax	-	(6.66)
	<b>Net cash generated from financing activities</b>	<b>716.72</b>	<b>709.26</b>
<b>E.</b>	<b>Decrease in cash and cash equivalents, net (A+B+C+D)</b>	<b>(0.50)</b>	<b>(14.34)</b>
<b>F.</b>	<b>Cash and cash equivalents at the beginning of the year</b>	<b>10.85</b>	<b>25.19</b>
<b>G.</b>	<b>Cash and cash equivalents at the end of the year (E+F)</b>	<b>10.35</b>	<b>10.85</b>
<b>H.</b>	<b>Reconciliation of cash and cash equivalents as per cash flow statement</b>		
	Cash and cash equivalents includes		
	Cash on hand	0.16	0.26
	Foreign currency on hand	0.00	0.01
	Balances with banks		
	In current accounts	10.14	10.53
	In unclaimed dividend account(refer note (c) below)	0.05	0.05
	<b>Total</b>	<b>10.35</b>	<b>10.85</b>

- a) The accompanying notes form an integral part of the consolidated financial statements.
- b) Ind AS-7 allows entities to report cash flow from operating activities using either the direct or indirect method, however listing regulations issued by SEBI (Securities Exchange Board of India) requires the listed companies to present cash flow only under indirect method. The Group has presented the above cash flow statement by using the indirect method.
- c) Unclaimed dividend account pertains to dividend not claimed by equity shareholders and the Holding Company does not have any right on the said money.

This is the consolidated statement of cash flows referred to in our report of even date.

### For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number.: 005975N

### Vikas Aggarwal

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

### For and on behalf of the Board of Directors

### Manvinder Singh Walia

Whole Time Director

[DIN:07988213]

### Priya Jain

Company Secretary

### Ajit Kumar Mittal

Director

[DIN:02698115]

### Saurabh Garg

Chief Financial Officer



# Consolidated Statement of Changes in Equity

as at 31 March 2020

(All amount in ₹ crores, unless otherwise stated)

## (A) Equity share capital\*

Particulars	Opening balance as at 01 April 2018	Issue of equity share capital during the year	Balance as at 31 March 2019	Issue of equity share capital during the year	Balance as at 31 March 2020
Equity share capital	10.97	6.90	17.87	-	17.87

## (B) Other equity\*\*

(All amount in ₹ crores, unless otherwise stated)

Particulars	Reserves and surplus					Other comprehensive income	Share warrant money	Equity attributable to owners of Holding Company	Non-controlling interest	Total of Other Equity
	General reserve	Capital reserve	Deferred employee compensation reserve	Securities premium	Retained earnings					
Balance as at 01 April 2018	501.50	9.42	2.97	53.59	(197.58)	-	101.97	471.87	0.08	471.95
Profit for the year	-	-	-	-	73.31	-	-	73.31	4.81	78.12
Other comprehensive income	-	-	-	-	0.35	-	-	0.35	0.23	0.58
Re-measurement of defined benefit plans, net of tax	-	-	-	-	(5.48)	-	-	(5.48)	-	(5.48)
Dividend on equity shares	-	-	-	-	(1.18)	-	-	(1.18)	-	(1.18)
Corporate dividend tax	-	-	-	-	-	-	-	-	-	-
Share based payment expense	-	-	7.42	-	-	-	-	7.42	1.25	8.67
Issue of equity shares (conversion of share warrants)	-	-	-	227.50	-	-	(57.75)	169.75	-	169.75
Preferential allotment	-	-	-	699.38	-	-	-	699.38	-	699.38
Proceeds from issue of share capital by Subsidiary Company, net of share issue expenses	-	-	-	-	-	-	-	-	74.08	74.08
Share issue expenses	-	-	-	(0.19)	-	-	-	(0.19)	-	(0.19)
Balance as at 31 March 2019	501.50	9.42	10.39	980.28	(130.58)	-	44.22	1,415.23	80.45	1,495.68
Loss for the year	-	-	-	-	(295.53)	-	-	(295.53)	2.29	(293.24)
Other comprehensive income	-	-	-	-	0.17	-	-	0.17	0.08	0.25
Re-measurement of defined benefit plans, net of tax	-	-	-	-	-	(834.40)	-	(834.40)	1.42	(832.98)
Realised/ Fair Value measurement of equity instruments, net of tax	-	-	-	-	-	-	-	-	-	-
Dividend on preference shares, net of tax	-	-	-	-	-	-	-	-	-	-
Corporate dividend tax	-	-	-	-	(0.06)	-	-	(0.06)	-	(0.06)
Share based payment expense	-	-	4.77	-	-	-	-	4.77	0.58	5.35
Adjustment of transition of Ind AS 116	-	-	-	-	0.15	-	-	0.15	-	0.15
Issue of equity shares (conversion of share warrants)	-	-	-	-	-	-	-	-	-	-
Forfeiture of warrant money	-	44.22	-	-	-	-	(44.22)	-	-	-
Proceeds from issue of share capital by Subsidiary Company, net of share issue expenses	-	-	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	501.50	53.64	15.16	980.28	(425.85)	(834.40)	-	290.33	84.82	375.15

\*Refer note - 17

\*\*Refer note - 18

The accompanying notes form an integral part of the consolidated financial statements

This is the consolidated statement of changes in equity referred to in our report of even date.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number.: 005975N

**Vikas Aggarwal**

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

**For and on behalf of the Board of Directors**

**Manvinder Singh Walia**

Whole Time Director

[DIN:07988213]

**Priya Jain**

Company Secretary

**Ajit Kumar Mittal**

Director

[DIN:02698115]

**Saurabh Garg**

Chief Financial Officer

### 1. Nature of principal activities

Indiabulls Integrated Services Limited “the Holding Company”, was incorporated on 24 July 2007. The Holding Company’s registered office stands changed from M-62 and 63, First Floor, Connaught Place, New Delhi - 110001, India to Plot No. 448-451 Udyog Vihar, Phase-V Gurugram - 122016, Haryana, India with effect from 15 January 2019.

Indiabulls Integrated Services Limited”, along with its subsidiaries is together referred to as “the Group” in the following notes.

The Group is primarily engaged in the businesses of digital platform, providing management and maintenance services, equipment hiring services, financial services, and certain other businesses.

During the year ended 31 March 2019, the Insurance Regulatory and Development Authority of India has accorded approval of R1 application for Group’s life and general insurance applications.

### 2. General information & statement of compliance with Ind AS

These financial statements of the Group have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs (‘MCA’)), as amended and other related provisions of the Act.

The Group has uniformly applied the accounting policies during the periods presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 11 July 2020. The revision to financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of Companies Act, 2013

### 3. Basis of preparation

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Certain financial assets and financial liabilities are measured at fair value and are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable. Further, share based payments are also measured at fair value of the stock options.

### 4. Estimation of uncertainties relating to the global health pandemic from covid-19 (covid-19):

The Group has considered the possible effect that may result from the pandemic relating to COVID-19, The Group has made a detailed assessment of its liquidity position and of the recoverability and carrying values of its assets as at balance sheet date, however, the actual impact of Covid-19 pandemic on the Group’s results remains uncertain and dependant on spread of Covid-19 and steps taken by the Government to mitigate the economic impact and may differ from that estimated as at the date of approval of these financial statements.

### 5. Summary of significant accounting policies

The consolidated financial statements have been prepared using the significant accounting policies and measurement basis summarized below. These were used throughout all periods presented in the financial statements.

#### a) Basis of consolidation

##### Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group has power over the investee and is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group has power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases. Statement of profit and loss (including other comprehensive income (‘OCI’)) of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of 31 March 2020.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains/ (losses) on transactions between group companies are eliminated. The accounting principles and policies have been consistently applied by the Group.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss balance (including each component of OCI) is attributed to the equity holders of the Holding Company and to the non-controlling interests basis the respective ownership interests and such balance is attributed even if this results in the non-controlling interests having a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

### b) Business combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred by the former owners of the acquired entity. Acquisition costs are generally recognized in the statement of profit and loss as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values.

Goodwill is initially measured as excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred and where exists clear evidence of underlying reasons of classifying business combinations as bargain purchase, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognise any new assets or liabilities.

### c) Property, plant and equipment (PPE)

#### *Recognition and initial measurement*

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

#### *Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013.

Asset class	Useful life
Building – temporary structure	1-3 years
Plant and equipment	12 – 15 years
Office equipment	5 years
Computers	3 – 6 years
Furniture and fixtures	10 years
Aircraft	20 years
Vehicles	8 years

The residual values, useful lives and method of depreciation of are reviewed at the end of each financial year.

#### *Capital work in progress*

Capital work-in progress excludes capital advances but includes property, plant and equipment under construction and not ready for intended use as on balance sheet date.

(All amount in ₹ crores, unless otherwise stated)

*De-recognition*

An item of property, plant and equipment initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in statement of profit and loss when the asset is derecognized.

**d) Intangible assets**

*Recognition and initial measurement*

Intangible assets (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

*Amortisation*

Intangible assets are amortized over the expected useful life from the date the assets are available for use, as mentioned below:

Asset class	Useful life
Computer software	4 years
Land – Leasehold	11 years (as per terms of agreement)

**e) Inventories**

Inventories are valued at cost or estimated net realizable value, whichever is lower. The cost of inventories is determined using the specific identification of their individual cost method and includes purchase price and all direct costs incurred in bringing the inventories to their present location and condition.

Land other than that transferred to real estate projects under development is valued at lower of cost or net realizable value.

Real estate properties (developed and under development) includes cost of land under development, internal and external development costs, construction costs, and development/construction materials, borrowing costs and related overhead costs and is valued at lower of cost or net realizable value.

Construction materials, stores and spares, tools and consumable are valued at lower of cost or net realisable value, on the basis of first-in first-out method.

Sculptures, paintings and graphics are valued at lower of cost or net realisable value, on the basis of first-in first-out method.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated necessary costs to make the sale.

**f) Revenue recognition**

Revenue is recognized when it is probable that the economic benefits will flow to the Group and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes. The Group applies the revenue recognition criteria to each nature of the revenue transaction as set out below.

*Revenue from real estate projects*

Revenue from sale of properties is recognized when the performance obligations are essentially complete and credit risks have been significantly eliminated. The performance obligations are considered to be complete when control over the property has been transferred to the buyer i.e. offer for possession (possession request letter) of properties have been issued to the customers and substantial sales consideration is received from the customers.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring property to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

For each performance obligation identified, the Group determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognised by the Group when the properties are handed over as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

The costs estimates are reviewed periodically and effect of any change in such estimate is recognized in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately.

### *Revenue from air transport services*

Revenue from air transportation services is recognised in the year in which the service has been rendered, and billed as per terms of contract / arrangements with customers, provided that collection is reasonably certain.

### *Revenue from equipment renting services*

Revenue from equipment renting services (including relevant manpower and supervision) is recognized when services is performed usually on a time proportion basis as per the terms of the contract. The Group collects applicable taxes on behalf of Statutory Authorities and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

### *Revenue from management and maintenance services*

Revenue from management and maintenance services are recognized pro-rata over the period of contract as and when services are rendered. The Group collects applicable taxes on behalf of Statutory Authorities and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

### *Interest income, expenses and other charges*

#### *Interest income*

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Interest revenue is recognized using the effective interest method (EIR). The effective interest method calculates the amortized cost of a financial instrument and allocates the interest income. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset or liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates the interest to the extent recoverable. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income.

#### *Interest expense*

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to arrangers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability.

#### *Other charges & other interest*

Additional interest is recognized when the interest is due and charged to the borrower. Overdue interest is recognised on realization basis

Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognized on accrual basis except in cases where ultimate collection is considered doubtful.

#### *Dividend income*

Dividend income is recognized at the time when right to receive the payment is established, which is generally when the shareholders of the investee party approve the dividend.

#### *Service revenue*

Income from real estate projects advisory services is recognized on accrual basis. Marketing and lease management income are accounted for when the underline contracts are duly executed, on accrual basis when the services are completed, except in cases where ultimate collection is considered doubtful.

(All amount in ₹ crores, unless otherwise stated)

*Revenue from sale of goods*

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods. The Group collects all relevant applicable taxes etc. on behalf of the Statutory Authorities and therefore, these are not economic benefits flowing to the Group. Hence they are excluded from revenue.

*Revenue from construction and advisory services*

Revenue from construction, advisory and other related services is recognized on an accrual basis.

*Income from sale of investment*

Profit on sale of investment is recognized on the date of its sale and is computed as excess of sale proceeds over its carrying amount as at the date of sale.

**g) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

**h) Impairment of non-financial assets**

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Group estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

**i) Foreign currency**

*Functional and presentation currency*

The consolidated financial statements are presented in Indian Rupee ('INR' or '₹') which is also the functional and presentation currency of the Group.

*Transactions and balances*

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

**j) Financial instruments**

**Financial assets**

*Initial recognition and measurement*

All financial assets are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

*Subsequent measurement*

i. **Debt instruments at amortized cost** – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

- ii. **Equity instruments** - All equity investments in scope of 'Ind AS 109 Financial Instruments' ('Ind AS 109') are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).
- iii. **Mutual funds** - All mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

### *De-recognition of financial assets*

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

### **Financial liabilities**

#### *Initial recognition and measurement*

All financial liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted.

#### *Subsequent measurement – Amortized cost*

Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

#### *Recognition and initial and subsequent measurement - fair value*

A financial liability is classified at fair value through profit and loss ('FVTPL') if it is designated as such upon initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains/losses, including any interest expense are recognised in statement of profit and loss

#### *De-recognition of financial liabilities*

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

#### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### **k) Impairment of financial assets**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. When estimating the cash flows, the Group is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

#### *Trade receivables*

The Group applies simplified approach permitted by Ind AS 109, which requires lifetime expected credit losses to be recognized for trade receivables.

#### *Other financial assets*

For recognition of impairment loss on other financial assets, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

### **l) Income taxes**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with



(All amount in ₹ crores, unless otherwise stated)

relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealized tax loss are recognized to the extent that it is probable that the underlying tax loss will be utilized against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity).

**m) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits, other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**n) Employee benefits**

*Defined contribution plan*

The Group's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss or inventorized as a part of real estate project under development, as the case may be. The Group's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan.

*Defined benefit plan*

The Group has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognized in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gain/losses resulting from re-measurements of the liability are included in other comprehensive income.

*Other long term employee benefits*

The Group also provides benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

*Short-term employee benefits*

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**o) Share based payments**

Share based compensation benefits are provided to employees via Employee Stock Option Plans (ESOPs). The employee benefit expense is measured using the fair value of the employee stock options and is recognized over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. On the exercise of the employee stock options, the employees will be allotted equity shares of the Holding Company.

**p) Provisions, contingent liabilities and contingent assets**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.



## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or,
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

### q) Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### r) Right of use assets and lease liabilities

For any new contracts entered into on or after 01 April 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

#### *Classification of leases*

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

#### *Recognition and initial measurement*

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

#### *Subsequent measurement*

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

### s) Significant management judgment in applying accounting policies and estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

#### *Significant management's judgments*

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized.

**Impairment of non-financial assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(All amount in ₹ crores, unless otherwise stated)

**Impairment of financial assets** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

**Recoverability of advances/receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

**Provisions** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However the actual future outcome may be different from this judgment.

*Significant estimates*

**Revenue and inventories** – Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. This requires forecasts to be made of total budgeted cost with the outcomes of underlying construction and service contracts, which further require assessments and judgements to be made on changes in work scopes, claims (compensation, rebates etc.) and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the Group used the available contractual and historical information. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

**Useful lives of depreciable/amortizable assets** – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilization of assets.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

**Note - 6A**

**Property, Plant and Equipment**

Particulars	Building	Plant & machinery	Office equipment	Computers	Furniture and fixtures	Vehicles	Leasehold Improvement	Aircrafts* (refer note-19)	Total
<b>Gross carrying amount (Refer (iii) below)</b>									
Balance as at 01 April 2018	0.03	191.30	0.65	2.40	20.99	8.41	-	106.80	330.58
Additions	-	46.06	0.08	1.05	0.05	21.66	-	-	68.90
Disposals/assets written off	-	1.58	0.01	0.64	0.01	0.42	-	-	2.66
Exchange differences#	-	-	-	-	-	-	-	9.42	9.42
<b>Balance as at 31 March 2019</b>	<b>0.03</b>	<b>235.78</b>	<b>0.72</b>	<b>2.81</b>	<b>21.03</b>	<b>29.65</b>	-	<b>116.22</b>	<b>406.24</b>
Additions	-	3.02	0.72	1.72	0.32	1.90	1.28	-	8.96
Disposals/assets written off	-	3.17	-	-	0.01	0.90	-	2.00	6.08
Exchange differences#	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>0.03</b>	<b>235.63</b>	<b>1.44</b>	<b>4.53</b>	<b>21.34</b>	<b>30.65</b>	<b>1.28</b>	<b>114.22</b>	<b>409.12</b>
<b>Accumulated depreciation</b>									
Balance as at 01 April 2018	0.03	56.57	0.40	1.75	17.19	4.79	-	15.05	95.78
Charge for the year	-	15.11	0.09	0.45	1.66	2.38	-	5.42	25.11
Adjustments for disposals	-	0.83	0.01	0.64	0.00	0.42	-	-	1.90
Exchange differences#	-	-	-	-	-	-	-	0.56	0.56
<b>Balance as at 31 March 2019</b>	<b>0.03</b>	<b>70.85</b>	<b>0.48</b>	<b>1.56</b>	<b>18.85</b>	<b>6.75</b>	-	<b>21.03</b>	<b>119.55</b>
Charge for the year	-	16.67	0.17	0.90	0.56	3.50	0.09	5.30	27.19
Adjustments for disposals	-	1.61	-	-	(0.00)	0.78	-	0.54	2.93
Exchange differences#	-	-	-	-	-	-	-	0.56	0.56
<b>Balance as at 31 March 2020</b>	<b>0.03</b>	<b>85.91</b>	<b>0.65</b>	<b>2.46</b>	<b>19.41</b>	<b>9.47</b>	<b>0.09</b>	<b>26.35</b>	<b>144.37</b>
<b>Net carrying value as at 31 March 2019</b>	-	<b>164.93</b>	<b>0.23</b>	<b>1.25</b>	<b>2.17</b>	<b>22.90</b>	-	<b>95.19</b>	<b>286.69</b>
<b>Net carrying value as at 31 March 2020</b>	-	<b>149.72</b>	<b>0.78</b>	<b>2.07</b>	<b>1.93</b>	<b>21.17</b>	<b>1.19</b>	<b>87.87</b>	<b>264.75</b>

# Represents foreign exchange loss/(gain) capitalised during the year and depreciation thereon.

- (i) There is no restriction on title of the property, plant and equipment.
- (ii) There are no contractual commitments for the acquisition of property, plant and equipment.
- (iii) The Gross block of all the class of assets is measured at cost, except for aircrafts, for which the gross block is recorded at fair value as on 01 April 2016.

(All amount in ₹ crores, unless otherwise stated)

\*Details of foreign exchange loss/(gain) on translation of long-term foreign currency borrowing capitalized and amortized during the year:

Particulars	Amount
<b>Exchange loss /(gain) capitalized</b>	
<b>As at 01 April 2018</b>	<b>34.84</b>
Recognised/ (reversed) during the year	9.42
<b>As at 31 March 2019</b>	<b>44.26</b>
Recognised/ (reversed) during the year	-
<b>As at 31 March 2020</b>	<b>44.26</b>
<b>Exchange loss / (gain) amortized</b>	
<b>As at 01 April 2018</b>	<b>5.39</b>
Amortized during the year	(0.56)
<b>As at 31 March 2019</b>	<b>4.83</b>
Amortized during the year	(0.56)
<b>As at 31 March 2020</b>	<b>4.27</b>
<b>Net block of exchange loss/(gain)</b>	
<b>As at 31 March 2020</b>	<b>39.99</b>
<b>As at 31 March 2019</b>	<b>39.43</b>

#### Revaluation of property, plant and equipment

The revalued property, plant and equipment consists of Aircrafts used in the business. The management determined that these constitute one class of asset under Ind AS 113, based on the nature, characteristics and risks of the property.

Fair value of the aircrafts was determined by using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation 01 April 2016, the aircrafts' fair values are based on valuations performed by independent valuers who has relevant valuation experience for similar assets valuation.

Information of revaluation model on aircrafts:

Particulars	Amount
<b>Balance as at 01 April 2018</b>	<b>91.76</b>
Purchases	9.42
Depreciation	(5.98)
<b>Closing balance as at 31 March 2019</b>	<b>95.20</b>
Adjustments for disposals	(2.00)
Depreciation	(5.31)
<b>Closing balance as at 31 March 2020</b>	<b>87.89</b>

Under the previous GAAP, aircrafts were carried in the balance sheet on the basis of historical cost model. Had the same value of aircrafts being considered under Ind AS, the following would have been the respective carrying value of the aircrafts:

Particulars	31 March 2020	31 March 2019
<b>Cost</b>	<b>287.37</b>	<b>305.32</b>
Purchases	-	9.42
Accumulated Depreciation	65.82	67.11
<b>Net carrying Amount</b>	<b>221.55</b>	<b>247.63</b>

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

**Note - 6B**

**Right to use Asset (Refer note - 39)**

	Software	Total
<b>Gross carrying amount</b>		
Balance as at 01 April 2019	9.14	9.14
Additions	7.15	7.15
<b>Balance as at 31 March 2020</b>	<b>16.29</b>	<b>16.29</b>
<b>Accumulated amortization</b>		
Balance as at 01 April 2019	-	-
Charge for the year	3.59	3.59
<b>Balance as at 31 March 2020</b>	<b>3.59</b>	<b>3.59</b>
<b>Net carrying value as at 31 March 2020</b>	<b>12.70</b>	<b>12.70</b>

**Note - 6C**

**Other intangible assets**

	Software	Land - Leasehold	Total
<b>Gross carrying amount</b>			
Balance as at 01 April 2018	4.51	1.17	5.68
Additions	1.73	-	1.73
Disposals/assets written off	4.40	-	4.40
<b>Balance as at 31 March 2019</b>	<b>1.84</b>	<b>1.17</b>	<b>3.01</b>
Additions	3.21	-	3.21
Disposals/assets written off	-	-	-
<b>Balance as at 31 March 2020</b>	<b>5.05</b>	<b>1.17</b>	<b>6.22</b>
<b>Accumulated amortization</b>			
Balance as at 01 April 2018	4.44	0.31	4.75
Charge for the year	0.32	0.11	0.43
Adjustment for disposals	4.40	-	4.40
<b>Balance as at 31 March 2019</b>	<b>0.36</b>	<b>0.42</b>	<b>0.78</b>
Charge for the year	0.68	0.11	0.79
Adjustment for disposals	-	-	-
<b>Balance as at 31 March 2020</b>	<b>1.04</b>	<b>0.53</b>	<b>1.57</b>
<b>Net carrying value as at 31 March 2019</b>	<b>1.48</b>	<b>0.75</b>	<b>2.23</b>
<b>Net carrying value as at 31 March 2020</b>	<b>4.01</b>	<b>0.64</b>	<b>4.65</b>

**Note - 6D**

**Statement showing reconciliation of goodwill arising on consolidation of financial statements**

Particulars	Amount
<b>Opening balance as on 01 April 2018</b>	<b>266.02</b>
Additions/ (Reversals) during the year*	(135.04)
<b>Balance as on 31 March 2019</b>	<b>130.98</b>
Additions/ (Reversals) during the year **	(58.42)
<b>Balance as on 31 March 2020</b>	<b>72.56</b>

\* During the financial year 2018-19, one of the subsidiaries of the Holding Company, viz. SORIL Infra Resources Limited issued 39,00,000 equity shares of ₹ 10/- each at a premium of ₹ 529 each. The Holding Company credited its share of premium on the said issue to its goodwill.

\*\*The Group tests goodwill annually for impairment and has impaired goodwill to the extent of ₹ 58.42 crores during the year ended 31 March 2020, to the extent there is no convincing evidence of the future cash flows of its investment in CGU.

(All amount in ₹ crores, unless otherwise stated)

Goodwill of ₹72.56 crores (31 March 2019: ₹ 130.98 crores) has been allocated to the group's business in India. The estimated value in use of this CGU is based on the future cash flows using a 8-10% annual growth rate for periods subsequent to the forecast period of five years and discount rate of 8%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

**Note - 7**

Particulars		31 March 2020	31 March 2019
<b>A</b>	<b>Investments - non - current</b>		
	<b>Investment in securities (quoted)</b>		
	Investment in Equity Instruments	244.83	-
	(Investment in Equity Instruments designated through FVOCI)		
	[31 March 2020: 2,44,27,670 shares; 31 March 2019: Nil shares]		
	[Face value of ₹ 2/- each]		
		<b>244.83</b>	-
	Aggregate market value of quoted investments	<b>244.83</b>	-
<b>B</b>	<b>Investments - current</b>		
	<b>(i) Investment in mutual funds (quoted)</b>		
(a)	Indiabulls Liquid Fund - Direct Plan - Growth	0.06	92.74
	[321.978 (31 March 2019: 5,08,052.27) units, NAV: ₹1,939.345 (31 March 2019: ₹1,825.3771) per unit]		
(b)	Indiabulls Dynamic Bond Fund - Direct Plan - Growth	-	5.00
	[Nil (31 March 2019: 48,369.713)units, NAV: nil (31 March 2019: ₹1,033.7047) per unit]		
(c)	Indiabulls Short Term Fund - Direct Plan - Growth	-	41.88
	[Nil (31 March 2019: 2,53,567.971)units , NAV: nil (31 March 2019: ₹1,651.8064 ) per unit]		
(d)	Indiabulls Ultra Short Term Fund - Direct Plan - Growth	-	53.52
	[Nil (31 March 2019: 2,86,773.407)units , NAV: nil (31 March 2019: ₹1,866.2120 ) per unit]		
(e)	Indiabulls Saving Fund - Direct Plan - Growth	0.01	0.01
	[100 (31 March 2019: 100.00) units, NAV: ₹1,116.045 (31 March 2019: ₹1,043.5343) per unit]		
(f)	Reliance Liquid Fund - Direct Plan - Growth	-	2.35
	[Nil (31 March 2019: 5,156.75) units]		
(g)	SBI Liquid Fund - Direct Plan - Growth	-	2.35
	[Nil (31 March 2019: 8,034.48) units]		
(h)	Indiabulls Overnight Fund - Direct Plan - Growth	3.09	-
	[29,905.452 (31 March 2019: Nil) units, NAV: ₹1,036.618 (31 March 2019: Nil)]		
	<b>Total of Investment in Mutual Funds</b>	<b>3.17</b>	<b>197.85</b>

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

Particulars	31 March 2020	31 March 2019
<b>(ii) Investment in non-convertible debentures (quoted)</b>		
(a) Indiabulls Consumer Finance Limited (Face Value of ₹ 1,000 each) ISIN:INE614X07027 [23,50,000 (31 March 2019: 23,50,000)units, NAV: ₹1035.001 (31 March 2019: ₹989.90) per unit] Add: Interest Accrued on above	243.23 0.11	232.63 -
(b) Indiabulls Consumer Finance Limited (Face Value of ₹ 1,000 each) ISIN: INE614X07217 [1,00,000 (31 March 2019: nil)units, NAV: ₹1,067.05 (31 March 2019: Nil) per unit]	10.67	-
<b>(iii) Investment in Bonds (quoted)</b>	25.82	-
Indiabulls Housing Finance Limited (Face Value of ₹ 1,000 each) ISIN: INE148I07GE8 [2,50,000 (31 March 2019: nil)units, NAV: ₹1,032.80 (31 March 2019: Nil) per unit] Add: Interest Accrued on above	0.75	-
<b>(iv) Indiabulls Housing Finance Limited (Face Value of ₹ 1,000 each)</b> [1,25,000 (31 March 2019: nil)units, NAV: ₹1,018.021 (31 March 2019: Nil) per unit]	12.73	
<b>(v) Investment in Commercial Papers (unquoted)</b>		
Commercial Paper Indiabulls Real Estate Limited 24/05/2019 [Nil (31 March 2019: 9,000) units Face Value Nil : (31 March 2019: ₹5,00,000 ) per unit]	-	443.68
	<b>296.48</b>	<b>874.16</b>
<b>Aggregate book value of quoted investments</b>	<b>295.62</b>	<b>430.48</b>
<b>Aggregate book value of unquoted investments</b>	-	<b>443.68</b>
<b>Aggregate market value of quoted investments</b>	<b>295.62</b>	<b>430.48</b>

**Note - 8**

**Loans**

Particulars	31 March 2020		31 March 2019	
<b>A Non-current</b>				
Loans (secured by tangible assets)*				
Considered good - Secured	172.00		111.77	
Considered good - Unsecured	19.19		26.53	
	<b>191.19</b>		<b>138.30</b>	
Less: provision for impairment loss allowance	(0.44)	190.75	(0.35)	137.95
Security deposits				
Considered good - Unsecured		1.78		2.52
		<b>192.53</b>		<b>140.47</b>
<b>B Current</b>				
Loans (secured by tangible assets)*				
Considered good - Secured	7.72		2.31	
Considered good - Unsecured	0.72		-	
	<b>8.44</b>		<b>2.31</b>	
Less: provision for impairment loss allowance	(0.06)	8.38	-	2.31
- Interest accrued on above		2.05		0.13
Security deposits				
Considered good - Unsecured		4.04		3.16
Inter-corporate loans to other				
Considered good - Unsecured		103.00		-
- Interest accrued on above		4.55		-
<b>Total</b>		<b>122.02</b>		<b>5.60</b>

(All amount in ₹ crores, unless otherwise stated)

\* Secured loans and other credit facilities given to customers are secured/partly secured by :

- a) Equitable mortgage of property and/or
- b) Pledge of shares / debentures, units, other securities, assignment of life insurance policies and/or
- c) Hypothecation of assets and/or
- d) Company guarantees and/or
- e) Personal guarantee and/or
- f) Negative lien and/or undertaking to create a security.

**Note - 9**

Particulars		31 March 2020	31 March 2019
<b>A</b>	<b>Other financial assets - non-current</b>		
	Bank deposits with more than 12 months maturity*	0.13	0.61
	EIS receivable**	1.96	-
	<b>Total</b>	<b>2.09</b>	<b>0.61</b>
<b>B</b>	<b>Other financial assets - current</b> (Unsecured, considered good)		
	Loan to employees	0.00	0.00
	Other receivables	2.11	46.93
	EIS receivable**	0.91	-
	<b>Total</b>	<b>3.02</b>	<b>46.93</b>

\*Bank deposit amounting to ₹ 0.13 crore (excluding accrued interest) (31 March 2019 ₹ 0.61 crore ) have been lien marked as a security for valued added tax registration with various states and pledged against bank guarantees and letter of credit.

\*\* Under Ind AS, with respect to Assignment deals, Company has created an Excess Interest Spread (EIS) receivable, with corresponding credit to Statement of Profit and loss for the year, which has been computed by discounting EIS to present value.

**Note - 10**

Particulars	31 March 2020	31 March 2019
<b>Deferred tax assets, net</b>		
<b>Deferred tax asset arising on account of :</b>		
Property, plant and equipment, investment property and intangible assets - depreciation and amortisation	0.00	0.36
Preliminary expenses	0.00	0.01
ESOP Expenses	-	1.43
Deferred tax on acquisition of new step-down subsidiary	0.00	0.00
<b>Deferred tax liabilities arising on account of :</b>		
Financial instruments - fair valuation	-	(0.18)
Minimum alternative tax credit entitlement	0.37	5.96
<b>Total</b>	<b>0.37</b>	<b>7.58</b>



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

Caption wise movement in deferred tax assets is as follows:

Particulars	01 April 2018	Recognised in Other Comprehensive Income	Recognised/ (reversed) in profit and loss	31 March 2019
<b>Assets</b>				
Property, plant and equipment, investment property and intangible assets - depreciation and amortisation	0.00	-	0.36	0.36
Preliminary expenses	0.01	-	-	0.01
Unabsorbed business losses	4.78	-	(4.78)	-
ESOP Expenses	-	-	1.43	1.43
Deferred tax on acquisition of new step-down subsidiary	-	-	0.00	0.00
<b>Liabilities</b>				
Financial instruments - fair valuation	(0.49)	-	0.31	(0.18)
<b>Sub-Total</b>	<b>4.30</b>	<b>-</b>	<b>(2.68)</b>	<b>1.62</b>
Minimum alternative tax credit entitlement	1.90	-	4.06	5.96
<b>Total</b>	<b>6.20</b>	<b>-</b>	<b>1.38</b>	<b>7.58</b>

Particulars	31 March 2019	Recognised in Other Comprehensive Income	Recognised/ (reversed) in profit and loss	31 March 2020
<b>Assets</b>				
Property, plant and equipment, investment property and intangible assets - depreciation and amortisation	0.36	-	(0.36)	0.00
Preliminary expenses	0.01	-	(0.00)	0.00
Unabsorbed business losses	-	-	-	-
ESOP Expenses	1.43	-	(1.43)	-
Deferred tax on acquisition of new step-down subsidiary	0.00	-	-	0.00
<b>Liabilities</b>				
Financial instruments - fair valuation	(0.18)	-	0.18	-
<b>Sub-Total</b>	<b>1.62</b>	<b>-</b>	<b>(1.60)</b>	<b>(0.00)</b>
Minimum alternative tax credit entitlement	5.96	-	(5.59)	0.37
<b>Total</b>	<b>7.58</b>	<b>-</b>	<b>(7.21)</b>	<b>0.37</b>

The Group has restricted the creation of deferred tax asset on unabsorbed business losses to the extent of ₹365.90 crores ( 31 March 2019: ₹107.12 crores) as there is no convincing evidence which demonstrate probability of realisation of deferred tax asset in the near future.

(All amount in ₹ crores, unless otherwise stated)

**Note - 11**

**Non-current tax assets, net**

Particulars	31 March 2020	31 March 2019
Advance income tax, including tax deducted at source (net of provisions)	28.75	35.40
<b>Total</b>	<b>28.75</b>	<b>35.40</b>

**Note - 12**

Particulars	31 March 2020	31 March 2019
<b>A Other non-current assets</b>		
(Unsecured, considered good)		
Capital advance	0.02	0.88
Prepaid expenses	0.12	2.63
<b>Total</b>	<b>0.14</b>	<b>3.51</b>
<b>B Other current assets</b>		
(Unsecured, considered good)		
Advance to staff	0.07	0.15
Advance to suppliers/service providers	8.03	5.79
Prepaid expenses	2.28	1.14
Balances with statutory and government authorities	8.00	10.22
Advance for land (expected to get land)	300.00	300.00
Others	0.14	0.07
<b>Total</b>	<b>318.51</b>	<b>317.37</b>

**Note - 13**

**Inventories**

Particulars	31 March 2020	31 March 2019
Real estate properties - developed (at cost)		
Cost of developed properties	0.38	0.38
Stock of trading goods	1.52	-
Stores and spares	0.46	5.36
Stock of LED Lighting	11.12	0.65
Stock-in-trade (goods acquired for trading)	15.00	15.00
<b>Total Inventories</b>	<b>28.48</b>	<b>21.39</b>

**Note**

(a) The above includes goods in transit as under:

Stock of LED Lighting	0.55	-
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(b) Inventories are hypothecated with the bankers against working capital limits.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

**Note - 14**

**Trade receivables-current\***

Particulars	31 March 2020	31 March 2019
Considered good - Unsecured	81.00	86.61
Credit impaired	0.59	-
	<b>81.59</b>	<b>86.61</b>
Less : Impairment allowance for trade receivables - credit impaired	(0.59)	-
<b>Total</b>	<b>81.00</b>	<b>86.61</b>

\*The cash credit facility is secured against includes book debts.

**Note - 15**

**Cash and cash equivalents**

Particulars	31 March 2020	31 March 2019
Cash on hand	0.16	0.26
Foreign currency on hand	0.00	0.01
Balances with banks		
In current accounts	10.14	10.53
In unclaimed dividend account*	0.05	0.05
<b>Total</b>	<b>10.35</b>	<b>10.85</b>

\*Unclaimed dividend account pertains to dividend not claimed by equity shareholders and the Holding Company does not have any right on the said money.

**Note - 16**

**Other bank balances**

Particulars	31 March 2020	31 March 2019
Bank deposits*		
With maturity of more than three months and upto twelve months	1.07	0.65
<b>Total</b>	<b>1.07</b>	<b>0.65</b>

\*Bank deposit amounting to ₹ 1.07 crores (31 March 2019: ₹ 0.65 crores ) (excluding accrued interest) have been lien marked as a security for valued added tax registration with various states and pledged against bank guarantees and letter of credit.

(All amount in ₹ crores, unless otherwise stated)

**Note - 17**

**A Equity share capital**

Particulars		31 March 2020		31 March 2019	
		Number	Amount	Number	Amount
i	<b>Authorised</b>				
	Equity shares of face value of ₹2 each	400,000,000	80.00	400,000,000	80.00
		<b>400,000,000</b>	<b>80.00</b>	<b>400,000,000</b>	<b>80.00</b>
ii	<b>Issued, subscribed and fully paid up</b>				
	Equity share capital of face value of ₹2 each fully paid up	89,325,569	17.87	89,325,569	17.87
		<b>89,325,569</b>	<b>17.87</b>	<b>89,325,569</b>	<b>17.87</b>
iii	<b>Reconciliation of number and amount of equity shares outstanding at the beginning and at the end of the year</b>				
	Equity shares				
	Balance at the beginning of the year	89,325,569	17.87	54,818,493	10.96
	Add: Issued during the year	-	-	34,507,076	6.90
	<b>Balance at the end of the year</b>	<b>89,325,569</b>	<b>17.87</b>	<b>89,325,569</b>	<b>17.87</b>

- iv During the financial year ended 31 March 2018, the Board of Directors of the Holding company being authorised by shareholders at the general meeting held on 22 November 2017, and in accordance with the provisions of section 42 and 62 of the Companies Act, 2013 and requirement contained in SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, approved the preferential issue of upto 3,50,00,000 (Three crores fifty lakhs) Warrants, convertible into equivalent number of equity shares of face value ₹2/- each of the Holding Company at the conversion price of ₹132/- (including premium of ₹130/-) per equity share to M/s Powerscreen Media Private Limited, M/s Calleis Real Estate Private Limited, M/s Calleis Constructions Private Limited and M/s Calleis Properties Private Limited, the promoter group entities, in accordance with applicable provisions of Chapter VII of Securities & Exchange Board of India (Issue of Capital & Disclosure requirement) Regulations 2009, (SEBI ICDR Regulations). During the financial year 2017-18, the Holding Company has, upon conversion of 41,00,000 share warrants, allotted 41,00,000 equity shares of face value of ₹2 each at the issue price of ₹132 (including premium of ₹130) per equity share held by promoter group entities.
- v (1) The Holding Company, pursuant to and in terms of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, issued and allotted:
- (a) on 28 May 2018, an aggregate of 1,00,00,000 fully paid up equity shares of face value of ₹ 2 each of the Holding Company at an issue price of ₹330 (including a premium of ₹ 328) per Equity Share, to certain foreign portfolio investors, registered with the SEBI, pursuant to and in terms of shareholders' approval dated 22 May 2018; and
- (b) on 25 June 2018, an aggregate of 70,07,076 fully paid up equity shares of face value of ₹ 2 each of the Holding Company at an issue price of ₹532 (including a premium of ₹ 530) per Equity Share, to certain foreign investors, pursuant to and in terms of shareholders' approval dated 11 June 2018.
- (2) The Holding Company, pursuant to and in terms of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 and shareholders' approval dated 16 December 2017, allotted:
- (a) on 28 May 2018, an aggregate of 75,00,000 equity shares; and
- (b) on 25 June 2018, an aggregate of 1,00,00,000 equity shares, at a conversion price of ₹ 132 (including a premium of ₹ 130) per equity share to certain promoter group entities of the Holding Company, upon exercise/conversion of equivalent number of warrants.
- Pursuant to the preferential allotment and conversion of warrants, the paid up share capital of the Holding Company stands increased to ₹17.87 crores divided into 8,93,25,569 shares of ₹ 2 each.
- vi In order to not alter the capital structure of the Holding Company, ahead of the on-going composite scheme of arrangement amongst Indiabulls Integrated Services Limited (the Holding Company), its direct and indirect subsidiaries and Indiabulls Pharmaceuticals Limited, and their respective shareholders and creditors, which was approved by the Board of Directors of the Holding Company on 29 January 2019 (Scheme), on which the regulatory approvals are underway, and with a view to avoid any delay in implementation of the Scheme, which may occur due to change in share capital of the Holding Company upon conversion of convertible warrants (which were issued by the Holding Company on 02 January 2018 i.e. around an year prior to the approval of the Scheme), the warrant-holder promoter entities (namely Powerscreen Media Private Limited, Calleis Real Estate Private Limited, Calleis Constructions Private Limited and Calleis Properties Private Limited) decided to forego their rights of conversion of their entire outstanding convertible warrants into equity shares of the Holding Company.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

With this, in accordance with the terms of issuance of these warrants, the entire outstanding convertible warrants stood lapsed, and the aggregate of ₹ 44.22 Crores (being 25% upfront money paid by the warrant-holders to the Holding Company at the time of allotment of these warrants) has been forfeited by the Holding Company.

- vii The Holding Company does not have any shares issued for consideration other than cash during the immediately preceding five years. The Holding Company did not buy back any shares during immediately preceding five years.
- viii The details of shares reserved for issue under Employee Stock Option Scheme (ESOS) of the Holding Company are given in note - 48
- ix **Rights, preferences and restrictions attached to equity shares**

The holders of equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Holding Company. In the event of liquidation of the Holding Company, all preferential amounts, if any, shall be discharged by the Holding Company, the remaining assets of the Holding Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date. All shares rank equally with regard to the Holding Company's residual assets, except that holders of preference shares participate only to the extent of the face value of the shares.

- x **Details of shareholder holding more than 5% share capital**

Name of the equity shareholder	Number of shares	
	31 March 2020	31 March 2019
Jyeshta Infrastructure Private Limited	8,330,412	8,330,412
Kritikka Infrastructure Private Limited	8,553,576	8,553,576
Steadview Capital Mauritius Limited	8,253,187	8,253,187
Calleis Real Estate Private Limited	5,400,000	5,400,000
Calleis Constructions Private Limited	5,400,000	5,400,000
Calleis Properties Private Limited	5,400,000	5,400,000
Powerscreen Media Private Limited	5,400,000	5,400,000

### B Preference share capital

Particulars	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Preference shares of face value of ₹10 each	30,000,000	30.00	30,000,000	30.00
	<b>30,000,000</b>	<b>30.00</b>	<b>30,000,000</b>	<b>30.00</b>

### Note - 18

#### Other Equity

Particulars	31 March 2020	31 March 2019
Reserves and Surplus		
General reserve	501.50	501.50
Capital reserve	53.64	9.42
Deferred employee compensation reserve	15.16	10.39
Securities Premium	980.28	980.28
Retained earnings	(425.85)	(130.58)
Other comprehensive income	(834.40)	-
Share Warrant Money	-	44.22
<b>Total</b>	<b>290.33</b>	<b>1,415.23</b>

#### Nature and purpose of other reserves

##### Securities Premium

Security premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013

(All amount in ₹ crores, unless otherwise stated)

#### Deferred employee compensation reserve

The reserve is used to recognized the expenses related to stock option issued to employees under Group's employee stock option plans.

#### Capital reserve

The Holding Company has issued share warrants in the earlier years. This reserve is created on account of forfeiture of share application money received on account of issuance of share warrants as share warrants holders did not exercise their rights.

#### General reserve

The Holding Company is required to create a general reserve out of the profits when the Holding Company declares dividend to shareholders.

#### Share Warrant Money

The Holding Company has issued share warrants to certain promoter group companies and taken advance at 25% of the exercise price as on grant date. As per the terms of issue of these warrants, and upon payment of exercise price as reduced by 25% upfront money paid at the time of allotment of warrants, the warrant holders were entitled to apply for and obtain allotment of one equity share of ₹2 each fully paid up of the Holding Company against each warrant held, within a period of eighteen months from the date of allotment of the said warrants. Upon conversion, the said share warrant money gets adjusted with the equity share capital and securities premium as per the warrant grant terms.

#### Note - 19

##### A Borrowings - non-current

Particulars	31 March 2020	31 March 2019
<b>Secured borrowings:</b>		
Term loans		
From banks	278.90	300.46
Less: current maturities of long-term borrowings(refer note - 25)	(259.10)	(22.28)
	<b>19.80</b>	<b>278.19</b>
From others	10.53	14.64
Less: current maturities of long-term borrowings (refer note - 25)	(4.45)	(4.12)
	<b>6.08</b>	<b>10.52</b>
<b>Total of borrowings-non-current</b>	<b>25.88</b>	<b>288.71</b>

#### Repayment terms (including current maturities) and security details

Name of the bank	As at	Loan outstanding	Repayment terms	Nature of Security
Kotak Mahindra Bank Limited	31 March 2020	2.12	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	3.06		
	31 March 2020	-	36 equated monthly instalment from date of disbursal.	
	31 March 2019	0.41		
ICICI Bank Limited	31 March 2020	3.02	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	3.98		
	31 March 2020	-	35 equated monthly instalment from date of disbursal.	
	31 March 2019	0.10		

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

Name of the bank	As at	Loan outstanding	Repayment terms	Nature of Security
HDFC Bank Limited	31 March 2020	-	35 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	0.40		
	31 March 2020	-	23 equated monthly instalment from date of disbursal.	
	31 March 2019	2.22		
	31 March 2020	4.07	30 equated monthly instalment from date of disbursal.	
	31 March 2019	6.92		
	31 March 2020	-	Repayable within 3 to 4 months	
	31 March 2019	5.00		
	31 March 2020	0.39	37 equated monthly instalment from date of disbursal.	
	31 March 2019	0.72		
	31 March 2020	18.16	47 equated monthly instalment from date of disbursal.	
	31 March 2019	24.11		
Axis Bank Limited	31 March 2020	5.75	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	5.56		
	31 March 2020	-	46 equated monthly instalment from date of disbursal.	
	31 March 2019	1.83		
Yes Bank Limited	31 March 2020	1.81	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	2.58		
*Yes Bank Limited	31 March 2020	243.58	Payable at the end of 2 years from date of disbursal	Secured by Hypothecation of Assets being financed.
	31 March 2019	243.58	Payable at the end of 3 years from date of disbursal	
SREI Equipment Finance Limited	31 March 2020	10.53	47 equated monthly instalment from date of disbursal.	Secured by Hypothecation of Assets being financed.
	31 March 2019	14.64		

\*Secured by exclusive charge by way of hypothecation on the aircraft being financed, assignment of insurance policy, exclusive charge over receivables arising from it, under escrow mechanism, exclusive charge by way of assignment over rights, titles, interest etc. The entire loan is to be repaid on June 2020.

**B Borrowings-current**

Particulars	31 March 2020	31 March 2019
<b>Secured borrowings:</b>		
Working capital loan from bank	9.34	27.02
<b>Unsecured borrowings:</b>		
Loans and advances from others*	829.08	-
<b>Total</b>	<b>838.42</b>	<b>27.02</b>

\*Loans and advances from others are repayable on demand

(All amount in ₹ crores, unless otherwise stated)

**Repayment terms (including current maturities) and security details**

Name of the bank	As at	Loan outstanding	Repayment terms	Nature of Security
RBL Bank Limited (working capital facility)	31 March 2020	9.34	Repayable within 6 months from the date of disbursal	Charge on all current assets includes book debts, inventory and others assets (both present and future) of the respective borrower Company and its subsidiary other than those assets exclusively charged to other lenders.
	31 March 2019	27.02		

**Note - 20**

**Lease Liabilities**

Particulars		31 March 2020	31 March 2019
<b>A</b>	Non-current	10.02	-
<b>B</b>	Current	3.29	-
<b>Total</b>		<b>13.31</b>	-

**Note - 21**

Particulars		31 March 2020	31 March 2019
<b>A</b>	<b>Provisions - non-current</b>		
	Provision for employee benefits		
	Gratuity	2.50	2.17
	Compensated absences	1.83	1.19
	Provision for warranties of LED Lighting	0.36	0.18
<b>Total</b>		<b>4.68</b>	<b>3.54</b>
<b>B</b>	<b>Provisions - current</b>		
	Provision for employee benefits		
	Gratuity	0.03	0.04
	Compensated absences	0.05	0.03
	Provision on standard assets as per RBI norms	-	0.35
<b>Total</b>		<b>0.08</b>	<b>0.42</b>



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

**Note - 22**

**Deferred tax liabilities, net**

Particulars	31 March 2020	31 March 2019
Deferred tax liabilities/ assets arising on account of :		
Depreciation and amortisation	0.17	-
Provision of employee benefits	(0.17)	-
Provision on Standard Assets as per RBI Norms	(0.13)	-
Financials assets at amortised cost	0.21	-
Fair valuation of financial instruments	2.86	-
<b>Total</b>	<b>2.95</b>	<b>-</b>

Caption wise movement in deferred tax liabilities is as follows:

Particulars	01 April 2019	Recognised in other comprehensive income	Recognised in profit and loss	31 March 2020
<b>Liabilities</b>				
Depreciation and amortisation	-	-	(0.17)	0.17
Provision of employee benefits	-	-	0.17	(0.17)
Provision on Standard Assets as per RBI Norms	-	-	0.13	(0.13)
Financials assets at amortised cost	-	-	(0.21)	0.21
Fair valuation of financial instruments	-	-	(2.86)	2.86
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(2.95)</b>	<b>2.95</b>

**Note - 23**

Particulars	31 March 2020	31 March 2019
<b>A Other liabilities - non-current</b>		
Obligation under operating lease	-	0.15
<b>Total</b>	<b>-</b>	<b>0.15</b>
<b>B Other liabilities - current</b>		
Payable to statutory authorities	11.36	3.20
Advance from customers	1.05	6.69
Temporary overdrawn balance	0.09	31.73
Other liabilities	-	0.56
<b>Total</b>	<b>12.50</b>	<b>42.18</b>

(All amount in ₹ crores, unless otherwise stated)

**Note - 24**

**Trade payables - current**

Particulars	31 March 2020	31 March 2019
Due to others	9.40	5.04
Provision of employee benefits	22.43	15.94
<b>Total</b>	<b>31.83</b>	<b>20.98</b>

**\* Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"):**

Particulars	31 March 2020	31 March 2019
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	9.64	5.10
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year	0.24	0.06
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

**Note - 25**

**Other financial liabilities - current**

Particulars	31 March 2020	31 March 2019
Current maturities of non-current secured borrowings:		
from banks and financial institutions	263.55	26.40
Interest accrued but not due on borrowings:		
On other loans	55.33	-
On term loan from banks	7.33	7.33
Unpaid dividend on equity shares*	0.05	0.05
Security deposits	1.21	3.57
Loans repayable on loan assignment	2.25	-
Interest accrued but not due on loan assignment	0.29	-
Expenses payable to others	22.40	10.14
<b>Total</b>	<b>352.41</b>	<b>47.49</b>

\* In respect of amount as mentioned under section 125 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2020 and 31 March 2019.

**Note - 26**

**Current tax liabilities, net**

Particulars	31 March 2020	31 March 2019
Provision for income tax	9.22	26.99
<b>Total</b>	<b>9.22</b>	<b>26.99</b>

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

**Note - 27**

**Revenue from operations**

Particulars	31 March 2020	31 March 2019
Revenue from real estate project	-	0.02
Revenue from management and maintenance services	24.75	15.21
Revenue from equipment renting services	75.37	85.00
Revenue from LED lighting	68.24	46.51
Revenue from trading of scrap and others	5.06	3.63
Revenue from air transportation services	12.89	20.09
Revenue from art gallery	-	0.04
Pilot hiring income	0.02	0.20
Interest on loans	33.90	0.13
Less : Interest on loan assignment	(1.24)	-
<b>Other operating income</b>		
Interest from customers on overdue balances	-	0.01
Interest Spread income on pool loan	3.11	-
Referral Commission	0.03	-
Processing fee	3.18	0.01
Dividend received	0.11	0.05
Service fee on pool loan	0.01	-
Others	0.04	-
<b>Total</b>	<b>225.47</b>	<b>170.90</b>

**Note - 28**

**Other income**

Particulars	31 March 2020	31 March 2019
Dividend Income on mutual funds	0.21	2.55
Dividend on equity shares	34.72	13.99
Interest income	18.13	26.26
Interest on income tax refund	1.56	0.06
Marked to market income on forward contract	-	1.80
Interest income on commercial papers	0.45	0.33
Interest income on non convertible debentures	23.88	-
Interest Income on Bonds	1.52	-
Finance Income	0.00	-
Profit on redemption of investments	8.19	130.11
Profit on fair valuation of financial instruments	16.98	0.71
Profit on sale of property, plant and equipment	14.33	0.09
Realised foreign exchange gain	0.00	0.00
Miscellaneous income	0.24	0.04
Liabilities written back	1.07	2.77
Other Income	1.28	-
<b>Total</b>	<b>122.56</b>	<b>178.71</b>

(All amount in ₹ crores, unless otherwise stated)

**Note - 29**

**Cost of revenue**

Particulars	31 March 2020	31 March 2019
<b>For trading goods and products</b>		
Purchase of stock in trade	51.93	32.10
(Increase)/decrease in inventory of finished goods		
Opening stock	15.00	15.00
Closing stock	(15.00)	(15.00)
<b>For real estate</b>		
(Increase) / decrease in real estate inventory		
Opening stock	0.38	0.31
Closing stock	(0.38)	(0.38)
<b>Total</b>	<b>51.93</b>	<b>32.02</b>

**Note - 30**

**Operating Expenses**

Particulars	31 March 2020	31 March 2019
Facility Management Services	33.76	14.50
Equipment Hiring Business	22.47	25.92
LED Business	3.63	2.17
Aviation Business		
Professional charges	0.75	1.66
Travelling and conveyance expenses	0.81	0.42
Power and fuel expenses	5.29	4.31
Aircraft maintenance charges	6.84	7.26
Crew accommodation charges	1.01	1.02
Landing and handling charges	3.50	3.30
Navigation and flight planning charges	0.76	0.83
Subscription charges	0.75	0.84
Catering expenses	0.15	0.35
Hire charges	-	0.01
Training expenses	1.14	1.11
<b>Total</b>	<b>80.85</b>	<b>63.69</b>

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

**Note - 31**

**Employee benefits expenses**

Particulars	31 March 2020	31 March 2019
Salaries and wages	57.34	36.72
Bonus and ex-gratia	0.45	0.01
Gratuity and compensated absences	1.80	1.06
Contribution to provident fund and other funds	0.72	0.16
Staff welfare expenses	1.29	1.37
Share based payment expenses (refer note 43)	5.28	8.70
<b>Total</b>	<b>66.88</b>	<b>48.02</b>

**Note - 32**

**Finance costs**

Particulars	31 March 2020	31 March 2019
Bank guarantee charges and commission	0.93	7.45
Realised loss on foreign exchange	-	0.15
Interest on finance lease	1.14	-
Interest expense	122.70	34.23
Interest expense on taxation	4.88	0.21
<b>Total</b>	<b>129.65</b>	<b>42.04</b>

**Note - 33**

**Depreciation and amortisation expenses**

Particulars	31 March 2020	31 March 2019
Property, plant and equipment	27.75	25.67
Other intangible assets	0.79	0.43
Right to use Asset	3.59	-
<b>Total</b>	<b>32.13</b>	<b>26.10</b>

**Note - 34**

**Other expenses**

Particulars	31 March 2020	31 March 2019
Advertisement expenses	5.05	9.93
Bank charges	0.06	0.05
Auditor's remuneration* (refer note - (i) below)	0.59	0.45
Books and periodicals	0.00	-
Communication expenses	0.65	0.52
Director sitting fees (Paid to Independent Directors)	0.20	0.25
Corporate social responsibility expenses (refer note - (ii) below)	0.72	0.74
Insurance expenses	1.72	1.34
Legal and professional charges	2.66	4.16
Loss on sale /written off of fixed assets	0.01	0.00
Loss on sale of investment	0.00	-

(All amount in ₹ crores, unless otherwise stated)

Particulars	31 March 2020	31 March 2019
Power and fuel expenses	0.02	0.00
Printing and stationery	0.07	0.04
Rates and taxes	2.33	1.51
Preliminary expenses	-	0.00
Rent expenses	0.22	4.34
Repairs and maintenance		
- Buildings	0.05	-
- Vehicles	0.05	0.04
- Others	0.15	0.04
Brokerage and marketing expenses	0.00	0.03
Security expenses	0.08	0.04
Software expenses	0.00	-
Traveling and conveyance expenses	4.58	3.22
Miscellaneous expenses	1.66	1.16
Impairment of Goodwill	58.42	-
Customer incentive and other charges	0.00	0.01
Expense on fair valuation of Bonds	-	0.35
Loss on financial instruments	171.91	-
Selling and credit verification cost	1.21	0.14
Provision for impairment on financial assets	0.74	0.35
Warranty expenses	0.18	0.18
Share issue expenses	-	0.41
<b>Total</b>	<b>253.33</b>	<b>29.30</b>

\*Excluding taxes

(i) Details of auditor's remuneration

Particulars	31 March 2020	31 March 2019
<b>Auditor's remuneration</b>		
Audit fee	0.53	0.45
Others	0.06	-
<b>Total</b>	<b>0.59</b>	<b>0.45</b>

(ii) Corporate social responsibility expenses

(a) Gross amount required to be spent by the Group during the year is ₹ 0.72 crores (31 March 2019: ₹ 0.74 crores).

(b) Amount spent during the year on:

Particulars	For the year ended	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	31 March 2020	-	-	-
	31 March 2019	-	-	-
(ii) On purposes other than (i) above	31 March 2020	0.72	-	0.72
	31 March 2019	0.74	-	0.74

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

### Note - 35 Income tax

Particulars	31 March 2020	31 March 2019
<b>Tax expenses comprises of:</b>		
Current tax (including earlier years)	17.18	31.70
Deferred tax charge/(credit)	9.26	(1.38)
<b>Income tax expenses reported in the statement of profit and loss</b>	<b>26.44</b>	<b>30.32</b>

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Group at 25.168% (31 March 2019: 27.82%) and the reported tax expense in statement of profit and loss are as follows:

#### Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Particulars	31 March 2020	31 March 2019
Accounting profit before income tax	(266.74)	108.44
At statutory income tax rate	-	41.89
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Tax impact of expenses with temporary difference	(0.60)	-
Tax impact on income taxable at the time of its realisation	7.42	3.33
Tax impact of exempted income	(0.03)	(4.09)
Earlier year tax expense	2.56	0.39
Tax impact of income chargeable at different rate	-	(11.77)
Tax impact of expenses which will never be allowed	0.56	3.14
Tax impact of on unabsorbed losses	2.31	(6.69)
Others	14.22	4.12
<b>Income tax expense</b>	<b>26.44</b>	<b>30.32</b>

### Note - 36

#### Earnings per share (EPS)

The Group's Earnings per Share ("EPS") is determined based on the net profit attributable to the shareholders of the Holding Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

The following reflects the income and share data used in the basic and diluted EPS computation

Particulars	31 March 2020	31 March 2019
<b>Profit attributable to equity holders for basic earnings per share</b>	<b>(295.53)</b>	<b>73.31</b>
<b>Profit attributable to equity holders for diluted earnings per share</b>	<b>(295.53)</b>	<b>73.31</b>
Weighted average number of equity shares for basic earnings per share	89,325,569	82,632,140
Add: Share Warrants	-	10,348,261
Weighted average number of equity shares adjusted for diluted earnings per share	89,325,569	92,980,401
<b>Earnings per equity share of face value ₹ 2/- each</b>		
(1) Basic (₹)	(33.08)	8.87
(2) Diluted (₹)	(33.08)	7.88

(All amount in ₹ crores, unless otherwise stated)

**Note - 37**

**Fair value measurements**

**(i) Fair value hierarchy**

Financial assets and financial liabilities measured at fair value in the financial statements are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** unobservable inputs for the asset or liability.

**(ii) Financial assets measured at fair value**

31 March 2020	Level 1	Level 2	Level 3	Total
<b>Financial instruments at FVTPL</b>				
Mutual funds	3.17	-	-	3.17
Non-convertible debentures	254.01	-	-	254.01
Bonds	39.29	-	-	39.29
Commercial paper	-	-	-	-
<b>Total financial assets</b>	<b>296.47</b>	-	-	<b>296.47</b>

**Financial assets measured at fair value**

31 March 2019	Level 1	Level 2	Level 3	Total
<b>Financial instruments at FVTPL</b>				
Mutual funds	190.80	-	-	190.80
Non-convertible debentures	232.63	-	-	232.63
Commercial paper	443.68	-	-	443.68
<b>Total financial assets</b>	<b>867.11</b>	-	-	<b>867.11</b>

**(iii) Valuation process and technique used to determine fair value**

Specific valuation techniques used to value financial instruments include -

- (i) Use of net asset value for mutual funds on the basis of the statement received from investee party.
- (ii) Unit price of bonds/non-convertible debentures on the last trading day of the respective financial year as per the Fixed Income Money Market and Derivatives Association of India (FIMMDA) guidelines.
- (iii) Unit price of commercial papers on the last trading day of the respective financial year in secondary market.



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

**Note - 38**

**Financial risk management**

**(i) Financial instruments by category**

Particulars	31 March 2020			31 March 2019		
	FVTPL*	FVOCI#	Amortised cost	FVTPL*	FVOCI#	Amortised cost
<b>Financial assets</b>						
Investments						
Mutual funds	3.17	-	-	190.80	-	7.05**
Non-convertible debentures	254.01	-	-	232.63	-	-
Bonds	39.29	-	-	-	-	-
Commercial Paper	-	-	-	443.68	-	-
Equity instruments	-	244.83	-	-	-	-
Trade receivables	-	-	81.00	-	-	86.61
Loans	-	-	308.73	-	-	140.39
Cash and cash equivalents	-	-	10.35	-	-	10.85
Other bank balances	-	-	1.07	-	-	0.65
Security deposits	-	-	5.82	-	-	5.68
Other financial assets	-	-	5.11	-	-	47.54
<b>Total financial assets</b>	<b>296.47</b>	<b>244.83</b>	<b>412.08</b>	<b>867.11</b>	<b>-</b>	<b>298.77</b>

	31 March 2020			31 March 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial liabilities</b>						
Borrowings (including interest accrued)	-	-	1,190.51	-	-	349.45
Lease Liabilities	-	-	13.31	-	-	-
Trade payables	-	-	31.83	-	-	20.99
Security deposits	-	-	1.21	-	-	3.57
Other financial liabilities	-	-	24.99	-	-	10.19
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,261.85</b>	<b>-</b>	<b>-</b>	<b>384.20</b>

\* These financial assets are mandatorily measured at fair value.

# These financial assets represents investment in equity instruments designated as such upon initial recognition.

\*\* in respect of investment by one of the step-down subsidiaries, namely, "Indiabulls Rural Finance Private Limited": all investments made in India and quoted current investments in units of Mutual Funds are in the nature of current investments and are valued at cost as per the directions of RBI Master Direction DNBR.PD.007/03.10.119/2016-17 dated 01 September 2016 (updated as on 22 February 2019).

**(ii) Financial instruments measured at amortised cost**

For amortised cost instruments, carrying value represents the best estimate of fair value except for long-term financial assets.

**(iii) Risk Management**

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(All amount in ₹ crores, unless otherwise stated)

**(A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**a) Credit risk management**

*i) Credit risk rating*

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Asset group	Basis of categorisation	Provision for expenses credit loss
A: Low credit risk	Trade receivables, cash and cash equivalents, other bank balances, loans, security deposits, investments(short -term) and other financial assets	12 month expected credit loss/Life time expected credit loss
B: Moderate Credit risk	Loan and other financial assets	12 month expected credit loss
C: High credit risk	Trade receivables	Life time expected credit loss of fully provided for

Based on business environment in which the Group operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

**Assets under credit risk –**

Credit rating	Particulars	31 March 2020	31 March 2019
A: Low credit risk	Trade receivables, cash and cash equivalents, other bank balances, loans, security deposits, investments(short -term) and other financial assets	708.55	1,165.88
C: High credit risk	Trade receivables	0.59	-

*ii) Concentration of financial assets*

The Group's principal business activities are real estate project advisory, construction and development of real estate projects and advisory services, aviation services, maintenance and management services, equipment hiring services, and all other related activities. The Group's outstanding receivables are for real estate project and advisory services, aviation services, maintenance and management services, equipment hiring services. Loans and other financial assets majorly represents deposits given for business purposes.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

**b) Credit risk exposure**

**Provision for expected credit losses**

The Group provides for 12 month expected credit losses for following financial assets –

**As at 31 March 2020**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	10.35	-	10.35
Other bank balances	1.07	-	1.07
Trade receivables	81.59	0.59	81.00
Loans	309.23	0.50	308.73
Security deposit	5.82	-	5.82
Other financial assets	5.11	-	5.11

**As at 31 March 2019**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	10.85	-	10.85
Other bank balances	0.65	-	0.65
Trade receivables	86.61	-	86.61
Loans	140.39	-	140.39
Security deposit	5.68	-	5.68
Other financial assets	47.54	-	47.54

**Expected credit loss for trade receivables under simplified approach**

The Group considers provision for lifetime expected credit loss. Given the nature of business operations, the Group's receivables has low credit risk. Based upon historical loss experience and forward looking information, the Group has provided expected credit loss in relation to receivables from air transportation services.

Reconciliation of loss allowance	Trade receivables
<b>Loss allowance as on 31 March 2019</b>	<b>13.27</b>
Impairment loss recognised during the year	0.59
<b>Loss allowance as on 31 March 2020</b>	<b>13.86</b>

**(B) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

(All amount in ₹ crores, unless otherwise stated)

**Maturities of financial liabilities**

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

31 March 2020	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Non-derivatives</b>					
Borrowings (including accrued interest)	1,164.62	18.63	7.20	0.06	1,190.51
Trade payable	31.83	-	-	-	31.83
Security deposits	1.21	-	-	-	1.21
Other financial liabilities	24.99	-	-	-	24.99
<b>Total</b>	<b>1,222.65</b>	<b>18.63</b>	<b>7.20</b>	<b>0.06</b>	<b>1,248.54</b>

31 March 2019	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Non-derivatives</b>					
Borrowings (including accrued interest)	60.75	19.79	262.00	6.91	349.45
Trade payable	20.99	-	-	-	20.99
Security deposits	3.57	-	-	-	3.57
Other financial liabilities	10.19	-	-	-	10.19
<b>Total</b>	<b>95.50</b>	<b>19.79</b>	<b>262.00</b>	<b>6.91</b>	<b>384.20</b>

**(C) Market risk**

**(i) Interest rate risk**

The Group fixed rate borrowing are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's variable rate borrowing is subject to interest rate risk. Below is the overall exposure of the borrowing:

Particulars	31 March 2020	31 March 2019
Fixed rate borrowing	1,118.51	315.10
Variable rate borrowing	9.34	27.02
<b>Total borrowings</b>	<b>1,127.85</b>	<b>342.12</b>

**Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from variable rate borrowings as a result of changes in interest rates.

Particulars	31 March 2020	31 March 2019
Interest rates - increase by 1% (31 March 2019 : 1%)	(0.09)	(0.27)
Interest rates - decrease by 1% (31 March 2019 : 1%)	0.09	0.27

**(ii) Price Risk**

The Group exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments in equity securities, the Group diversifies its portfolio of assets

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

### Sensitivity

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Group profit for the periods -

Particulars	31 March 2020	31 March 2019
<b>Price sensitivity</b>		
<b>Mutual fund</b>		
Price increase by (2%) - FVTPL instrument (31 March 2019: 2%)	0.06	3.96
Price decrease by (2%) - FVTPL instrument (31 March 2019: 2%)	(0.06)	(3.96)
<b>Non-convertible debentures</b>		
Price increase by (2%) - FVTPL instrument (31 March 2019: 2%)	5.08	4.65
Price decrease by (2%) - FVTPL instrument (31 March 2019: 2%)	(5.08)	(4.65)
<b>Bonds</b>		
Price increase by (2%) - FVTPL instrument (31 March 2019: 2%)	0.52	-
Price decrease by (2%) - FVTPL instrument (31 March 2019: 2%)	(0.52)	-
<b>Shares</b>		
Price increase by (2%) - FVTPL instrument (31 March 2019: 2%)	4.90	-
Price decrease by (2%) - FVTPL instrument (31 March 2019: 2%)	(4.90)	-
<b>Commercial Papers</b>		
Price increase by (2%) - FVTPL instrument (31 March 2019: 2%)	-	8.87
Price decrease by (2%) - FVTPL instrument (31 March 2019: 2%)	-	(8.87)

### (iii) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Indian Rupee is the Group's functional currency. As a consequence, the Group's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. The Group has very limited foreign currency exposure mainly due to incurrence of some expenses. The Group may use foreign exchange option contracts or forward contracts towards operational exposures resulting from changes in foreign currency exchange rates exposure. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the primary host contract requirement. The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by the Board as per established risk management policy.

#### Foreign currency risk exposure:

Particulars	Currency	31 March 2020		31 March 2019	
		INR	Foreign currency	INR	Foreign currency
Trade payables	USD	2.92	388,463.34	0.47	68,046.30
	EUR	0.00	600.73	-	-
Advances	USD	0.18	24,314.98	0.67	97,087.70

### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Currency	Exchange rate increase by 1%		Exchange rate decrease by 1%	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Trade payables	USD	(0.03)	(0.00)	0.03	0.00
	EUR	(0.00)	-	0.00	-
Advances	USD	0.00	0.01	(0.00)	(0.01)

(All amount in ₹ crores, unless otherwise stated)

**Note-39**

**Lease related disclosures**

The Group has leases for office premises, warehouses and machine yards. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group is required to pay maintenance fees in accordance with the lease contracts.

**A Lease payments not included in measurement of lease liability**

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	31 March 2020
Short-term leases	0.53
Leases of low value assets	0.16
Variable lease payments	-

B Total cash outflow for leases for the year ended 31 March 2020 was ₹ 4.00 crores.

C The Group has total commitment for short-term leases of ₹ 3.29 crores as at 31 March 2020.

**D Maturity of lease liabilities**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

31 March 2020	Minimum lease payments due				
	Within 1 year	1-2 years	2-3 years	More than 3 years	Total
Lease payments	4.35	4.36	2.99	4.61	16.31
Interest expense	1.06	0.76	0.45	0.73	3.00
<b>Net present values</b>	<b>3.29</b>	<b>3.60</b>	<b>2.54</b>	<b>3.88</b>	<b>13.31</b>

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2020 is of ₹ Nil.

**F Information about extension and termination options**

Right of use assets	Number of leases	Range of remaining term (in years)	Average remaining lease term (in years)	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Office premises, warehouses and machine yards	33	1.9 to 9 years	3.70 years	17	-	18

G The total future cash outflows as at 31 March 2020 for leases that had not yet commenced is of ₹ Nil (office premises, warehouses and machine yards).

**H Impact on transition**

- Effective 01 April 2019, the Group has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 01 April 2019. On transition, the adoption of new standard resulted in recognition of lease liability of ₹ 9.14 crores and corresponding right of use asset of ₹ 9.14 crores.
- The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 01 April 2019.
- Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

- 4 On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.
- 5 On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 9% p.a..
- 6 The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 01 April 2019:

<b>Total operating lease commitments disclosed as at 31 March 2019</b>	<b>5.70</b>
Contracts re-assessed as lease contracts	3.44
<b>Total lease liabilities recognised under Ind AS 116 at 01 April 2019</b>	<b>9.14</b>

### Note-40

#### Revenue related disclosures

##### A Disaggregation of revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
<b>Revenue from contracts with customers</b>		
<b>(i) Revenue from operations</b>		
Revenue from sale of properties	-	0.02
<b>(ii) Other operating income</b>	0.06	0.01
<b>Total revenue covered under Ind AS 115</b>	<b>0.06</b>	<b>0.03</b>

##### B Contract balances

The following table provides information about receivables and contract liabilities from contract with customers:

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Contract liabilities</b>		
Advance from customers	0.24	0.90
<b>Total contract liabilities</b>	<b>0.24</b>	<b>0.90</b>
<b>Receivables</b>		
Trade receivables	0.72	0.71
<b>Total receivables</b>	<b>0.72</b>	<b>0.71</b>

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

##### C Significant changes in the contract liabilities balances during the year are as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
	Contract liabilities	Contract liabilities
	Advances from customers	Advances from customers
Opening balance	0.90	2.77
Addition/ (Utilisation) during the year	(0.66)	(1.89)
Revenue recognised during the year	-	0.02
<b>Closing balance</b>	<b>0.24</b>	<b>0.90</b>

(All amount in ₹ crores, unless otherwise stated)

- D There are no unsatisfied performance obligations as at 31 March 2020 against the advance received from the customers, as the billing for the same has been done by the Group as on 31 March 2020.
- E Reconciliation of revenue recognised with contract revenue:

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Contract revenue	-	0.02
<b>Revenue recognised</b>	<b>-</b>	<b>0.02</b>

- F Ind AS 115 'Revenue from Contracts with Customers', mandatory for reporting periods beginning on or after 01 April 2018, replaces existing revenue recognition requirements. Since the Group's real estate projects were completed before 01 April 2018, hence the application of Ind AS 115 has not impacted the Company's accounting for recognition of revenue from real estate properties. The Group has applied prospective approach in adopting the new standard and accordingly the restatement of the previous period numbers basis completion of contract for all the real estate projects across India is not applicable

#### Note - 41

##### Segment reporting

##### (A) General information

An operating segment is a component of a Group that engages in business activities from which it earns revenue and incurs expenses and for which separate financial information is available. The Group has four operating and reportable segments which are Group's strategic business units. These operating segments are monitored by Group's Chief Financial decision maker to assess performance and evaluate strategic decisions.

- (i) The Group's primary business segments are reflected based on principal business activities carried on by the Group.

The Group operates in four reportable business segments

- (i) Management and maintenance services
- (ii) Equipment Hiring Services
- (iii) LED Lighting
- (iv) Financing and related activities.

\*Other non-reportable segments have been shown under others."

- (ii) The Group operates solely in one Geographic segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required.
- (iii) Revenues and expenses directly attributable to segments are reported under each reportable segment. All other revenue and expenses which are not attributable or allocable to segments have been disclosed as unallocable revenue and expenses respectively. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

##### (B) Segment information

Year ended 31 March 2020

Particulars	Management and maintenance services	Equipment renting services	LED Lighting	Financing and related activities	Others*	Total of segments	Adjustments and eliminations	Consolidated
<b>Revenue</b>								
External customers	26.85	75.65	68.24	39.08	15.65	225.47	-	225.47
Inter - segment	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>26.85</b>	<b>75.65</b>	<b>68.24</b>	<b>39.08</b>	<b>15.65</b>	<b>225.47</b>	<b>-</b>	<b>225.47</b>
<b>Segment expenses</b>	<b>32.21</b>	<b>61.54</b>	<b>90.03</b>	<b>18.38</b>	<b>55.34</b>	<b>257.50</b>	<b>-</b>	<b>257.50</b>
<b>Segment result</b>	<b>(5.36)</b>	<b>14.11</b>	<b>(21.79)</b>	<b>20.70</b>	<b>(39.69)</b>	<b>(32.03)</b>	<b>-</b>	<b>(32.03)</b>



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

Particulars	Management and maintenance services	Equipment renting services	LED Lighting	Financing and related activities	Others*	Total of segments	Adjustments and eliminations	Consolidated
<b>Segment assets</b>	<b>18.38</b>	<b>215.93</b>	<b>39.44</b>	<b>217.67</b>	<b>423.31</b>	<b>914.73</b>	-	<b>914.73</b>
<b>Segment liabilities</b>	<b>12.58</b>	<b>55.01</b>	<b>26.38</b>	<b>10.40</b>	<b>261.00</b>	<b>365.37</b>	-	<b>365.37</b>

Other disclosures								
Capital expenditure	0.05	3.54	0.88	6.05	0.78	11.30	-	11.30
Non-cash expenditure other than depreciation	0.14	0.77	1.36	1.04	64.26	67.57	-	67.57
Depreciation and amortisation expenses								32.13

Year ended 31 March 2019

Particulars	Management and maintenance services	Equipment renting services	LED Lighting	Financing and related activities	Others*	Total of segments	Adjustments and eliminations	Consolidated
<b>Revenue</b>								
External customers	20.15	80.06	46.52	0.19	24.83	171.75	-	171.75
Inter - segment	-	-	-	-	(0.85)	(0.85)	-	(0.85)
<b>Total revenue</b>	<b>20.15</b>	<b>80.06</b>	<b>46.52</b>	<b>0.19</b>	<b>23.98</b>	<b>170.90</b>	-	<b>170.90</b>
<b>Segment expenses</b>	<b>17.75</b>	<b>62.57</b>	<b>59.82</b>	<b>1.65</b>	<b>52.68</b>	<b>194.48</b>	-	<b>194.48</b>
<b>Segment result</b>	<b>2.40</b>	<b>17.49</b>	<b>(13.30)</b>	<b>(1.46)</b>	<b>(28.70)</b>	<b>(23.57)</b>	-	<b>(23.57)</b>
<b>Segment assets</b>	<b>16.64</b>	<b>243.95</b>	<b>26.36</b>	<b>149.21</b>	<b>422.86</b>	<b>859.02</b>	-	<b>859.02</b>
<b>Segment liabilities</b>	<b>6.59</b>	<b>83.11</b>	<b>13.66</b>	<b>33.24</b>	<b>261.21</b>	<b>397.81</b>	-	<b>397.81</b>

Other disclosures								
Capital expenditure	0.07	68.44	0.48	-	2.43	71.42	-	71.42
Non-cash expenditure other than depreciation	-	-	0.18	0.35	6.02	6.55	-	6.55
Depreciation and amortisation expenses								26.10

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column.

(C) Reconciliations to amounts reflected in the financial statements

(i)	Reconciliation of profit	31 March 2020	31 March 2019
	Segment profit/ (loss)	(32.03)	(23.57)
	Other unallocated expenditure net off unallocable income	(143.83)	161.87
	Interest expense	(90.88)	(29.85)
	Income-tax expense	(26.44)	(30.32)
	<b>Profit after tax</b>	<b>(293.18)</b>	<b>78.12</b>

(All amount in ₹ crores, unless otherwise stated)

(ii) Reconciliation of assets	31 March 2020	31 March 2019
Segment operating assets	914.73	859.02
Other unallocable assets	697.00	981.03
<b>Total assets</b>	<b>1,611.73</b>	<b>1,840.05</b>

(iii) Reconciliation of liabilities	31 March 2020	31 March 2019
Segment operating liabilities	365.37	397.81
Other unallocable liabilities	925.91	59.67
<b>Total liabilities</b>	<b>1,291.28</b>	<b>457.48</b>

**Note – 42**

**Capital Management**

The Group's objectives when managing capital are:

- To ensure Group's ability to continue as a going concern, and
- To provide adequate return to shareholders

Management assesses the capital requirements in order to maintain an efficient overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Group manages its capital requirements by overseeing the following ratios –

**Debt equity ratio**

Particulars	31 March 2020	31 March 2019
Net debt *	819.95	-
Total equity	393.02	1,513.55
<b>Net debt to equity ratio</b>	<b>2.09</b>	<b>-</b>

\* Net debt includes long term borrowings, short term borrowings, current maturity of long term borrowings net off cash and cash equivalents (including fixed deposits and other liquid securities).

**Current ratio**

Particulars	31 March 2020	31 March 2019
Current assets	860.93	1,363.56
Current liabilities	1,247.75	165.08
<b>Current ratio</b>	<b>0.69</b>	<b>8.26</b>

**Note - 43**

**Contingent liabilities and Commitments**

Particulars	31 March 2020	31 March 2019
<b>Contingent liabilities</b>		
Income tax matters for in respect of the which appeals have been filed by the Group*	9.79	8.47
Guarantees issued by banks to Sales tax and Custom department(secured by way of fixed deposits of the Group)	1.17	1.21
Claims(excluding interest) against the Group not acknowledged as debts	24.56	27.80
<b>Commitments</b>		
Estimated amount of Contracts remaining to be executed on capital account, net of advances	0.02	-
Estimated amount of Loans (Assets) undrawn	1.58	3.30

\*The Group has received order against this demand in its favour from Income Tax Appellate Tribunal (ITAT). The department has moved to High Court against the same.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

There are legal cases against the Group in the ordinary course of business. Management has evaluated the same and depending upon the facts and after due evaluation of legal aspects of each case, adequate amounts have been provided in respect of the claims made against the Group under these cases. The Group does not expect any further liability and these litigations /lawsuits and claims may, individually or in aggregate, will not have any material adverse effect on the financial position of the Group.

There are no other contingent liabilities and commitments to be reported as on 31 March 2020 and 31 March 2019.

### Note – 44

#### Group Information

##### Information about subsidiaries

The information about subsidiaries of the Group is as follows. The below table includes the information about step down subsidiaries as well.

Name of subsidiary	Country of incorporation	Proportion of ownership interest as at 31 March 2020	Proportion of ownership interest as at 31 March 2019
SORIL Infra Resources Limited	India	64.71%	64.71%
Sentia Properties Limited	India	100%	100%
Lucina Infrastructure Limited	India	100%	100%
Albasta Wholesale Services Limited	India	100%	100%
Mahabala Infracon Private Limited	India	100%	100%
Ashva Stud and Agricultural Farms Limited	India	100%	100%
Indiabulls Life Insurance Company Limited	India	100%	100%
Indiabulls General Insurance Limited	India	100%	100%
Store One Infra Resources Limited	India	64.71%	64.71%
Airmid Aviation Services Limited	India	100%	100%
Indiabulls Enterprises Limited*	India	100%	100%
Indiabulls Pharmacare Limited**	India	100%	100%
Indiabulls Rural Finance Private Limited (formerly known as Littleman Fiscal Services Private Limited)***	India	64.71%	64.71%

\* incorporated on 02 January 2019

\*\* incorporated on 17 January 2019

\*\*\* acquired on 25 January 2019

### Note – 45

#### Related party transactions

##### Subsidiaries

Details in reference to subsidiaries are presented in Note – 44

##### Key management personnel

Mr. Manvinder Singh Walia (Whole Time Director of the Holding Company)

During the year ended 31 March 2020 and 31 March 2019, there were no material transactions with related parties.

### Note – 46

During the Financial Year 2019-20, the Group Companies had received NOCs (observation letters) from the National Stock Exchange of India Limited and BSE Limited, and filed the Application, under Section 230 to 232 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, before jurisdictional bench of NCLT in respect of the Scheme of Amalgamation and Arrangement amongst the Company, (“Transferee Company” or “Demerging Company 1”), Albasta Wholesale Services Limited (“Transferor Company 1”), Sentia Properties Limited (“Transferor Company 2”), Lucina Infrastructure Limited (“Transferor Company 3”), Ashva Stud and Agricultural Farms Limited (“Transferor Company 4”), Mahabala Infracon Private Limited (“Transferor Company 5”), SORIL Infra Resources

(All amount in ₹ crores, unless otherwise stated)

Limited ("Transferor Company 6"), Store One Infra Resources Limited ("Transferor Company 7"), Indiabulls Enterprises Limited ("Resulting Company 1"), Indiabulls Pharmaceuticals Limited ("Demerging Company 2") and Indiabulls Pharmicare Limited ("Resulting Company 2") and their respective shareholders and creditors.

**Note - 47**

**Employee benefits**

**Defined contribution plan**

The Group has made ₹ 0.24 crores (31 March 2019: ₹ 0.08 crores) contribution in respect of provident fund.

**Defined benefit plan**

The Group has following defined benefit plans:

- Gratuity (unfunded)
- Compensated absences (unfunded)

**Risks associated with plan provisions**

Discount rate risk	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality risk	Actual death & liability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Salary risk	Actual salary increase will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Withdrawal risk	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**Compensated absence**

The leave obligations cover the Group's liability for permitted leaves. The amount of provision of ₹0.05 crores (31 March 2019: ₹0.03 crores) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. The weighted average duration of the defined benefit obligation is 20.11 years (31 March 2019: 17.84 years).

**Gratuity**

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity plan is a non-funded plan. The weighted average duration of the defined benefit obligation is 20.11 years (31 March 2019: 17.84 years)

**Actuarial (gain)/loss on obligation:**

Particulars	Gratuity		Compensated absence	
	For the year ended		For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Actuarial (gain)/loss on arising from change in demographic assumption	(0.00)	-	(0.00)	-
Actuarial (gain)/loss on arising from change in financial assumption	0.24	0.12	0.21	0.06
Actuarial (gain)/loss on arising from change in experience adjustment	(0.49)	(0.70)	(0.61)	(0.34)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

Amount recognized in the statement of profit and loss is as under

Particulars	Gratuity		Compensated absence	
	For the year ended		For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Service cost	0.96	0.56	0.96	0.46
Net interest cost	0.17	0.19	0.09	0.09
Actuarial (gain)/loss for the year	(0.25)	(0.58)	(0.39)	(0.24)
<b>Expenses recognized/ (reversed) in the statement of profit and loss</b>	<b>0.88</b>	<b>0.17</b>	<b>0.66</b>	<b>0.31</b>

Movement in the liability recognized in the balance sheet is as under:

Particulars	Gratuity		Compensated absence	
	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Present value of defined benefit obligation at the beginning of the year	2.21	2.40	1.22	1.10
Acquisition adjustments	-	(0.32)	-	(0.14)
Current Service Cost	0.96	0.55	0.96	0.46
Interest Cost	0.17	0.19	0.09	0.09
Actuarial (gain)/ loss on obligation	(0.25)	(0.58)	(0.39)	(0.29)
Benefits paid	(0.56)	(0.03)	-	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>2.53</b>	<b>2.21</b>	<b>1.88</b>	<b>1.22</b>

Bifurcation of projected benefit obligation at the end of the year in current and non-current

Particulars	Gratuity		Compensated absence	
	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
a) Current liability (amount due within one year)	0.03	0.04	0.05	0.03
b) Non - current liability (amount due over one year)	2.50	2.17	1.83	1.19
<b>Total projected benefit obligation at the end of the year</b>	<b>2.53</b>	<b>2.21</b>	<b>1.88</b>	<b>1.22</b>

For determination of the liability of the Group, the following actuarial assumptions were used:

Particulars	Gratuity		Compensated absence	
	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Discount rate	6.99%	7.71%	6.99%	7.71%
Salary escalation rate	5.50%	5.50%	5.50%	5.50%
Mortality table	IALM (2012-14)	IALM (2006-08)	IALM (2012-14)	IALM (2006-08)

As the Group does not have any plan assets, the movement of present value of defined benefit obligation and fair value of plan assets has not been presented.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(All amount in ₹ crores, unless otherwise stated)

**Maturity plan of defined benefit obligation**

	Year	31 March 2020		Year	31 March 2019	
		Gratuity	Compensated absence		Gratuity	Compensated absence
a)	April 2020 – March 2021	0.03	0.05	April 2019 – March 2020	0.04	0.03
b)	April 2021 – March 2022	0.03	0.04	April 2020 – March 2021	0.03	0.02
c)	April 2022 – March 2023	0.04	0.04	April 2021 – March 2022	0.04	0.02
d)	April 2023 – March 2024	0.08	0.05	April 2022 – March 2023	0.03	0.02
e)	April 2024 – March 2025	0.07	0.04	April 2023 – March 2024	0.03	0.07
f)	April 2025 – March 2026	0.05	0.04	April 2024 – March 2025	0.17	0.03
g)	April 2026 onwards	2.24	1.62	April 2025 onwards	1.86	1.03

**Sensitivity analysis of the defined benefit obligation**

Particulars		Gratuity	Compensated absence	Gratuity	Compensated absence
Impact of the change in discount rate		31 March 2020	31 March 2020	31 March 2019	31 March 2019
	Present value of obligation at the end of the year	2.53	1.88	2.21	1.22
a)	Impact due to increase of 0.50 %	(0.18)	(0.13)	(0.13)	(0.07)
b)	Impact due to decrease of 0.50 %	0.20	0.14	0.15	0.08
Impact of the change in salary increase					
	Present value of obligation at the end of the year	2.53	1.88	2.21	1.22
a)	Impact due to increase of 0.50 %	0.19	0.14	0.15	0.08
b)	Impact due to decrease of 0.50 %	(0.17)	(0.13)	(0.14)	(0.07)

Sensitivities due to mortality and withdrawal are not material and hence impact of change not calculated.

**Note – 48**

**Share based payments**

**Indiabulls Integrated Services Limited Employees Stock Options Scheme – 2011**

The Holding Company established the Indiabulls Integrated Services Limited Employees Stock Options Scheme - 2011 (“IBISL ESOS”). Under the Plan, the Holding Company granted 45,66,600 equity settled options to its eligible employees during the financial year 2017-18 which gave them a right to subscribe up to 45,66,600 stock options representing an equal number of equity shares of face value of ₹ 2 each of the Holding Company at an exercise price of ₹ 105.20 per option, subject to the requirements of vesting. A compensation committee constituted by the Board of Directors of the Holding Company administers the Plan. The stock options so granted, shall vest in the eligible employees within 5 years beginning from 03 November 2018, the first vesting date. The stock options granted under each of the slabs are exercisable by the option holders within a period of five years from the relevant vesting date.

The previous title of the Scheme, viz. Soril Holdings and Ventures Limited Employee Stock Option Scheme -2011 (SHVL ESOS), stands changed to Indiabulls Integrated Services Limited Employee Stock Option Scheme – 2011 (IBISL ESOS) in line with the revised certificate of incorporation dated 16 May 2018.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

Following is a summary of options granted under the plan

Particulars	31 March 2020	31 March 2019
Opening balance	45,66,600	45,66,600
Granted during the year	-	-
Exercised during the year	-	-
Forfeited during the year	-	-
<b>Closing balance</b>	<b>45,66,600</b>	<b>45,66,600</b>
Vested and exercisable	<b>18,26,640</b>	<b>9,13,320</b>

Weighted average share exercised price during the year ended 31 March 2020: Nil (31 March 2019: Nil)

Particulars	IBISL ESOS
Fair market value of option on the date of grant	₹15.52
Exercise price	₹105.20
Expected volatility	40.57%-54.28%
Expected forfeiture percentage on each vesting date	20%
Expected option life (weighted average)	8 years
Expected dividend yield	100%
Risk free interest rate	6.56%-7.01%

The expected volatility was determined based on historical volatility data of the Holding Company's shares listed on the recognized Stock Exchange.

During the financial year 2018-19, the Holding Company further granted 10,00,000 equity settled options to its eligible employees which gave them a right to subscribe up to 10,00,000 stock options representing an equal number of equity shares of face value of ₹ 2 each of the Holding Company at an exercise price of ₹ 489.35 per option, subject to the requirements of vesting. A compensation committee constituted by the Board of Directors of the Holding Company administers the Plan. The stock options so granted, shall vest in the eligible employees within 5 years beginning from 09 August 2019, the first vesting date. The stock options granted under each of the slabs are exercisable by the option holders within a period of five years from the relevant vesting date.

Following is a summary of options granted under the plan

Particulars	31 March 2020	31 March 2019
Opening balance	10,00,000	-
Granted during the year	-	10,00,000
Exercised during the year	-	-
Forfeited during the year	-	-
<b>Closing balance</b>	<b>10,00,000</b>	<b>10,00,000</b>
Vested and exercisable	<b>2,00,000</b>	-

Weighted average share exercised price during the year ended 31 March 2020: Nil (31 March 2019: Nil).

(All amount in ₹ crores, unless otherwise stated)

Particulars	IBISL ESOS
Fair market value of option on the date of grant	₹64.97
Exercise price	₹489.35
Expected volatility	30.05%-40.33%
Expected forfeiture percentage on each vesting date	20%
Expected option life (weighted average)	7.5 years
Expected dividend yield	100%
Risk free interest rate	7.68%-7.98%

The expected volatility was determined based on historical volatility data of the Holding Company's shares listed on the recognized Stock Exchange.

The total expense of share based payments recognized on above scheme during the year ended 31 March 2020 is ₹3.62 crores (31 March 2019: ₹5.15 crores)

#### **SORIL Infra Resources Limited Employee Stock Option Scheme - 2009**

The Shareholders of the subsidiary, namely, SORIL Infra Resources Limited (Subsidiary Company), vide postal ballot passed a special resolution on 09 February 2009 for issue of 15,00,000 (fifteen lakhs) shares towards issue of Employee Stock Option Scheme -2009 in supersession of Resolution passed on 12 May 2008 for ESOP -2008 .

The Compensation Committee, constituted by the Board of Directors of the Subsidiary Company, at its meeting held on 03 November 2017, granted, under the SORIL Infra Resources Limited Employee Stock Option Scheme - 2009 ("SORIL Infra ESOS-2009" or "Scheme"), 15,00,000 (fifteen lakhs) stock options representing an equal number of Equity shares of face value ₹ 10 each in the Subsidiary Company, to the eligible employees, at an exercise price of ₹ 168.30 per option, being the latest available closing market price on the National Stock Exchange of India Limited, on the date of grant. The stock options so granted, shall vest in the eligible employees within 5 years beginning from first vesting date. The stock options granted under each of the slabs, can be exercised by the grantees within a period of 5 years from the relevant vesting date.

The title of the Scheme was changed from Store One Retail India Limited Employees Stock Option Scheme – 2009 to SORIL Infra Resources Limited Employee Stock Option Scheme – 2009 as per the revised certificate of incorporation dated 21 December 2016.

Following is a summary of options granted under the Scheme

Particulars	31 March 2020	31 March 2019
Opening balance	15,00,000	15,00,000
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Closing balance	15,00,000	15,00,000
Exercisable at the year ended	-	-

Weighted average share price of exercised option on the date of exercise was for the year ended 31 March 2020: Nil (31 March 2019: Nil).

The fair value of the option under Scheme using the black scholes model, based on the following parameters is ₹ 18.77 per option, as certified by an independent valuer.

Particulars	Scheme
Fair market value of option on the date of grant	₹18.77
Exercise price	₹168.30
Expected volatility	32.28% to 51.22%
Expected forfeiture percentage on each vesting date	20.00%
Expected option life (weighted average)	8 Years



## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

Particulars	Scheme
Expected dividend yield	50.00%
Risk free interest rate	6.56% to 7.01%

The expected volatility was determined based on historical volatility data of the Subsidiary Company's shares listed on the National Stock Exchange of India Limited.

### SORIL Infra Resources Limited Employee Stock Option Scheme - 2009(II)

The shareholders of the subsidiary, namely, SORIL Infra Resources Limited (Subsidiary Company), in their Annual General Meeting held on 30 September 2009 have approved by way of special resolution the SORIL Infra Resources Limited Employee Stock Option Scheme - 2009(II) ("SORIL Infra ESOS-2009(II)" or "Scheme-II"), covering 30,00,000 (thirty lakhs) equity settled options for eligible employees of the Subsidiary Company, its subsidiaries, its fellow subsidiaries and the Holding Company.

The Compensation Committee, constituted by the Board of Directors of the Subsidiary Company, at its meeting held on 03 November 2017, granted, under the SORIL Infra Resources Limited Employee Stock Option Scheme - 2009(II) ("SORIL Infra ESOS-2009(II)" or "Scheme-II"), 30,00,000 (thirty lakhs) stock options representing an equal number of Equity shares of face value ₹ 10 each in the Company, to the eligible employees, at an exercise price of ₹ 168.30 per option, being the latest available closing market price on the National Stock Exchange of India Limited, on the date of grant. The stock options so granted, shall vest in the eligible employees within 5 years beginning from first vesting date. The stock options granted under each of the slabs, can be exercised by the grantees within a period of 5 years from the relevant vesting date.

The title of the Scheme-II was changed from Store One Retail India Limited Employees Stock Option Scheme - 2009(II) to SORIL Infra Resources Limited Employee Stock Option Scheme - 2009(II) as per the revised certificate of incorporation dated 21 December 2016.

### Following is a summary of options granted under the Scheme-II

Particulars	31 March 2020	31 March 2019
Opening balance	30,00,000	30,00,000
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Closing balance	30,00,000	30,00,000
Exercisable at the year ended	-	-

Weighted average share price of exercised option on the date of exercise was for the year ended 31 March 2020: Nil (31 March 2019: Nil).

The fair value of the option under Scheme-II using the black scholes model, based on the following parameters is ₹ 18.77 per option, as certified by an independent valuer.

Particulars	Scheme
Fair market value of option on the date of grant	₹18.77
Exercise price	₹168.30
Expected volatility	32.28% to 51.22%
Expected forfeiture percentage on each vesting date	20.00%
Expected option life (weighted average)	8 Years
Expected dividend yield	50.00%
Risk free interest rate	6.56% to 7.01%

The expected volatility was determined based on historical volatility data of the Subsidiary Company's shares listed on the National Stock Exchange of India Limited.

During the year, the Subsidiary Company has recognised Share based payment expenses of ₹1.66 crores (31 March 2019: ₹ 3.54 crores) on the above scheme.

(All amount in ₹ crores, unless otherwise stated)

**SORIL Infra Resources Limited Employee Stock option scheme -2018 ( "SORIL Infra ESOS-2018")**

On 29 September 2018, pursuant to the approval by the Shareholders of SORIL Infra Resources Limited (The Subsidiary Company) in the Annual general meeting, the Board of the Subsidiary Company ( including a committee thereof) has been authorised to create, offer, issue and allot stock options to eligible employees and Directors of the Subsidiary Company of its existing and future subsidiaries upto 30,00,000 (thirty lakhs) equity shares of ₹ 10 each in one or more tranches and upon such terms and conditions as may be deemed appropriate by the Board. The scheme shall vest within 5 years from the date of the grant.

During the year ended 31 March 2020, no ESOP/ESOS were exercised or allotted by the Subsidiary Company in any of the above schemes.

**Note – 49**

In terms of hon'ble Income Tax Settlement Commission ('ITSC') dated 30 April 2019, an additional liability of ₹ 5.39 crore has been paid during the year. The said liability has been duly accounted for in the Financial Statements and paid during the year.

**Note - 50**

**Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 – Cash flows**

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Amount
<b>Net debt as at 31 March 2018</b>	<b>670.71</b>
Fair valuation impact	2.74
Proceeds from current/non-current borrowings (including current maturities)	105.24
Repayment of current/non-current borrowings (including current maturities)	(436.57)
<b>Net debt as at 31 March 2019</b>	<b>342.12</b>
Fair valuation impact	-
Proceeds from current/non-current borrowings (including current maturities)	3,618.37
Repayment of current/non-current borrowings (including current maturities)	(2,832.64)
<b>Net debt as at 31 March 2020</b>	<b>1,127.85</b>

**Note – 51**

**Subsidiaries with material non-controlling interest ('NCI')**

The Group includes following subsidiary, with material non-controlling interest, as mentioned below:

Description	Country	31 March 2020	31 March 2019
SORIL Infra Resources Limited	India	35.29%	35.29%

The summarized financial information of the subsidiary before inter-group eliminations is set out below:

**SORIL Infra Resources Limited**

**Balance Sheet**

Description	31 March 2020	31 March 2019
Non-current assets	397.22	352.88
Current assets	227.13	306.65
<b>Total assets</b>	<b>624.35</b>	<b>659.53</b>
Non-current liabilities	37.27	47.42
Current liabilities	346.75	384.16
<b>Total liabilities</b>	<b>384.02</b>	<b>431.58</b>
<b>Net assets/total equity</b>	<b>240.33</b>	<b>227.95</b>
<b>Attributable to:</b>		
Controlling interests	155.51	147.50
Non-controlling interests	84.82	80.45

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

### Statement of profit and loss

Description	31 March 2020	31 March 2019
Total revenue	231.06	168.79
Profit for the year	6.66	13.95
Total comprehensive income	10.90	14.61
Attributable to non-controlling interests	3.85	5.15

### Cash flow information

Description	31 March 2020	31 March 2019
Cash flow from operating activities	(27.00)	(128.55)
Cash flow from investing activities	83.37	(117.12)
Cash flow from financing activities	(57.31)	250.60
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(0.94)</b>	<b>4.93</b>

### Note – 52

#### Business combinations

##### Acquisition of business

##### Acquisition during the year ended 31 March 2019

One of the subsidiaries of the Holding Company, namely SORIL Infra Resources Limited (“the Subsidiary Company”) acquired 100% stake on 25 January 2019 in Littleman Fiscal Services Private Limited (“the Company”) (via approval received from RBI on 12 December 2018 reference no. DNBS.CMD.No. 829/13.12.037/2018-19), a Non-Banking Finance Company registered with RBI, to foray into financial services business with the primary focus on financing in rural markets. Through this 100% owned NBFC, the Company would undertake such lending business to tap into lending opportunities in un-served rural India. Subsequently, the name of the acquired Company stood changed from Littleman Fiscal Services Private Limited to Indiabulls Rural Finance Private Limited.

Against the total enterprise value of ₹2.14 crores, effective purchase consideration in cash of ₹2.84 crores has been discharged by the Subsidiary Company.

##### Details of assets and liabilities of the acquired:

The fair value of the identifiable assets and liabilities of as at the date of acquisition were:

Particulars	Indiabulls Rural Finance Private Limited (formerly known as Littleman Fiscal Services Private Limited) Fair Value
Deferred tax assets	0.00
Non-current tax assets	0.01
Cash and cash equivalents	2.13
Other current assets	0.00
<b>Total assets</b>	<b>2.14</b>
Other financial liabilities	
Current tax liabilities	-
<b>Total liabilities</b>	
<b>Net assets</b>	<b>2.14</b>
Non-controlling interest	-
Purchase consideration	

(All amount in ₹ crores, unless otherwise stated)

**Note – 53**

Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013

Name of the entity in the Group	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated profit	Amount	As % of consolidated profit	Amount
<b>Holding Company</b>								
Indiabulls Integrated Services Limited	7.28	23.34	21.89	(64.17)	(0.00)	0.01	5.70	(64.16)
<b>Indian subsidiaries</b>								
Indiabulls Life Insurance Company Limited	73.66	236.06	(7.26)	21.28	-	-	(1.89)	21.28
Indiabulls General Insurance Limited	11.60	37.17	(1.30)	3.80	-	-	(0.34)	3.80
Indiabulls Enterprises Limited	0.01	0.04	0.00	(0.01)	-	-	0.00	(0.01)
Indiabulls Pharmacare Limited	0.01	0.04	0.00	(0.01)	-	-	0.00	(0.01)
Sentia Properties Limited	93.68	300.19	0.05	(0.16)	-	-	0.01	(0.16)
Mahabala Infracon Private Limited	(22.82)	(73.13)	21.28	(62.39)	27.56	(229.51)	25.93	(291.90)
Lucina Infrastructure Limited	(61.09)	(195.76)	16.50	(48.38)	20.04	(166.84)	19.11	(215.22)
Ashva Stud and Agricultural Farms Limited	(40.04)	(128.31)	21.57	(63.25)	21.16	(176.24)	21.27	(239.49)
Albasta Wholesale Services Limited	(75.04)	(240.48)	19.57	(57.37)	31.75	(264.40)	28.58	(321.77)
Airmid Aviation Services Limited	(43.69)	(140.00)	9.77	(28.64)	(0.00)	0.01	2.54	(28.63)
SORIL Infra Resources Limited	152.20	487.74	3.05	(5.43)	(0.03)	0.22	0.46	(5.21)
Store One Infra Resources Limited	2.10	6.74	(2.41)	3.55	(0.48)	4.02	(0.67)	7.57
Indiabulls Rural Finance Private Limited (formerly known as Littleman Fiscal Services Private Limited)	2.13	6.82	(2.73)	8.00	-	-	(0.71)	8.00

**Note – 54**

The Hon'ble Supreme Court of India has passed a judgement dated 28 February 2019 and it was held that basic wages, for the purpose of provident fund, to include allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies. Currently, the Group has not considered any impact in these financial statements.

**Note – 55**

**Other matters**

- In respect of amounts as mentioned under Section 125 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2020 and 31 March 2019.
- In the opinion of the Board of Directors, all current assets and long term loans & advances, appearing in the balance sheet as at 31 March 2020, have a value on realization, in the ordinary course of the Group's business, at least equal to the amount at which they are stated in the financial statements. In the opinion of the board of directors, no provision is required to be made against the recoverability of these balances.

**For Agarwal Prakash & Co.**

Chartered Accountants  
Firm's Registration Number.: 005975N

**Vikas Aggarwal**

Partner  
Membership Number: 097848

Place : Gurugram  
Date : 11 July 2020

**For and on behalf of the Board of Directors**

**Manvinder Singh Walia**

Whole Time Director  
[DIN:07988213]

**Priya Jain**

Company Secretary

**Ajit Kumar Mittal**

Director  
[DIN:02698115]

**Saurabh Garg**

Chief Financial Officer

Statement containing salient features of the financial statement of subsidiaries

[Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 [Form AOC-I]]

Part A Subsidiaries

All amount in ₹ crores, unless otherwise stated

S No.	Name of the Subsidiary	Date since when the Subsidiary was acquired	Reporting Period	Reporting Currency	Share Capital	Reserves and Surplus	Total Assets (other than investments)	Total Liabilities	Investments	Turnover	Profit/(loss) before taxation	Provision for taxation	Profit/(loss) after taxation	Proposed dividend (including corporate dividend tax)	% of shareholding at the end of the reporting period
1	Indiabulls Life Insurance Company Limited	09 December 2017	2019-20	INR	150.00	197.03	115.22	7.58	239.39	45.02	40.82	11.55	29.27	-	100%
2	Indiabulls General Insurance Limited	24 January 2018	2019-20	INR	100.10	62.09	125.33	0.64	37.50	16.74	16.41	2.92	13.49	-	100%
3	Airmid Aviation Services Limited	23 December 2014	2019-20	INR	10.00	(174.12)	115.28	279.90	0.51	29.03	(29.72)	0.05	(29.77)	-	100%
4	Ashva Stud And Agricultural Farms Limited	07 December 2015	2019-20	INR	0.05	(206.63)	34.06	288.34	47.70	17.29	(59.27)	1.27	(60.54)	-	100%
5	Albasta Wholesale Services Limited	30 June 2011	2019-20	INR	100.05	(328.09)	24.58	700.92	448.30	12.55	(57.73)	1.69	(59.42)	-	100%
6	Lucina Infrastructure Limited	01 January 2010	2019-20	INR	8.55	(205.98)	0.19	238.25	40.64	8.00	(47.57)	0.71	(48.27)	-	100%
7	Mahabala Infracon Private Limited	11 December 2014	2019-20	INR	3.05	(270.78)	15.05	345.45	62.67	9.69	(61.23)	1.11	(62.33)	-	100%
8	Sentia Properties Limited	01 January 2010	2019-20	INR	0.05	(34.26)	300.19	334.40	-	-	(0.16)	-	(0.16)	-	100%
9	SORIL Infra Resources Limited	10 April 2008	2019-20	INR	31.50	195.28	488.74	381.35	119.39	194.19	(4.89)	-	(4.89)	-	64.71%
10	Store One Infra Resources Limited	15 November 2015	2019-20	INR	1.55	6.74	10.88	2.60	-	7.38	4.56	1.01	3.55	-	64.71%
11	Indiabulls Rural Finance Limited (Formerly known as Littleman Fiscal Services Private Limited)	25 January 2019	2019-20	INR	41.80	82.16	217.67	93.71	-	39.59	10.72	2.72	8.00	-	64.71%
12	Indiabulls Enterprises Limited	02 January 2019	2019-20	INR	0.10	(0.01)	0.01	0.00	0.08	0.00	(0.01)	-	(0.01)	-	100%
13	Indiabulls Pharmace Limited	17 January 2019	2019-20	INR	0.05	(0.01)	0.01	0.00	0.03	0.00	(0.01)	-	(0.01)	-	100%

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures	Latest audited Balance Sheet Date	Date on which the Associate or Joint Venture was associated or acquired	Shares of Associate or Joint Ventures held by the company on the year end	Amount of Investment in Associates or Joint Venture	Extent of Holding (in percentage)	Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Networth attributable to shareholding as per latest audited balance sheet	Profit/(Loss) for the year
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

For and on behalf of the Board of Directors

**Manvinder Singh Walia**  
Whole Time Director  
[DIN:07988213]

**Ajit Kumar Mittal**  
Director  
[DIN:02698115]

Place : Gurugram  
Date : 11 July 2020

**Priya Jain**  
Company Secretary

**Saurabh Garg**  
Chief Financial Officer

# INDEPENDENT AUDITOR'S REPORT

## To the Members of Indiabulls Integrated Services Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone financial statements of Indiabulls Integrated Services Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to Note 4 of the Statement, which describes the uncertainties due to the outbreak of 'Covid-2019' pandemic and management's evaluation of the same on the standalone financial results of the Company as at the Balance Sheet date. In view of these uncertainties, the impact on the Company's results is significantly dependent on future developments.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our audit report.

## Key Audit Matters

Key audit matter	How our audit addressed the key audit matter
<p><b>Accounting for fresh investment in wholly owned subsidiaries.</b></p> <p>The company's accounting for investment is set out in note 7 to the Standalone Financial Statements.</p> <p>During the year, the company has further invested in its wholly owned subsidiaries and also floated a Employee Welfare Trust.</p> <p>The Investment resulted in the company's total exposure in the investment of its wholly owned subsidiaries amounting to ₹ 616.15 Crores as against ₹ 467.15 Crores in the previous Year. (Refer note 7 to the Standalone financials statement).</p> <p>The above transaction required audit focus due to significant impact on standalone financial statement, the matter has been considered to be of most significance to the audit and accordingly, has been considered as a key audit matter for the current year audit.</p>	<p>Our audit procedures in relation to the accounting for fresh investment in wholly owned subsidiaries included, but not limited to the following:</p> <ul style="list-style-type: none"> <li>• Understood the nature of transactions i.e. understanding of the terms of the Investments and assessing the proposed accounting treatment in relation to the accounting policies and relevant Ind AS;</li> <li>• Reviewed the management's process for review and implementation of such transactions;</li> <li>• Tested the completeness and accuracy of the data used for making the Investments and</li> <li>• Ensured appropriate disclosures in the standalone Financial Statements with respect to Investments in wholly owned subsidiaries.</li> </ul>

### Information Other than the standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Financial Statements of the current year and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The standalone financial statements dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements as at 31 March 2020– Refer Note-41 to the standalone financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020.
- (h) With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company did not pay any remuneration to its Directors during the year.

For **Agarwal Prakash & Co.**  
Chartered Accountants  
Firm's Registration No.: 005975N

**Vikas Aggarwal**  
Partner  
Membership No. 097848  
UDIN: 20097848AAAABO1140

Place: Gurugram  
Date: 11 July 2020

## Annexure A to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and intangible assets.
- (b) The property, plant and equipment and intangible assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment and intangible assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in the nature of property, plant and equipment'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted interest free unsecured loans to companies covered in the register maintained under Section 189 of the Act, and with respect to the same:
  - (a) in our opinion, the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.
  - (b) the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is regular.
  - (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained to us, the Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products / services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax and goods and services tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Crores)	Amount paid under protest (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1.56	--	Assessment Year 2012-13	High Court
Income Tax Act, 1961	Income Tax	0.49	0.01	Assessment Year 2014-15	CIT (A)

- (viii) In our opinion, the Company has not defaulted in repayment of loans or borrowings to any financial institution or debenture-holders during the year. Further, the Company has no loans or borrowings payable to a bank or government during the year.
- (ix) As explained to us, no money raised by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not obtained any term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

- (xi) In our opinion, the provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company as the Company does not pay/provide for any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not any made preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Agarwal Prakash & Co.**  
Chartered Accountants  
Firm's Registration No.: 005975N

**Vikas Aggarwal**  
Partner  
Membership No. 097848  
UDIN: 20097848AAAABO1140

Place: Gurugram  
Date: 11 July 2020

## Annexure B to the Independent Auditor's Report

With reference to the Annexure B referred to in the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020 of even date.

### **Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls with reference to standalone financial statements of Indiabulls Integrated Services Limited ('the Company') as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

#### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Agarwal Prakash & Co.**  
Chartered Accountants  
Firm's Registration No.: 005975N

**Vikas Aggarwal**  
Partner  
Membership No. 097848  
UDIN: 20097848AAAABO1140

Place: Gurugram  
Date: 11 July 2020

# Balance Sheet

as at 31 March 2020

(All amount in ₹ crores, unless otherwise stated)

	Note	31 March 2020	31 March 2019
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	6A	1.03	0.84
(b) Right to use asset	6C	2.80	-
(c) Other intangible assets	6B	0.95	1.36
(d) Financial assets			
Investments	7A	681.67	532.67
Loans	8A	0.12	0.27
(e) Deferred tax assets, net	9	-	1.81
(f) Non-current tax assets, net	10	0.56	0.08
<b>Total</b>		<b>687.13</b>	<b>537.03</b>
<b>Current assets</b>			
(a) Inventories	11	0.38	0.38
(b) Financial Assets			
Investments	7B	223.22	653.58
Trade receivables	12	0.72	0.71
Cash and cash equivalents	13	0.72	0.33
Loans	8B	945.35	452.59
Other financial assets	14	-	0.14
(c) Other current assets	15	2.60	2.44
<b>Total</b>		<b>1,172.99</b>	<b>1,110.17</b>
<b>Total of Assets</b>		<b>1,860.12</b>	<b>1,647.20</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	17.87	17.87
(b) Other equity	17	1,600.43	1,619.26
<b>Total of Equity</b>		<b>1,618.30</b>	<b>1,637.13</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
Lease Liabilities	18A	2.31	-
(b) Provisions	19A	0.30	0.19
<b>Total</b>		<b>2.61</b>	<b>0.19</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
Borrowings	20	220.97	-
Lease Liabilities	18B	0.50	-
Trade payables	21	-	-
-total outstanding dues of micro enterprises and small enterprises		-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises		-	2.56
Other financial liabilities	22	15.63	0.57
(b) Other current liabilities	23	1.95	1.50
(c) Provisions	19B	0.01	0.00
(d) Current tax liabilities, net	24	0.15	5.25
<b>Total</b>		<b>239.21</b>	<b>9.88</b>
<b>Total of Equity and Liabilities</b>		<b>1,860.12</b>	<b>1,647.20</b>
<b>Summary of significant accounting policies</b>	5		

The accompanying notes form an integral part of the financial statements.

This is the balance sheet referred to in our report of even date.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number.: 005975N

**Vikas Aggarwal**

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

**For and on behalf of the Board of Directors**

**Manvinder Singh Walia**

Whole Time Director

[DIN:07988213]

**Priya Jain**

Company Secretary

**Ajit Kumar Mittal**

Director

[DIN:02698115]

**Saurabh Garg**

Chief Financial Officer

# Statement of profit and loss

for the year ended 31 March 2020

(All amount in ₹ crores, unless otherwise stated)

	Note	Year ended	
		31 March 2020	31 March 2019
<b>Revenue</b>			
Revenue from operations	25	0.06	0.03
Other income	26	8.54	44.30
<b>Total Revenue</b>		<b>8.60</b>	<b>44.33</b>
<b>Expenses</b>			
Cost of revenue	27		
Cost incurred during the year		-	-
Changes in inventories of real estate properties		-	(0.08)
Employee benefits expense	28	6.03	6.39
Finance costs	29	18.39	0.14
Depreciation and amortisation expense	6	1.06	0.41
Other expenses	30	2.16	7.68
<b>Total Expenses</b>		<b>27.64</b>	<b>14.54</b>
<b>(Loss)/ Profit before tax</b>		<b>(19.04)</b>	<b>29.79</b>
<b>Tax expense</b>	31		
Current tax (including earlier years)		1.60	9.34
Less: minimum alternative tax credit entitlement		0.38	-
Deferred tax charge/ (credit)		1.43	(1.43)
<b>(Loss)/ Profit after tax</b>		<b>(22.45)</b>	<b>21.88</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
Re-measurement gain/ (loss) on defined benefits plans		0.01	(0.05)
<b>Total other comprehensive income net of tax</b>		<b>0.01</b>	<b>(0.05)</b>
<b>Total Comprehensive Income for the year</b>		<b>(22.44)</b>	<b>21.83</b>
<b>Earnings per equity share of par value of ₹2/- each</b>	32		
Basic (₹)		(2.51)	2.65
Diluted (₹)		(2.51)	2.35
<b>Summary of significant accounting policies</b>	5		

The accompanying notes form an integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number.: 005975N

**Vikas Aggarwal**

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

**For and on behalf of the Board of Directors**

**Manvinder Singh Walia**

Whole Time Director

[DIN:07988213]

**Priya Jain**

Company Secretary

**Ajit Kumar Mittal**

Director

[DIN:02698115]

**Saurabh Garg**

Chief Financial Officer



# Statement of Cash Flows

## for the year ended 31 March 2020

(All amount in ₹ crores, unless otherwise stated )

		Year ended	
		31 March 2020	31 March 2019
<b>A.</b>	<b>Cash flow from operating activities:</b>		
	(Loss)/ Profit before tax	(19.04)	29.79
	<b>Adjustments for :</b>		
	Depreciation and amortisation expense	1.06	0.41
	Interest income	(6.77)	(17.32)
	Dividend income	(0.18)	(0.18)
	Interest expense	17.01	-
	Profit on sale of Investments	(0.45)	(25.71)
	Provision for employee benefits	0.11	0.05
	Loss on sale /written off of property, plant and equipment	0.01	0.00
	Balance written back	(0.58)	(1.08)
	Fair valuation of financial assets	(0.56)	-
	Share based payment expense	3.62	5.15
	<b>Operating loss before working capital changes and other adjustments</b>	<b>(5.77)</b>	<b>(8.89)</b>
	<b>Working capital changes and other adjustments:</b>		
	Trade receivables	(0.01)	1.08
	Loans and advances	(0.18)	-
	Other financial assets	0.14	0.30
	Other assets	(0.16)	(1.84)
	Inventories	-	(0.08)
	Trade payables	(2.56)	2.19
	Other financial liabilities	0.04	0.27
	Other current liabilities	1.03	(0.58)
	<b>Cash generated from / (used in) operating activities</b>	<b>(7.47)</b>	<b>(7.54)</b>
	Income tax (paid) / refund received, net	(7.17)	(5.60)
	<b>Net used in operating activities</b>	<b>(14.64)</b>	<b>(13.14)</b>
<b>B.</b>	<b>Cash flow from investing activities:</b>		
	Purchase of property, plant and equipment and other intangible assets	(0.55)	(2.43)
	Investment in equity shares of subsidiaries	(149.00)	(211.60)
	Sale/ (Investment) in securities, net	431.37	(323.79)
	Inter-corporate loans given/ received back, net	(492.50)	(84.01)
	Interest received	6.77	16.99
	Dividend income received	0.18	0.18
	<b>Net cash used in investing activities</b>	<b>(203.73)</b>	<b>(604.65)</b>

# Statement of Cash Flows

for the year ended 31 March 2020 (Contd.)

(All amount in ₹ crores, unless otherwise stated )

		Year ended	
		31 March 2020	31 March 2019
<b>C.</b>	<b>Cash flow from financing activities: (Refer note-46)</b>		
	Proceeds from issue of equity share capital (including securities premium)	-	702.59
	Proceeds from conversion of warrants into equity share capital	-	173.25
	Redemption of preference shares	-	(251.77)
	Payment of lease liabilities	(0.35)	-
	Inter-corporate borrowings taken	263.44	-
	Inter-corporate borrowings repaid	(42.47)	-
	Interest paid on borrowings	(1.86)	-
	Dividends paid including corporate dividend tax	-	(6.61)
	<b>Net cash flow from financing activities</b>	<b>218.76</b>	<b>617.46</b>
<b>D.</b>	<b>Increase/ (decrease) in cash and cash equivalents, net (A+B+C)</b>	<b>0.39</b>	<b>(0.33)</b>
<b>E.</b>	Cash and cash equivalents at the beginning of the year	0.33	0.66
<b>F.</b>	<b>Cash and cash equivalents at the end of the year (D+E)</b>	<b>0.72</b>	<b>0.33</b>
<b>G.</b>	<b>Reconciliation of cash and cash equivalents as per cash flow statement</b>		
	Cash and cash equivalents includes		
	Cash on hand	0.00	0.00
	Balances with banks		
	In current accounts	0.67	0.28
	In unclaimed dividend account	0.05	0.05
	<b>Total</b>	<b>0.72</b>	<b>0.33</b>

- a) The accompanying notes form an integral part of the financial statements.
- b) Ind AS-7 allows entities to report cash flow from operating activities using either the direct or indirect method, however listing regulations issued by SEBI (Securities Exchange Board of India) requires the listed companies to present cash flow only under indirect method. The Company has presented the above cash flow statement by using the indirect method.

This is the Statement of Cash Flows referred to in our report of even date.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number.: 005975N

**Vikas Aggarwal**

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

**For and on behalf of the Board of Directors**

**Manvinder Singh Walia**

Whole Time Director

[DIN:07988213]

**Priya Jain**

Company Secretary

**Ajit Kumar Mittal**

Director

[DIN:02698115]

**Saurabh Garg**

Chief Financial Officer

# Statement of changes in equity

as at 31 March 2020

(All amount in ₹ crores, unless otherwise stated)

## (A) Equity share capital\*

Particulars	Opening balance as at 01 April 2018	Issue of equity share capital during the year	Balance as at 31 March 2019	Issue of equity share capital during the year	Balance as at 31 March 2020
Equity share capital	10.97	6.90	17.87	-	17.87

## (B) Other equity\*\*

(All amount in ₹ crores, unless otherwise stated)

Particulars	Reserves and surplus					Other Comprehensive Income	Share Warrant Money	Total
	General reserve	Capital reserve	Deferred employee compensation reserve	Securities Premium	Retained earnings			
Balance as at 31 March 2018	501.50	9.42	1.56	53.59	61.91	-	101.97	729.95
Profit/ (Loss) for the year	-	-	-	-	21.88	-	-	21.88
Other comprehensive income:								
Re-measurement of defined benefit plans ( net of tax)	-	-	-	-	(0.05)	-	-	(0.05)
Share based payment expense	-	-	5.15	-	-	-	-	5.15
Dividend on equity shares	-	-	-	-	(5.48)	-	-	(5.48)
Corporate dividend tax	-	-	-	-	(1.13)	-	-	(1.13)
Issue of equity shares (conversion of share warrants)	-	-	-	926.69	-	-	(57.75)	868.94
Balance as at 31 March 2019	501.50	9.42	6.71	980.28	77.13	-	44.22	1,619.26
Profit/ (Loss) for the year	-	-	-	-	(22.45)	-	-	(22.45)
Other comprehensive income:								
Re-measurement of defined benefit plans ( net of tax)	-	-	-	-	0.01	-	-	0.01
Share based payment expense	-	-	3.62	-	-	-	-	3.62
Forfeiture of Share Warrant Money	-	44.22	-	-	-	-	(44.22)	-
Balance as at 31 March 2020	501.50	53.64	10.33	980.28	54.69	-	-	1,600.43

\*Refer Note-16

\*\*Refer Note-17

The accompanying notes are integral part of the financial statements

This is the Statement of Changes in Equity referred to in our report of even date.

### For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number.: 005975N

### Vikas Aggarwal

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

### For and on behalf of the Board of Directors

### Manvinder Singh Walia

Whole Time Director

[DIN:07988213]

### Priya Jain

Company Secretary

### Ajit Kumar Mittal

Director

[DIN:02698115]

### Saurabh Garg

Chief Financial Officer

## 1. Nature of principal activities

Indiabulls Integrated Services Limited “the Company”, was incorporated on 24 July 2007. The Company’s registered office stands changed from M-62 and 63, First Floor, Connaught Place, New Delhi – 110001, India to Plot No. 448-451 Udyog Vihar, Phase-V Gurugram - 122016, Haryana, India with effect from 15 January 2019.

## 2. General information and statement of compliance with Ind AS

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs (‘MCA’)), as amended and other related provisions of the Act.

The Company has uniformly applied the accounting policies during the periods presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 11 July 2020. The revision to financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of Companies Act, 2013.

## 3. Basis of preparation

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Certain financial assets and financial liabilities are measured at fair value and are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable. Further, share based payments are also measured at fair value of the stock options.

## 4. Estimation of uncertainties relating to the global health pandemic from covid-19 (covid-19):

The Company has considered the possible effect that may result from the pandemic relating to COVID-19, The Company has made a detailed assessment of its liquidity position and of the recoverability and carrying values of its assets as at balance sheet date, however, the actual impact of Covid-19 pandemic on the Company’s results remains uncertain and dependant on spread of Covid-19 and steps taken by the Government to mitigate the economic impact and may differ from that estimated as at the date of approval of these financial statements.

## 5. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements.

### 5.1 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in Companies Act 2013. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

### 5.2 Revenue recognition

Revenue is recognised when control is transferred and is accounted net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of the revenue transaction as set out below.

#### *Interest income*

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognized on accrual basis except in cases where ultimate collection is considered doubtful.

#### *Dividend income*

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

#### *Income from sale of Investment*

Profit on sale of investment is recognised on the date of its sale and is computed as excess of sale proceeds over its carrying amount as at the date of sale.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

### 5.3 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

### 5.4 Property, plant and equipment (PPE)

#### *Recognition and initial measurement*

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

#### *Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013.

Asset class	Useful life
Building	1-3 years
Plant and equipment	12 years
Office equipment	5 years
Computers	3 – 6 years
Furniture and fixtures	10 years
Vehicles	8 years

The residual values, useful lives and method of depreciation of are reviewed at the end of each financial year.

#### *De-recognition*

An item of property, plant and equipment initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in statement of profit and loss when the asset is derecognised.

### 5.5 Intangible assets

#### *Recognition and initial measurement*

Intangible assets (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

#### *Subsequent measurement (amortisation)*

The cost of capitalized software is amortized over a period four years from the date of its acquisition.

### 5.6 Foreign currency

#### *Functional and presentation currency*

The financial statements are presented in Indian Rupee ('INR' or '₹') which is also the functional and presentation currency of the Company.

#### *Transactions and balances*

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

(All amount in ₹ crores, unless otherwise stated)

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

#### 5.7 Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

#### 5.8 Financial instruments

##### Financial assets

###### *Recognition and initial measurement*

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

###### *Subsequent measurement*

i. Debt instruments at amortised cost – A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. Equity instruments - All equity investments in scope of ‘Ind AS 109 Financial Instruments’ (‘Ind AS 109’) are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

iii. Mutual funds – All mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

###### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

##### Financial liabilities

###### *Recognition and initial measurement – amortised cost*

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted.

###### *Subsequent measurement – Amortised cost*

Subsequent to initial measurement, all financial liabilities are measured at amortised cost using the effective interest method.

###### *Recognition and initial and subsequent measurement – fair value*

A financial liability is classified as fair value through profit and loss (‘FVTPL’) if it is designated as such upon initial recognition. Financial liabilities at FVTPL are measured (initial and subsequent) at fair value and net gains/losses, including any interest expense are recognised in statement of profit and loss.

###### *De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

### Compound financial instrument

Optionally convertible debentures are separated into liability and equity components based on the terms of the contract. On issuance of the said instrument, the liability component is arrived by discounting the gross sum at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognised as equity component of compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured. Such instruments are classified as current financial liability if the conversion option vests with the holder.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 5.9 Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company factors historical trends and forward looking information to assess expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

#### Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition, if the financial asset is determined to have low credit risk at the balance sheet date.

### 5.10 Inventories

Land other than that transferred to real estate projects under development is valued at lower of cost or net realizable value.

Real estate properties (developed and under development) includes cost of land under development, internal and external development costs, construction costs, and development/construction materials, borrowing costs and related overhead costs and is valued at lower of cost or net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs of necessary to make the sale.

### 5.11 Income taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside statement of profit and loss is recognised in the statement in which the relevant item is recognised.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax losses are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

(All amount in ₹ crores, unless otherwise stated)

#### 5.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

#### 5.13 Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

#### 5.14 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### 5.15 Employee benefits

##### *Defined contribution plan*

The Company's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss or inventorized as a part of real estate project under development, as the case may be. The Company's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan.

##### *Defined benefit plan*

The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognized in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gain/losses resulting from re-measurements of the liability are included in other comprehensive income.

##### *Other long term employee benefits*

The Company also provides benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

##### *Short-term employee benefits*

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

#### 5.16 Share based payments

Share based compensation benefits are provided to employees via Employee Stock Option Plans (ESOPs). The employee benefit expense is measured using the fair value of the employee stock options and is recognized over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. On the exercise of the employee stock options, the employees will be allotted equity shares of the Company.



## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

### 5.17 Right of use assets and lease liabilities

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

#### *Classification of leases*

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

#### *Recognition and initial measurement*

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

#### *Subsequent measurement*

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

### 5.18 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

#### *Significant management judgements*

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Recoverability of advances/receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

**Provisions** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However the actual future outcome may be different from this judgement.

#### *Significant estimates*

**Revenue and inventories** – Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. This requires forecasts to be made of total budgeted cost with the outcomes of underlying construction and service contracts, which further require assessments and judgements to be made on changes in work scopes, claims (compensation, rebates etc.) and other payments to the extent they are probable and they are

*(All amount in ₹ crores, unless otherwise stated)*

capable of being reliably measured. For the purpose of making estimates for claims, the Company used the available contractual and historical information. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

**Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

**Note - 6A**

**Property, Plant and Equipment**

	Plant & Machinery	Office Equipment	Computers	Furniture and Fixtures	Vehicles	Total
<b>Gross carrying amount</b>						
Balance as at 01 April 2018	0.03	0.01	0.62	0.02	0.71	1.39
Additions	-	-	0.57	-	0.21	0.78
Disposals/assets written off	-	0.00	0.62	0.01	0.42	1.05
<b>Balance as at 31 March 2019</b>	<b>0.03</b>	<b>0.01</b>	<b>0.57</b>	<b>0.01</b>	<b>0.50</b>	<b>1.12</b>
Additions	-	-	0.55	-	-	0.55
Disposals/assets written off	0.03	-	-	0.01	-	0.04
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>0.01</b>	<b>1.12</b>	<b>-</b>	<b>0.50</b>	<b>1.63</b>
<b>Accumulated depreciation</b>						
Balance as at 01 April 2018	0.02	0.01	0.62	0.01	0.56	1.22
Charge for the year	0.00	0.00	0.08	0.00	0.04	0.12
Adjustments for disposals	-	0.00	0.62	0.00	0.42	1.04
<b>Balance as at 31 March 2019</b>	<b>0.02</b>	<b>0.01</b>	<b>0.08</b>	<b>0.01</b>	<b>0.18</b>	<b>0.30</b>
Charge for the year	0.00	0.00	0.27	0.00	0.06	0.33
Adjustments for disposals	0.02	-	-	0.01	-	0.03
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>0.01</b>	<b>0.35</b>	<b>-</b>	<b>0.24</b>	<b>0.60</b>
<b>Net carrying value as at 31 March 2019</b>	<b>0.01</b>	<b>0.00</b>	<b>0.49</b>	<b>0.00</b>	<b>0.32</b>	<b>0.84</b>
<b>Net carrying value as at 31 March 2020</b>	<b>-</b>	<b>0.00</b>	<b>0.77</b>	<b>-</b>	<b>0.26</b>	<b>1.03</b>

- (i) There is no restriction on title of the property, plant and equipment. None of the property, plant and equipment has been pledged as security.
- (ii) There are no contractual commitments for the acquisition of property, plant and equipment.

(All amount in ₹ crores, unless otherwise stated)

**Note -6B**

**Other Intangible Assets**

	Software	Total
<b>Gross carrying amount</b>		
Balance as at 01 April 2018	4.40	4.40
Additions	1.65	1.65
Disposals/assets written off	4.40	4.40
<b>Balance as at 31 March 2019</b>	<b>1.65</b>	<b>1.65</b>
Additions	-	-
Disposals/assets written off	-	-
<b>Balance as at 31 March 2020</b>	<b>1.65</b>	<b>1.65</b>
<b>Accumulated amortization</b>		
Balance as at 01 April 2018	4.40	4.40
Charge for the year	0.29	0.29
Adjustments for disposals	4.40	4.40
<b>Balance as at 31 March 2019</b>	<b>0.29</b>	<b>0.29</b>
Charge for the year	0.41	0.41
Adjustments for disposals	-	-
<b>Balance as at 31 March 2020</b>	<b>0.70</b>	<b>0.70</b>
<b>Net carrying value as at 31 March 2019</b>	<b>1.36</b>	<b>1.36</b>
<b>Net carrying value as at 31 March 2020</b>	<b>0.95</b>	<b>0.95</b>

**Note -6C**

**Right to Use Asset (Refer note - 37)**

	Office Premises	Total
<b>Gross carrying amount</b>		
Balance as at 01 April 2019	-	-
Additions	3.12	3.12
Disposals/assets written off	-	-
<b>Balance as at 31 March 2020</b>	<b>3.12</b>	<b>3.12</b>
<b>Accumulated amortization</b>		
Balance as at 01 April 2019	-	-
Charge for the year	0.32	0.32
Adjustments for disposals	-	-
<b>Balance as at 31 March 2020</b>	<b>0.32</b>	<b>0.32</b>
<b>Net carrying value as at 31 March 2020</b>	<b>2.80</b>	<b>2.80</b>

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

Note - 7

Particulars	31 March 2020		31 March 2019	
	Number	(₹ in crores)	Number	(₹ in crores)
<b>A Investments - non-current*</b>				
<b>(i) Investment in equity shares</b>				
<b>(a) Subsidiaries (Fully paid up)-Unquoted**</b>				
Lucina Infrastructure Limited	8,550,000	10.83	8,550,000	10.83
Sentia Properties Limited	50,000	37.03	50,000	37.03
Albasta Wholesale Services Limited	100,050,000	100.07	100,050,000	100.07
Mahabala Infracon Private Limited	3,050,000	3.05	3,050,000	3.05
Ashva Stud and Agricultural Farms Limited	50,000	0.05	50,000	0.05
Airmid Aviation Services Limited	-	5.02	-	5.02
Indiabulls General Insurance Limited	100,099,998	150.00	1,000,000	1.00
Indiabulls Life Insurance Company Limited	150,000,000	310.00	150,000,000	310.00
Indiabulls Enterprises Limited	100,000	0.10	100,000	0.10
		<b>616.15</b>		<b>467.15</b>
<b>(b) Subsidiaries (Fully paid up) - Quoted**</b>				
SORIL Infra Resources Limited	20,383,310	65.52	20,383,310	65.52
		<b>65.52</b>		<b>65.52</b>
<b>(ii) Investment in Trust</b>				
Indiabulls Integrated Services Employee Welfare Trust		0.00		-
		<b>0.00</b>		-
During the year, the Company has set up an employees welfare trust titled "Indiabulls Integrated Services Employee Welfare Trust" (the "Trust") to efficiently manage the current as well as any future share based employees benefits schemes.				
<b>Total of Non-current Investment</b>		<b>681.67</b>		<b>532.67</b>
<b>Aggregate book value of unquoted investments</b>		<b>616.15</b>		<b>467.15</b>
<b>Aggregate book value of quoted investments</b>		<b>65.52</b>		<b>65.52</b>
<b>Aggregate market value of quoted investments</b>		<b>87.24</b>		<b>618.84</b>

\*Investments in equity instruments of subsidiaries are stated at cost as per IND AS 27, separate financial statements.

\*\* Face value of ₹10/- each unless otherwise stated

<b>B Investments - current</b>				
<b>(i) Investment in preference shares</b>				
Subsidiaries (fully paid up) - Unquoted**				
Albasta Wholesale Services Limited	30,000,000	30.00	30,000,000	30.00
SORIL Infra Resources Limited	19,795,000	174.20	19,795,000	174.20
		<b>204.20</b>		<b>204.20</b>
** Face value of ₹10/- each unless otherwise stated				
<b>(ii) Investment in mutual funds - Quoted</b>				
Indiabulls Liquid Fund - Direct Plan - Growth [Nil (31-March-2019: 31,254.942) units, NAV: Nil (31-March-2019: ₹ 1,825.3771)]"		-		5.71
Indiabulls Overnight Fund - Direct Plan - Growth [22,670.246 (31-March-2019: Nil) units, NAV: ₹1,036.618 (31-March-2019: Nil)]"		2.35		-
		<b>2.35</b>		<b>5.71</b>

(All amount in ₹ crores, unless otherwise stated)

Particulars	31 March 2020		31 March 2019	
	Number	(₹ in crores)	Number	(₹ in crores)
(iii) Investment in Commercial Papers - Quoted Commercial Paper Indiabulls Real Estate Limited 24/05/2019 [Nil (31 March 2019: 9000) units Face Value: Nil (31 March 2019: ₹ 5,00,000)]		-		443.68
		-		443.68
(iv) Investment in Non-Convertible Debentures - Quoted Indiabulls Consumer Finance Limited (Face Value of ₹ 1,000 each) [ 1,60,000 units (31 March 2019: Nil), NAV: ₹1,035.001 (31 March 2019: Nil)]" Add: Interest Accrued on debentures		16.56		-
		0.11		-
		16.67		-
<b>Total of current investments</b>		<b>223.22</b>		<b>653.58</b>
<b>Total of Non-current and current investments</b>		<b>904.89</b>		<b>1,186.25</b>
<b>Aggregate book value of unquoted investments</b>		<b>204.20</b>		<b>204.20</b>
<b>Aggregate market value of quoted investments</b>		<b>18.91</b>		<b>449.39</b>
<b>Aggregate book value of quoted investments</b>		<b>18.35</b>		<b>449.39</b>

**Note - 8**

**Loans**

Particulars	31 March 2020	31 March 2019
<b>A Non-Current</b>		
<b>Security deposits</b>		
Considered good - Unsecured	0.12	0.27
<b>Total</b>	<b>0.12</b>	<b>0.27</b>
<b>B Current</b>		
<b>Security deposits</b>		
Considered good - Unsecured	0.27	-
Inter-corporate loans to related parties (refer note-35)	945.08	452.59
Considered doubtful - Unsecured		
<b>Total</b>	<b>945.35</b>	<b>452.59</b>

**Note - 9**

**Deferred tax assets, net**

Particulars	31 March 2020	31 March 2019
Deferred tax asset arising on account of :		
Share based payment	-	1.43
Minimum alternative tax credit entitlement	-	0.38
<b>Total</b>	<b>-</b>	<b>1.81</b>

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

Caption wise movement in deferred tax assets as follows:

Particulars	01 April 2018	Recognised in other comprehensive income	Recognised/ (reversed) in profit and loss	31 March 2019
Deferred tax asset arising on account of :				
Share based payment	-	-	1.43	1.43
Minimum alternative tax credit entitlement	0.38	-	-	0.38
<b>Total</b>	<b>0.38</b>	<b>-</b>	<b>1.43</b>	<b>1.81</b>

Particulars	01 April 2019	Recognised in other comprehensive income	Recognised/ (reversed) in profit and loss	31 March 2020
Deferred tax asset arising on account of :				
Share based payment	1.43	-	(1.43)	-
Minimum alternative tax credit entitlement	0.38	-	(0.38)	-
<b>Total</b>	<b>1.81</b>	<b>-</b>	<b>(1.81)</b>	<b>-</b>

The Company has not recognised deferred tax asset on unabsorbed losses, depreciation and amortisation & provision of employee benefits to the extent of ₹ 22.45 crores since there is no convincing evidence which demonstrate probability of realisation of deferred tax asset in near future.

**Note - 10**

**Non-current tax assets, net**

Particulars	31 March 2020	31 March 2019
Advance income tax, including tax deducted at source	0.56	0.08
<b>Total</b>	<b>0.56</b>	<b>0.08</b>

**Note - 11**

**Inventories**

Particulars	31 March 2020	31 March 2019
<b>Real estate properties - developed (at cost)</b>		
Cost of developed properties	0.38	0.38
<b>Total</b>	<b>0.38</b>	<b>0.38</b>

**Note - 12**

**Trade receivables\***

Particulars	31 March 2020	31 March 2019
Considered good - Unsecured	0.72	0.71
<b>Total</b>	<b>0.72</b>	<b>0.71</b>

\*The Company does not have any trade receivables which are either credit impaired or where there is significant increase in credit risk.

**Note - 13**

**Cash and cash equivalents**

Particulars	31 March 2020	31 March 2019
Cash on hand	0.00	0.00
Balances with banks		
In current accounts	0.67	0.28
In unclaimed dividend account*	0.05	0.05
<b>Total</b>	<b>0.72</b>	<b>0.33</b>

\*Unclaimed dividend account pertains to dividend not claimed by the equity shareholders and the Company does not have any right on the said money.

(All amount in ₹ crores, unless otherwise stated)

**Note - 14**

**Other financial assets - current**

Particulars	31 March 2020	31 March 2019
<b>Other advances</b>		
Considered good, unsecured	-	0.14
<b>Total</b>	-	<b>0.14</b>

**Note - 15**

**Other current assets**

Particulars	31 March 2020	31 March 2019
<b>(Considered good, unsecured)</b>		
Advance to staff	0.02	0.07
Advance to suppliers/service providers	0.06	0.04
Prepaid expenses	0.01	0.01
Balances with statutory and government authorities	2.51	2.32
<b>Total</b>	<b>2.60</b>	<b>2.44</b>

**Note - 16**

Particulars	31 March 2020		31 March 2019	
	Number	(₹ in crores)	Number	(₹ in crores)
<b>A</b>				
<b>i</b>				
<b>Equity share capital</b>				
<b>Authorised</b>				
Equity shares of face value of ₹2 each	400,000,000	80.00	400,000,000	80.00
	<b>400,000,000</b>	<b>80.00</b>	<b>400,000,000</b>	<b>80.00</b>
<b>ii</b>				
<b>Issued, subscribed and fully paid up</b>				
Equity share capital of face value of ₹2 each fully paid up	89,325,569	17.87	89,325,569	17.87
	<b>89,325,569</b>	<b>17.87</b>	<b>89,325,569</b>	<b>17.87</b>
<b>iii</b>				
<b>Reconciliation of number and amount of equity shares outstanding at the beginning and at the end of the year</b>				
<b>Equity shares</b>				
Balance at the beginning of the year	89,325,569	17.87	54,818,493	10.97
Add: Issued during the year	-	-	34,507,076	6.90
Less: Redeemed during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>89,325,569</b>	<b>17.87</b>	<b>89,325,569</b>	<b>17.87</b>

- iv During the year ended 31 March 2018, the Board being authorised by shareholders at the general meeting held on 22 November 2017, and in accordance with the provisions of section 42 and 62 of the Companies Act, 2013 and requirement contained in SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, approved the preferential issue of upto 3,50,00,000 (Three crores fifty lakhs) Warrants, convertible into equivalent no. of equity shares of face value ₹2/- each of the Company at the conversion price of ₹132/- (including premium of ₹130/-) per equity share to M/s Powerscreen Media Private Limited, M/s Calleis Real Estate Private Limited, M/s Calleis Constructions Private Limited and M/s Calleis Properties Private Limited, the promoter group entities, in accordance with applicable provisions of Chapter VII of Securities & Exchange Board of India (Issue of Capital & Disclosure requirement) Regulations 2009, ("SEBI ICDR Regulations"). During the current year, the Company has, upon conversion of 41,00,000 share warrants, allotted 41,00,000 equity shares of face value of ₹2 each at the issue price of ₹132 (including premium of ₹130) per equity share held by promoter group entities.



## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

- v (1) The Company, pursuant to and in terms of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, issued and allotted:
- (a) on 28 May 2018, an aggregate of 1,00,00,000 fully paid up equity shares of face value of ₹ 2 each of the Company at an issue price of ₹330 (including a premium of ₹ 328) per Equity Share, to certain foreign portfolio investors, registered with the SEBI, pursuant to and in terms of shareholders' approval dated 22 May 2018; and
- (b) on 25 June 2018, an aggregate of 70,07,076 fully paid up equity shares of face value of ₹ 2 each of the Company at an issue price of ₹532 (including a premium of ₹ 530) per Equity Share, to certain foreign investors, pursuant to and in terms of shareholders' approval dated 11 June 2018.
- (2) The Company, pursuant to and in terms of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 and shareholders' approval dated 16 December 2017, allotted:
- (a) on 28 May 2018, an aggregate of 75,00,000 equity shares; and
- (b) on 25 June 2018, an aggregate of 1,00,00,000 equity shares, at a conversion price of ₹ 132 (including a premium of ₹ 130) per equity share to certain promoter group entities of the Company, upon exercise/conversion of equivalent number of warrants.

Pursuant to the preferential allotment and conversion of warrants, the paid up share capital of the Company stands increased to ₹17.87 crores divided into 8,93,25,569 shares of ₹ 2 each.

- vi In order to not alter the capital structure of the Company, ahead of the on-going composite scheme of arrangement amongst Indiabulls Integrated Services Limited ("the Company"), its direct and indirect subsidiaries and Indiabulls Pharmaceuticals Limited, and their respective shareholders and creditors, which was approved by the Board of Directors of the Company on 29 January 2019 ("Scheme"), on which the regulatory approvals are underway, and with a view to avoid any delay in implementation of the Scheme, which may occur due to change in share capital of the Company upon conversion of convertible warrants (which were issued by the Company on 02 January 2018 i.e. around an year prior to the approval of the Scheme), the warrant-holder promoter entities (namely Powerscreen Media Private Limited, Calleis Real Estate Private Limited, Calleis Constructions Private Limited and Calleis Properties Private Limited) decided to forego their rights of conversion of their entire outstanding convertible warrants into equity shares of the Company.

With this, in accordance with the terms of issuance of these warrants, the entire outstanding convertible warrants stood lapsed, and the aggregate of ₹ 44.22 Crores (being 25% upfront money paid by the warrant-holders to the Company at the time of allotment of these warrants) has been forfeited by the Company.

- vii The Company does not have any shares issued for consideration other than cash during the immediately preceding five years. Company did not buy back any shares during immediately preceding five years.
- viii Rights, preferences and restrictions attached to equity shares

The holders of equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In the event of liquidation of the Company, all preferential amounts, if any, shall be discharged by the Company, the remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date. All shares rank equally with regard to the Company's residual assets, except that holders of preference shares participate only to the extent of the face value of the shares.

### ix Details of shareholder holding more than 5% share capital

Name of the equity shareholder	Number of shares As at 31 March 2020	Number of shares As at 31 March 2019
Jyeshta Infrastructure Private Limited	8,330,412	8,330,412
Kritikka Infrastructure Private Limited	8,553,576	8,553,576
Steadview Capital Mauritius Limited	8,253,187	8,253,187
Calleis Real Estate Private Limited	5,400,000	5,400,000
Calleis Constructions Private Limited	5,400,000	5,400,000
Calleis Properties Private Limited	5,400,000	5,400,000
Powerscreen Media Private Limited	5,400,000	5,400,000

(All amount in ₹ crores, unless otherwise stated)

**B Preference share capital**

Authorised	31 March 2020		31 March 2019	
	Number	(₹ in crores)	Number	(₹ in crores)
Preference shares of face value of ₹10 each	30,000,000	30.00	30,000,000	30.00
	<b>30,000,000</b>	<b>30.00</b>	<b>30,000,000</b>	<b>30.00</b>

**Note - 17**

**Other Equity**

Particulars	31 March 2020	31 March 2019
<b>Reserves and Surplus</b>		
General reserve	501.50	501.50
Capital reserve	53.64	9.42
Deferred employee compensation reserve	10.33	6.71
Securities Premium	980.28	980.28
Retained earnings	54.69	77.13
<b>Others</b>		
Share Warrant Money	-	44.22
<b>Total</b>	<b>1,600.44</b>	<b>1,619.26</b>

**Nature and purpose of other reserves**

**General reserve**

The Company is required to create a general reserve out of the profits when the Company declares dividend to shareholders.

**Capital reserve**

The Company has issued share warrants in the earlier years. This reserve is created on account of forfeiture of share application money received on account of issuance of share warrants as share warrants holders did not exercise their rights.

**Deferred employee compensation reserve**

The reserve is used to recognized the expenses related to stock option issued to employees under Holding Company's employee stock option plans.

**Securities premium**

Security premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

**Share Warrant Money**

The Company has issued share warrants to certain promoter group companies and taken advance at 25% of the exercise price as on grant date. As per the terms of issue of these warrants, and upon payment of exercise price as reduced by 25% upfront money paid at the time of allotment of warrants, the warrant holders were entitled to apply for and obtain allotment of one equity share of ₹2 each fully paid up of the Company against each warrant held, within a period of eighteen months from the date of allotment of the said warrants. Upon conversion, the said share warrant money gets adjusted with the equity share capital and securities premium as per the warrant grant terms.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

**Note - 18**

**Lease Liabilities (Refer note-37)**

Particulars		31 March 2020	31 March 2019
<b>A</b>	<b>Non-Current</b>		
	Office Premises	2.31	-
<b>Total</b>		<b>2.31</b>	<b>-</b>
<b>B</b>	<b>Current</b>		
	Office Premises	0.50	-
<b>Total</b>		<b>0.50</b>	<b>-</b>

**Note - 19**

**Provisions**

Particulars		31 March 2020	31 March 2019
<b>A</b>	<b>Non-current</b>		
	Provision for employee benefits:		
	Gratuity	0.21	0.17
	Compensated absences	0.09	0.02
<b>Total</b>		<b>0.30</b>	<b>0.19</b>
<b>B</b>	<b>Current</b>		
	Provision for employee benefits:		
	Gratuity	0.01	0.00
	Compensated absences	0.00	0.00
<b>Total</b>		<b>0.01</b>	<b>0.00</b>

**Note - 20**

**Borrowings - current**

Particulars	31 March 2020	31 March 2019
Loans and advances from related parties	220.97	-
<b>Total</b>	<b>220.97</b>	<b>-</b>

**Note - 21**

**Trade payables - current**

Particulars	31 March 2020	31 March 2019
Due to micro and small enterprises*	-	-
Due to others	-	2.56
<b>Total</b>	<b>-</b>	<b>2.56</b>

(All amount in ₹ crores, unless otherwise stated)

\* Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"):

Particulars	31 March 2020	31 March 2019
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

**Note - 22**

**Other financial liabilities - current**

Particulars	31 March 2020	31 March 2019
Interest accrued but not due on inter-corporate borrowings	15.02	-
Expenses payable -		
Related parties	0.00	-
Others	0.55	0.51
Security deposits	0.01	0.01
Unpaid dividend on equity shares*	0.05	0.05
<b>Total</b>	<b>15.63</b>	<b>0.57</b>

\* In respect of amount as mentioned under section 125 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2020 and 31 March 2019.

**Note - 23**

**Other current liabilities**

Particulars	31 March 2020	31 March 2019
Payable to statutory authorities	1.71	0.60
Advance from customers	0.24	0.90
<b>Total</b>	<b>1.95</b>	<b>1.50</b>

**Note - 24**

**Current tax liabilities, net (Refer note-48)**

Particulars	31 March 2020	31 March 2019
Provision for income tax	0.15	5.25
<b>Total</b>	<b>0.15</b>	<b>5.25</b>

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

**Note - 25**

**Revenue from operations**

Particulars	31 March 2020	31 March 2019
Revenue from real estate project	-	0.02
<b>Other operating income</b>		
Interest income	-	0.01
Others	0.04	-
Referral Commission	0.02	-
<b>Total</b>	<b>0.06</b>	<b>0.03</b>

**Note - 26**

**Other income**

Particulars	31 March 2020	31 March 2019
Dividend Income	0.18	0.18
Interest Income	5.48	16.99
Interest income on NCD	0.84	-
Interest on Commercial Papers	0.45	0.33
Finance Income	0.00	-
Profit on sale of investments, net	0.45	25.71
Income on fair valuation of financial instruments	0.56	0.01
Balance written back	0.58	1.08
<b>Total</b>	<b>8.54</b>	<b>44.30</b>

**Note - 27**

**Cost of revenue**

Particulars	31 March 2020	31 March 2019
Cost incurred during the year	-	-
(Increase) / decrease in inventory of finished goods		
Opening stock	0.38	0.30
Closing stock	(0.38)	(0.38)
<b>Total</b>	<b>-</b>	<b>(0.08)</b>

(All amount in ₹ crores, unless otherwise stated)

**Note - 28**

**Employee benefits expense**

Particulars	31 March 2020	31 March 2019
Salaries and wages	2.18	1.18
Bonus and ex-gratia	0.09	-
Gratuity and compensated absences	0.11	0.05
Contribution to provident fund	0.01	0.01
Staff welfare expenses	0.02	0.01
Share based payment expense (refer note - 44)	3.62	5.15
<b>Total</b>	<b>6.03</b>	<b>6.39</b>

**Note - 29**

**Finance costs**

Particulars	31 March 2020	31 March 2019
Interest expenses on taxation	1.39	0.14
Interest on inter-corporate borrowings	16.88	-
Interest on finance lease	0.12	-
Others	-	0.00
<b>Total</b>	<b>18.39</b>	<b>0.14</b>

**Note - 30**

**Other expenses**

Particulars	31 March 2020	31 March 2019
Advertisement expenses	0.04	5.77
Auditor's remuneration - as auditor (refer note (i) below)	0.28	0.20
Director sitting fees (Paid to Independent Directors)	0.08	0.11
Bank charges	0.00	0.00
Communication expenses	0.22	0.14
Corporate social responsibility expenses (refer note - 43)	0.23	0.03
Power and fuel expenses	0.01	-
Legal and professional charges	0.72	0.91
Printing and stationery	0.06	0.02
Rates and taxes	0.13	0.25
Property plant and equipment written-off	0.01	0.00
Repairs and maintenance		
Buildings	0.04	-
Vehicles	0.03	0.02
Others	0.13	0.02
Brokerage and marketing expenses	0.00	0.02
Security Expenses	0.08	0.04
Traveling and conveyance expenses	0.02	0.03
Insurance expenses	0.05	-
Customer incentive and other charges	0.00	0.01
Miscellaneous expenses	0.03	0.10
<b>Total</b>	<b>2.16</b>	<b>7.68</b>

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

Particulars	31 March 2020	31 March 2019
<b>(i) Details of auditor's remuneration</b>		
<b>Auditor's remuneration</b>		
Audit fee	0.26	0.20
Others	0.02	-
<b>Total</b>	<b>0.28</b>	<b>0.20</b>

**Note - 31**

**Income tax**

Particulars	31 March 2020	31 March 2019
<b>Tax expense comprises of:</b>		
Current tax, including earlier years tax expenses	1.60	9.34
Less: Minimum alternate tax credit entitlement	0.38	-
Deferred tax charge/ (credit) (refer note - 9)	1.43	(1.43)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>3.41</b>	<b>7.91</b>
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168% (31 March 2019: 27.82%) and the reported tax expense in statement of profit and loss are as follows:		
<b>Reconciliation of tax expense and the accounting profit multiplied by India's tax rate</b>		
Accounting (loss)/ profit before income tax	(19.04)	29.79
At statutory income tax rate of 25.168% ( 31 March 2019 : 27.82%), computed tax expense	-	8.29
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Tax impact of exempted income	-	(0.05)
Tax impact of earlier years	1.60	0.35
Tax impact of expenses which will never be allowed	-	1.47
Deferred tax reversed/ (recognised)	1.81	(1.43)
Tax impact on brought forward losses	-	(0.60)
Others	-	(0.12)
<b>Income tax expense</b>	<b>3.41</b>	<b>7.91</b>

**Note - 32**

**Earnings per share (EPS)**

The Company's Earnings per Share ("EPS") is determined based on the net profit attributable to the shareholders of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

(All amount in ₹ crores, unless otherwise stated)

The following reflects the income and share data used in the basic and diluted EPS computation

Particulars	31 March 2020	31 March 2019
<b>Profit attributable to equity holders</b>	(22.45)	21.88
Weighted average number of equity shares for basic earnings per share	89,325,569	82,632,140
Add: Share Warrants	-	10,348,262
Weighted average number of equity shares adjusted for diluted earnings per share	<b>89,325,569</b>	<b>92,980,402</b>
<b>Earnings per equity share of face value ₹2/-</b>		
(1) Basic (₹)	(2.51)	2.65
(2) Diluted (₹)	(2.51)	2.35

**Note - 33**

**Fair value measurements**

**(i) Fair value hierarchy**

Financial assets and financial liabilities measured at fair value in the financial statements are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** unobservable inputs for the asset or liability.

**(ii) Financial assets measured at fair value**

31 March 2020	Level 1	Level 2	Level 3	Total
<b>Financial instruments at FVTPL</b>				
Mutual funds	2.35	-	-	2.35
Non-convertible debentures	16.56	-	-	16.56
<b>Total financial assets</b>	<b>18.91</b>	-	-	<b>18.91</b>

**Financial assets measured at fair value**

31 March 2019	Level 1	Level 2	Level 3	Total
<b>Financial instruments at FVTPL</b>				
Mutual funds	5.71	-	-	5.71
<b>Total financial assets</b>	<b>5.71</b>	-	-	<b>5.71</b>

**(iii) Valuation process and technique used to determine fair value**

Specific valuation techniques used to value financial instruments include -

- (i) Investments in equity instruments of subsidiaries are stated at cost as per IND AS 27, separate financial statements.
- (ii) Use of net asset value for mutual funds on the basis of the statement received from investee party.
- (iii) Unit price of bonds/non-convertible debentures on the last trading day of the respective financial year as per the Fixed Income Money Market and Derivatives Association of India (FIMMDA) guidelines.
- (iv) Unit price of Bonds on the last trading day of the respective financial year in secondary market.



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

**Note - 34**

**Financial risk management**

**i) Financial instruments by category**

Particulars	31 March 2020			31 March 2019		
	FVTPL*	FVOCI#	Amortised cost	FVTPL*	FVOCI#	Amortised cost
<b>Financial assets</b>						
Investments						
Mutual funds	2.35	-	-	5.71	-	-
Non-convertible debentures	16.56	-	-	-	-	-
Commercial Papers	-	-	-	-	-	443.68
Trade receivables	-	-	0.72	-	-	0.71
Loans	-	-	945.08	-	-	452.59
Cash and cash equivalents	-	-	0.72	-	-	0.33
Security deposits	-	-	0.39	-	-	0.27
Other financial assets	-	-	-	-	-	0.14
<b>Total financial assets</b>	<b>18.91</b>	<b>-</b>	<b>946.91</b>	<b>5.71</b>	<b>-</b>	<b>897.72</b>

Particulars	31 March 2020			31 March 2019		
	FVTPL*	FVOCI#	Amortised cost	FVTPL*	FVOCI#	Amortised cost
<b>Financial liabilities</b>						
Borrowings (including interest accrued)	-	-	235.99	-	-	-
Trade payables	-	-	-	-	-	2.56
Security deposits	-	-	0.01	-	-	0.01
Other financial liabilities	-	-	0.60	-	-	0.56
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>236.60</b>	<b>-</b>	<b>-</b>	<b>3.13</b>

Investment in subsidiaries and associates are measured at cost as per Ind AS 27, 'Separate financial statements'.

\* These financial assets are mandatorily measured at fair value.

# These financial assets represents investment in equity instruments designated as such upon initial recognition.

**ii) Financial instruments measured at amortised cost**

For amortised cost instruments, carrying value represents the best estimate of fair value except for long-term financial assets.

**iii) Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(All amount in ₹ crores, unless otherwise stated)

**(A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Asset group	Basis of categorisation	Provision for expenses credit loss
A: Low credit risk	Trade receivables, cash and cash equivalents, other bank balances, loans, investments(current) and other financial assets	12 month expected credit loss/Life time expected credit loss
B: Moderate credit risk	Loans	12 month expected credit loss/Life time expected credit loss

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

**Assets under credit risk –**

Credit rating	Particulars	31 March 2020	31 March 2019
A: Low credit risk	Trade receivables, cash and cash equivalents, other bank balances, security deposits, loans, investments(short -term), loans and other financial assets	20.74	903.43
B: Moderate credit risk	Loans	945.08	-

ii) Concentration of financial assets

The Company's principal business activities are real estate project advisory, construction and development of real estate projects and all other related activities. The Company's outstanding receivables are for real estate project advisory business. Loans and other financial assets majorly represents loans to subsidiaries and deposits given for business purposes.

b) Credit risk exposure

**Provision for expected credit losses**

The Company provides for 12 month expected credit losses for following financial assets –

**As at 31 March 2020**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	904.78	-	904.78
Trade Receivables	0.72	-	0.72
Cash and cash equivalents	0.72	-	0.72
Loans	945.08	-	945.08
Security deposit	0.39	-	0.39

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

As at 31 March 2019

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	1,186.25	-	1,186.25
Trade Receivables	0.71	-	0.71
Cash and cash equivalents	0.33	-	0.33
Loans	452.59	-	452.59
Security deposit	0.27	-	0.27
Other financial assets	0.14	-	0.14

Expected credit loss for trade receivables under simplified approach

The Company's outstanding trade receivables are less than six months old and the Company expects that money will be received in due course.

**(B) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**Maturities of financial liabilities**

The table below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

31 March 2020	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Non-derivatives					
Borrowings(including interest accrued thereon)	235.99	-	-	-	235.99
Trade payables	-	-	-	-	-
Other financial liabilities	0.61	-	-	-	0.61
<b>Total</b>	<b>236.60</b>	-	-	-	<b>236.60</b>

31 March 2019	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Non-derivatives					
Borrowings(including interest accrued thereon)	-	-	-	-	-
Trade payables	2.56	-	-	-	2.56
Other financial liabilities	0.57	-	-	-	0.57
<b>Total</b>	<b>3.13</b>	-	-	-	<b>3.13</b>

**(C) Market risk**

**(i) Interest rate risk**

The Company's fixed rate borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Particulars	31 March 2020	31 Marchh 2019
Fixed rate borrowing	220.97	-
<b>Total borrowings</b>	<b>220.97</b>	-

(All amount in ₹ crores, unless otherwise stated)

**Note - 35**

The inter corporate deposit to subsidiaries has been extended to give the financials support. The Company have not credit impaired any of its inter corporate deposits. Since these loans are doubtful to be recovered, the Company has not accrued any interest on these loans.

**Note-36**

**Revenue related disclosures**

**A Disaggregation of revenue**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	31 March 2020	31 March 2019
<b>Revenue from contracts with customers</b>		
<b>(i) Revenue from operations</b>		
Revenue from sale of properties	-	0.02
<b>(ii) Other operating income</b>	0.06	0.01
<b>Total revenue covered under Ind AS 115</b>	<b>0.06</b>	<b>0.03</b>

**B Contract balances**

The following table provides information about receivables and contract liabilities from contract with customers:

Particulars	31 March 2020	31 March 2019
<b>Contract liabilities</b>		
Advance from customers	0.24	0.90
<b>Total contract liabilities</b>	<b>0.24</b>	<b>0.90</b>
<b>Receivables</b>		
Trade receivables	0.72	0.71
<b>Total receivables</b>	<b>0.72</b>	<b>0.71</b>

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

Particulars	31 March 2020	31 March 2019
	Contract liabilities	Contract liabilities
	Advances from customers	Advances from customers
<b>Opening balance</b>	<b>0.90</b>	<b>2.77</b>
Addition/ (Utilisation) during the year	(0.66)	(1.89)
Revenue recognised during the year	-	0.02
<b>Closing balance</b>	<b>0.24</b>	<b>0.90</b>

**D** There are no unsatisfied performance obligations as at 31 March 2020 against the advance received from the customers, as the billing for the same has been done by the Company as on 31 March 2020.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

### E Reconciliation of revenue recognised with contract revenue:

Particulars	31 March 2020	31 March 2019
Contract revenue	-	0.02
<b>Revenue recognised</b>	<b>-</b>	<b>0.02</b>

F Ind AS 115 'Revenue from Contracts with Customers', mandatory for reporting periods beginning on or after 1 April 2018, replaces existing revenue recognition requirements. Since the Company's real estate projects were completed before 01 April 2018, hence the application of Ind AS 115 has not impacted the Company's accounting for recognition of revenue from real estate properties. The Company has applied prospective approach in adopting the new standard and accordingly the restatement of the previous period numbers basis completion of contract for all the real estate projects across India is not applicable.

### Note-37

#### Lease related disclosures

The Company has leases for office premises. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

#### A Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	31 March 2020
Short-term leases	-
Leases of low value assets	-
Variable lease payments	-

B Total cash outflow for leases for the year ended 31 March 2020 was ₹ 0.53 crores.

C The Company has total commitment for short-term leases of ₹ 0.50 crores as at 31 March 2020.

#### D Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

31 March 2020	Minimum lease payments due				
	Within 1 year	1-2 years	2-3 years	More than 3 years	Total
Lease payments	0.73	0.73	0.80	1.18	3.44
Interest expense	0.23	0.19	0.13	0.08	0.63
<b>Net present values</b>	<b>0.50</b>	<b>0.54</b>	<b>0.67</b>	<b>1.10</b>	<b>2.81</b>

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2020 is of ₹ Nil.

#### F Information about extension and termination options

Right of use assets	Number of leases	Range of remaining term (in years)	Average remaining lease term (in years)	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Office premises	2	4 to 5 years	4.5 years	2	-	2

G The total future cash outflows as at 31 March 2020 for leases that had not yet commenced is of ₹ Nil (office premises).

(All amount in ₹ crores, unless otherwise stated)

**Note – 38**

**Capital Management**

The Company's objectives when managing capital are:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

Management assesses the current liquidity and long term capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company manages its capital requirements by overseeing the following ratio:

**Current ratio:**

Particulars	31 March 2020	31 March 2019
Current assets	1,172.99	1,110.16
Current liabilities	239.21	9.88
<b>Current ratio</b>	<b>4.90</b>	<b>112.32</b>

**Note – 39**

**Information about subsidiaries**

The information about subsidiaries of the Company is as follows. The below table includes the information about step down subsidiaries as well.

Name of subsidiary	Country of incorporation	Proportion of ownership interest as at 31 March 2020	Proportion of ownership interest as at 31 March 2019
SORIL Infra Resources Limited	India	64.71%	64.71%
Sentia Properties Limited	India	100%	100%
Lucina Infrastructure Limited	India	100%	100%
Albasta Wholesale Services Limited	India	100%	100%
Mahabala Infracon Private Limited	India	100%	100%
Ashva Stud and Agricultural Farms Limited	India	100%	100%
Indiabulls Life Insurance Company Limited	India	100%	100%
Indiabulls General Insurance Limited	India	100%	100%
Store One Infra Resources Limited	India	64.71%	64.71%
Airmid Aviation Services Limited	India	100%	100%
Indiabulls Enterprises Limited*	India	100%	100%
Indiabulls Pharmacare Limited**	India	100%	100%
Indiabulls Rural Finance Private Limited (Formerly known as Littleman Fiscal Services Private Limited)***	India	64.71%	64.71%

\* incorporated on 02 January 2019

\*\* incorporated on 17 January 2019

\*\*\* acquired on 25 January 2019

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

**Note – 40**

**Related party transactions**

**Subsidiaries**

Details in reference to subsidiaries are presented in Note – 39

**Key management personnel**

Mr. Manvinder Singh Walia (Whole Time Director of the Company)

**Summary of transactions with related parties**

**(With Subsidiary Companies)**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Loans and advances (given) / received back, net	(492.48)	(84.00)
Loans and Borrowings taken/ (repaid), net	220.97	-
Interest Expenses on loans and borrowings	16.88	-
Investment in equity shares	149.00	211.60
Dividend Income	0.18	0.18
Reimbursement of expenses*	-	0.40

\*Excluding taxes

**Statement of balance outstanding**

Particulars	31 March 2020	31 March 2019
Loans and advances given	945.08	452.59
Loans and Borrowings taken	220.97	-
Interest Payable on Borrowings	15.02	
Other receivables	-	0.14
Corporate Guarantees Given	275.55	309.57

(All amount in ₹ crores, unless otherwise stated)

**Note - 41**

**Contingent liabilities and Commitment**

**A. Summary of contingent liabilities**

Contingent liabilities, not acknowledged as debt, include:

Particulars	31 March 2020	31 March 2019
Income tax matters for assessment year 2010-11 in respect of the which appeals have been filed*	-	0.25
Income tax matters for assessment year 2012-13 in respect of the which appeals have been filed	1.56	-
Income tax matters for assessment year 2014-15 in respect of the which appeals have been filed	0.49	0.49

\*The company has received order against this demand in its favour from Income Tax Appellate Tribunal (ITAT). The department has moved to High Court against the same.

The Company has given corporate guarantee for the secured term loans availed by the subsidiary company- SORIL Infra Resources Limited (Formerly known as Store One Retail India Limited). Outstanding amount of loans as on 31 March 2020 is ₹31.97 crores (31 March 2018: ₹65.99 crores).

The Company has given corporate guarantee for the secured term loans availed by the step down subsidiary company- Airmid Aviation Services Limited. Outstanding amount of loans as on 31 March 2020 is ₹243.58 crores (31-March-2019 243.58 crores).

The Company has certain litigation cases pending. However, based on legal advice, the management does not expect any unfavourable outcome resulting in material adverse effect on the financial position of the Company.

As per best estimate of the management, no provision is required to be made in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

**B. Commitments**

The Company has committed to provide the financial support to all its subsidiaries.

**Note - 42**

**Employee benefits**

**Defined contribution plan**

The Company has made ₹ 0.00 crores (31 March 2019 ₹ 0.00 crores) contribution in respect of provident fund.

**Defined benefit plan**

The Company has following defined benefit plans:

- Gratuity (unfunded)
- Compensated absences (unfunded)

**Risks associated with plan provisions**

Discount rate risk	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality risk	Actual death & liability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Salary risk	Actual salary increase will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Withdrawal risk	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**Compensated absence**

The leave obligations cover the Company's liability for permitted leaves. The amount of provision of ₹0.00 crores (31 March 2019 - ₹0.00 crores) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. The weighted average duration of the defined benefit obligation is 20.11 years (31



## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

March 2019: 17.84 years).

### Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity plan is a non-funded plan. The weighted average duration of the defined benefit obligation is 20.11 years (31 March 2019: 17.84 years)

### Actuarial (gain)/loss on obligation:

Particulars	Gratuity		Compensated absence	
	For the year ended		For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Actuarial (gain)/loss on arising from change in demographic assumption	(0.00)	Nil	(0.00)	Nil
Actuarial (gain)/loss on arising from change in financial assumption	0.02	0.01	0.01	0.00
Actuarial (gain)/loss on arising from change in experience adjustment	(0.03)	0.04	0.02	0.00

### Amount recognized in the statement of profit and loss is as under:

Particulars	Gratuity		Compensated absence	
	For the year ended		For the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Service cost	0.05	0.02	0.03	0.01
Net interest cost	0.01	0.01	0.00	0.00
Actuarial (gain)/loss for the year	(0.01)	0.06	0.02	0.01
<b>Expenses recognized/ (reversed) in the statement of profit and loss</b>	<b>0.05</b>	<b>0.09</b>	<b>0.05</b>	<b>0.02</b>

### Movement in the liability recognized in the balance sheet is as under:

Particulars	Gratuity		Compensated absence	
	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Present value of defined benefit obligation at the beginning of the year	0.16	0.10	0.04	0.02
Current Service Cost	0.05	0.02	0.02	0.01
Interest Cost	0.01	0.01	0.00	0.00
Actuarial (gain)/ loss on obligation	(0.01)	0.05	0.03	0.01
Benefits paid	-	(0.02)	-	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>0.21</b>	<b>0.16</b>	<b>0.09</b>	<b>0.04</b>

(All amount in ₹ crores, unless otherwise stated)

**Bifurcation of projected benefit obligation at the end of the year in current and non-current:**

Particulars		Gratuity		Compensated absence	
		As at		As at	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
a)	Current liability (amount due within one year)	0.00	0.00	0.00	0.00
b)	Non - current liability (amount due over one year)	0.21	0.16	0.09	0.03
<b>Total projected benefit obligation at the end of the year</b>		<b>0.21</b>	<b>0.16</b>	<b>0.09</b>	<b>0.03</b>

**For determination of the liability of the Company, the following actuarial assumptions were used:**

Particulars	Gratuity		Compensated absence	
	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Discount rate	6.99%	7.71%	6.99%	7.71%
Salary escalation rate	5.50%	5.50%	5.50%	5.50%
Mortality table	IALM (2012 - 14)	IALM (2006 - 08)	IALM (2012 - 14)	IALM (2006 - 08)

As the Company does not have any plan assets, the movement of present value of defined benefit obligation and fair value of plan assets has not been presented.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

**Maturity plan of defined benefit obligation**

Year	31 March 2020		Year	31 March 2019	
	Gratuity	Compensated absence		Gratuity	Compensated absence
a) April 2020 – March 2021	0.00	0.00	April 2019 – March 2020	0.00	0.00
b) April 2021 – March 2022	0.00	0.00	April 2020 – March 2021	0.00	0.00
c) April 2022 – March 2023	0.00	0.00	April 2021 – March 2022	0.02	0.00
d) April 2023 – March 2024	0.00	0.00	April 2022 – March 2023	0.00	0.00
e) April 2024 – March 2025	0.00	0.00	April 2023 – March 2024	0.00	0.00
f) April 2025 – March 2026	0.00	0.00	April 2024 – March 2025	0.00	0.00
g) April 2026 onwards	0.19	0.08	April 2025 onwards	0.13	0.03

**Sensitivity analysis of the defined benefit obligation**

Particulars	31 March 2020		31 March 2019		
	Gratuity	Compensated absence	Gratuity	Compensated absence	
<b>Impact of the change in discount rate</b>					
	Present value of obligation at the end of the year	0.21	0.09	0.16	0.04
a)	Impact due to increase of 0.50 %	(0.02)	(0.01)	(0.01)	(0.0)
b)	Impact due to decrease of 0.50 %	0.02	0.01	0.01	0.00
<b>Impact of the change in salary increase</b>					
	Present value of obligation at the end of the year	0.21	0.09	0.16	0.04
a)	Impact due to increase of 0.50 %	0.02	0.01	0.01	0.00
b)	Impact due to decrease of 0.50 %	(0.02)	(0.01)	(0.01)	(0.00)

Sensitivities due to mortality and withdrawal are not material and hence impact of change not calculated.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

### Note – 43

#### Corporate social responsibility expenses

- (a) Gross amount required to be spent by the company during the year: ₹0.23 crores (31 March 2019: ₹0.03 crores).  
 (b) Amount spent during the year on:

S. No.	Particulars	Year	Paid in cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	31 March 2020	-	-	-
		31 March 2019	-	-	-
(ii)	On purposes other than (i) above	31 March 2020	0.23	-	0.23
		31 March 2019	0.03	-	0.03

### Note – 44

#### Share based payments

##### Indiabulls Integrated Services Limited Employees Stock Options Scheme – 2011

The Company established the Indiabulls Integrated Services Limited Employees Stock Options Scheme - 2011 ("IBISL ESOS"). Under the Plan, the Company granted 45,66,600 equity settled options to its eligible employees during the financial year 2017-18 which gave them a right to subscribe up to 45,66,600 stock options representing an equal number of equity shares of face value of ₹2 each of the Company at an exercise price of ₹105.20 per option, subject to the requirements of vesting. A compensation committee constituted by the Board of Directors of the Company administers the Plan. The stock options so granted, shall vest in the eligible employees within 5 years beginning from 03 November 2018, the first vesting date. The stock options granted under each of the slabs are exercisable by the option holders within a period of five years from the relevant vesting date.

The previous title of the Scheme, viz. Soril Holdings and Ventures Limited Employee Stock Option Scheme -2011 (SHVL ESOS), stands changed to Indiabulls Integrated Services Limited Employee Stock Option Scheme – 2011 (IBISL ESOS) in line with the revised certificate of incorporation dated 16 May 2018.

Following is a summary of options granted under the plan:

Particulars	31 March 2020	31 March 2019
Opening balance	45,66,600	45,66,600
Granted during the year	-	-
Exercised during the year	-	-
Forfeited during the year	-	-
<b>Closing balance</b>	<b>45,66,600</b>	<b>45,66,600</b>
<b>Vested and exercisable</b>	<b>18,26,640</b>	<b>9,13,320</b>

Weighted average share exercised price during the year ended 31 March 2020: Nil (31 March 2019: Nil)

Particulars	IBISL ESOS
Fair market value of option on the date of grant	₹15.52
Exercise price	₹105.20
Expected volatility	40.57%-54.28%
Expected forfeiture percentage on each vesting date	20%
Expected option life (weighted average)	8 years
Expected dividend yield	100%
Risk free interest rate	6.56%-7.01%

The expected volatility was determined based on historical volatility data of the Company's shares listed on the recognized Stock Exchange.

During the financial year 2018-19, the Company further granted 10,00,000 equity settled options to its eligible employees which gave them a right to subscribe up to 10,00,000 stock options representing an equal number of equity shares of face value of ₹2 each of the Company at an exercise price of ₹489.35 per option, subject to the requirements of vesting. A compensation committee constituted by the

(All amount in ₹ crores, unless otherwise stated)

Board of Directors of the Company administers the Plan. The stock options so granted, shall vest in the eligible employees within 5 years beginning from 09 August 2019, the first vesting date. The stock options granted under each of the slabs are exercisable by the option holders within a period of five years from the relevant vesting date.

Following is a summary of options granted under the plan:

Particulars	31 March 2020	31 March 2019
Opening balance	10,00,000	-
Granted during the year	-	10,00,000
Exercised during the year	-	-
Forfeited during the year	-	-
<b>Closing balance</b>	<b>10,00,000</b>	<b>10,00,000</b>
<b>Vested and exercisable</b>	<b>2,00,000</b>	-

Weighted average share exercised price during the year ended 31 March 2020: Nil (31 March 2019: Nil)

Particulars	IBISL ESOS
Fair market value of option on the date of grant	₹64.97
Exercise price	₹489.35
Expected volatility	30.05%-40.33%
Expected forfeiture percentage on each vesting date	20%
Expected option life (weighted average)	7.5 years
Expected dividend yield	100%
Risk free interest rate	7.68%-7.98%

The expected volatility was determined based on historical volatility data of the Company's shares listed on the recognized Stock Exchange.

The total expense of share based payments recognized during the year ended 31 March 2020 is ₹3.62 crores (31 March 2019: ₹5.15 crores)

#### Note – 45

##### Segment Reporting

The Company's primary business segment is reflected based on principal business activities carried on by the Company i.e. purchase, sale, real estate project advisory, construction and development of real estate projects and all other related activities which as per Ind AS 108 on 'Operating Segments' is considered to be the only reportable business segment. The Company derives its major revenues from real estate project advisory business. The Company is operating in India which is considered as a single geographical segment.

#### Note – 46

##### Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 – Cash flows

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Current borrowings
<b>Net debt as at 31 March 2018</b>	<b>251.77</b>
Proceeds from current borrowings	-
Repayment of current borrowings	(251.77)
<b>Net debt as at 31 March 2019</b>	<b>-</b>
Proceeds from current borrowings	263.44
Repayment of current borrowings	(42.47)
<b>Net debt as at 31 March 2020</b>	<b>220.97</b>
Interest Expenses on borrowings	16.88

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (contd.)

(All amount in ₹ crores, unless otherwise stated)

### Note – 47

During FY 2019-20, the Company had received NOCs (observation letters) from the National Stock Exchange of India Limited and BSE Limited, and filed the Company Application, under Section 230 to 232 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, before jurisdictional bench of NCLT in respect of the Scheme of Amalgamation and Arrangement amongst the Company, (“Transferee Company” or “Demerging Company 1”), Albasta Wholesale Services Limited (“Transferor Company 1”), Sentia Properties Limited (“Transferor Company 2”), Lucina Infrastructure Limited (“Transferor Company 3”), Ashva Stud and Agricultural Farms Limited (“Transferor Company 4”), Mahabala Infracon Private Limited (“Transferor Company 5”), SORIL Infra Resources Limited (“Transferor Company 6”), Store One Infra Resources Limited (“Transferor Company 7”), Indiabulls Enterprises Limited (“Resulting Company 1”), Indiabulls Pharmaceuticals Limited (“Demerging Company 2”) and Indiabulls Pharmicare Limited (“Resulting Company 2”) and their respective shareholders and creditors.

### Note – 48

In terms of hon’ble Income Tax Settlement Commission (‘ITSC’) dated 30 April 2019, an additional liability of Rs. 5.39 crore has been paid during the year. The said liability has been duly accounted for in the Financial Statements and paid during the year.

### Note – 49

The Hon’ble Supreme Court of India has passed a judgement dated 28 February 2019 and it was held that basic wages, for the purpose of provident fund, to include allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies. Currently, the Company has not considered any impact in these financial statements.

### Note – 50

#### Other matters

- The Company has not entered into any derivative instrument during the year. The Company does not have any foreign currency exposures towards receivables, payables or any other derivative instrument that have not been hedged.
- In respect of amounts as mentioned under Section 125 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2020 and 31 March 2019.
- In the opinion of the Board of Directors, all current assets and long term loans & advances, appearing in the balance sheet as at 31 March 2020, have a value on realization, in the ordinary course of the Company’s business, at least equal to the amount at which they are stated in the financial statements. In the opinion of the board of directors, no provision is required to be made against the recoverability of these balances.

#### For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number.: 005975N

#### Vikas Aggarwal

Partner

Membership Number: 097848

Place : Gurugram

Date : 11 July 2020

#### For and on behalf of the Board of Directors

#### Manvinder Singh Walia

Whole Time Director

[DIN:07988213]

#### Priya Jain

Company Secretary

#### Ajit Kumar Mittal

Director

[DIN:02698115]

#### Saurabh Garg

Chief Financial Officer



**Indiabulls**  
INTEGRATED SERVICES

**INDIABULLS INTEGRATED SERVICES LIMITED**

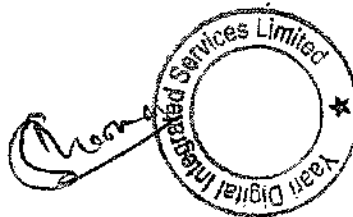
**Registered Office**

Indiabulls House,  
Plot No. 448-451, Udyog Vihar,  
Phase V, Gurugram - 122016

**Corporate Office**

One International Centre,  
Senapati Bapat Marg,  
Elphinstone Road,  
Mumbai - 400013

[www.indiabullsinTEGRATEDservices.com](http://www.indiabullsinTEGRATEDservices.com)

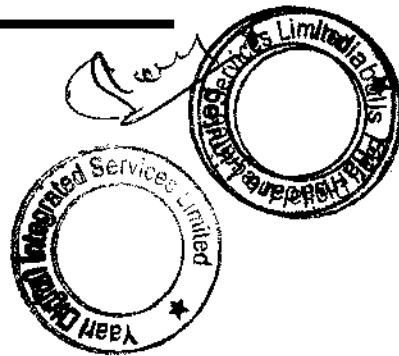


# ANNUAL REPORT

2020-2021

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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

Yaarii Digital Integrated Services Limited  
(formerly Indiabulls Integrated Services Limited)

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## Board of Directors

Mr. Kubeir Khera, CEO & Executive Director  
Mr. Manvinder Singh Walia, Executive Director  
Mr. Ajit Kumar Mittal, Non-Executive Director  
Mr. Gurrappa Gopalakrishna, Independent Director  
Mr. Praveen Kumar Tripathi, Independent Director  
Justice (Retd.) Gyan Sudha Misra, Independent Director  
Mr. Shamsher Singh Ahlawat, Independent Director

## Company Secretary

Ms. Priya Jain

## Chief Financial Officer

Mr. Saurabh Garg

## Statutory Auditors

M/s Agarwal Prakash & Co.  
Chartered Accountants  
508, Indra Prakash, 21, Barakhamba Road,  
New Delhi - 110 001

## Internal Auditors

M/s MRKS and Associates  
Chartered Accountants  
QU-35B, Pitampura,  
New Delhi-110 088

## Secretarial Auditors

M/s Neha S & Associates  
Company Secretaries  
B 1/147, Flat No. 14, Sewak Nagar,  
Uttam Nagar, New Delhi – 110 059

## Registrar and Transfer Agent

M/s KFin Technologies Private Limited  
(Unit: Yaarii Digital Integrated Services Limited)  
Selenium Tower B, Plot No.31 & 32, Gachibowli,  
Financial District, Nanakramguda, Serilingampally Mandal,  
Hyderabad - 500 032

## Registered Office

Indiabulls House,  
448-451, Udyog Vihar, Phase V,  
Gurugram – 122016, Haryana  
CIN: L51101HR2007PLC077999  
Website: www.yaarii.com  
E-mail: helpdesk@indiabulls.com  
Tel: 0124-6681199, Fax: 0124-6681240

## Corporate Office

One International Center, Tower 1,  
Senapati Bapat Marg,  
Elphinstone Road, Mumbai - 400013

## Bankers

HDFC Bank Limited  
State Bank of India  
IDBI Bank Limited  
Yes Bank Limited  
Axis Bank Limited  
Ratnakar Bank Limited

Dear Shareholders,

Your Directors have pleasure in presenting the Fourteenth Annual Report together with audited financial statement of Yaari Digital Integrated Services Limited (formerly Indiabulls Integrated Services Limited) ("the Company") for the financial year ended March 31, 2021.

FY 2020-21 was an unprecedented year in many respects. The COVID-19 pandemic caused wide-spread economic disruption and brought the world to a stand-still, restriction on movement of people and goods led to widespread loss of incomes and livelihoods. Successive waves of the epidemic strained health infrastructure the world over and has to date resulted in 4 Mn deaths – with daily deaths still hovering around 10,000 per day.

With active support from central banks and governments, damage to the world economy has been contained. With vaccination gathering pace in India and the world over, it is hoped that the world can begin healing and people can get back to a level of normalcy.

For the Company, FY 2020-21 was a year of repair and transition. Despite an extremely challenging year due to the disruptions caused by the COVID-19 pandemic, the Company has been successful in venturing into the new business stream of social commerce, thereby conserving capital and using it more productively in new age business ventures.

## FINANCIAL HIGHLIGHTS

The highlights of the standalone financial results of the Company for the financial year ended March 31, 2021 are as under:

Particulars	(Amount in Rs. crores)	
	For the financial year ended March 31, 2021	For the financial Year ended March 31, 2020
Profit / (Loss) before depreciation and tax	(87.28)	(17.96)
Less: Depreciation and amortization expense	1	1.06
Profit / (Loss) before tax	(88.28)	(19.03)
Less: Provision for Tax	0	3.42
Profit / (Loss) after tax	(88.28)	(22.44)
Profit / (Loss) brought forward	54.69	77.13
Amount available for appropriation	(33.59)	54.69
Less: Appropriations:		
Proposed dividend on preference shares	0	0
Corporate dividend tax thereon	0	0
Interim dividend on equity shares	0	0
Corporate dividend tax thereon	0	0
Transfer to general reserve	0	0
Less: Ind-AS adjustments	5.02	0
Balance carried forward to Balance Sheet	(38.61)	54.69

The Board has not proposed to transfer any amount to any reserve(s).

## BUSINESS OVERVIEW

As stated in the last couple of years, the Company, through two of its wholly owned subsidiaries, viz., Indiabulls Life Insurance Company Limited (IBLIC) and Indiabulls General Insurance Limited (IBGIL) intended to venture into Life and Non-Life insurance businesses, and had applied to the insurance regulator, Insurance Regulatory and Development Authority of India (IRDAI), for the necessary licenses for the same. Both IBLIC and IBGIL, got the preliminary approval (R1) for their proposed Life and Non-Life Insurance business, respectively, and then after satisfying all necessary pre-conditions and putting in place the necessary manpower and technology systems, had applied for necessary registration (R2) with IRDAI to commence their life insurance and general insurance business in India. However due to Covid-19 and other conditions, IBLIC and IBGIL faced inordinate delay in getting the next stage of approval (R2). All the necessary paperwork had been filed with the IRDAI and the necessary presentations made before the authorities, but still the final approval has not been forthcoming.

Meanwhile, due to change in business environment and economic scenario, which got impacted by the ongoing pandemic, the Company decided to upscale its digital platform business, being new age business ventures, where the Company management has a competitive edge, given Company's cutting edge technology platform and digital reach and in order to charter right direction for its continuous focus around promoting digital platform businesses and to grow to next frontier, the Company launched a social commerce marketplace 'Yaari', which enable small businesses and individual resellers to start their business online via social channels such as WhatsApp, Facebook, Instagram etc.

# Board's Report (Contd.)

Yaari app is a social commerce marketplace for a bouquet of curated consumer products including, but not limited to, Fashion, Beauty and Personal care and electronics. Yaari is a mobile first business available for access anywhere anytime through its Android & iOS Application. Ever since its inception, Yaari has managed to help customers with their personal requirements of various financial products and is now venturing into business to fulfil customers' personal requirements in terms of consumer goods.

The Yaari app is designed to easily allow manufacturers and suppliers, list their products online and make a viable alternate channel to market their products Pan India. The resellers then leveraging the power of existing social networks, will market these products to their contacts and thereby supplementing their income through the platform. The app also provides aspiring entrepreneurs, especially women, the ease to start an online business from home by taking away risk of inventory management, payments and even order fulfilment.

Yaari app coupled with digitally connected Bharat, will accelerate the growth of online commerce and create an ecosystem that enables income support for aspiring Indians. Yaari is further looking to aggregate marketplace model to other online commerce verticals.

## BUSINESS RESTRUCTURING

To streamline the operations and ownership structure of the Company, in a manner leading to maximization of stakeholders' value and diversification of shareholders' portfolio by providing them direct ownership in each business segments, and to have a focused approach towards upcoming insurance business and digital platform business, the Board of Directors of the Company had approved the composite Scheme of Amalgamation and Arrangement amongst the Company, its direct and indirect subsidiaries (viz. SORIL Infra Resources Limited, Albasta Wholesale Services Limited, Sentia Properties Limited, Lucina Infrastructure Limited, Ashva Stud and Agricultural Farms Limited, Mahabala Infracon Private Limited, Store One Infra Resources Limited, Indiabulls Enterprises Limited and Indiabulls Pharmicare Limited) and Indiabulls Pharmaceuticals Limited and their respective shareholders and creditors ("Scheme").

Pursuant to the Scheme, the shareholders of the Company will get shares of Indiabulls Enterprises Limited, free of any cost, in lieu of their shareholding in the Company. The shares of Indiabulls Enterprises Limited will get listed on NSE and BSE and with this, post effectiveness of the Scheme, they will have shares of two listed entities –

- (1) the Company, the equity shares of which are listed and will remain listed on NSE and BSE, focusing on the business of digital platform, upcoming life and general insurance and related businesses, and
- (2) Indiabulls Enterprises Limited, equity shares of which will be listed on NSE and BSE, focusing on non-insurance businesses of the Company and its subsidiaries (including proposed pharma business and rural finance business).

Subsequent to receipt of NOCs (observation letters) from the National Stock Exchange of India Limited and BSE Limited, the Company had filed the Scheme and Company Application, under Sections 230 to 232 of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, before jurisdictional bench of NCLT ("NCLT") and NCLT, vide its order dated July 7, 2021, inter alia directed the meeting of the Company's equity shareholders to be convened on August 21, 2021, through Video Conference ("VC")/Other Audio-Visual Means ("OAVM") for the purpose of considering, and if thought fit, approving the Scheme by the shareholders. Your directors are pleased to inform that the shareholders of the Company, at aforementioned meeting, have approved the Scheme with requisite majority and thereafter, the Company has filed second motion application with NCLT.

## CHANGE IN NAME OF THE COMPANY

During the last fiscal year 2020-21, pursuant to issuance of fresh Certificate of Incorporation dated November 25, 2020, by the Registrar of Companies, NCT of Delhi & Haryana, the name of the Company was changed from 'Indiabulls Integrated Services Limited' to 'Yaari Digital Integrated Services Limited', in order to charter right direction for its continuous focus around promoting digital platform businesses and to grow to next frontier.

However subsequently, in March 2021, the Company launched 'Yaari' app which is a social commerce marketplace for a bouquet of curated consumer products, and in order to reflect the name of the Company in sync with its digital platform and logo "Yaari", subject to all applicable approvals; the Board of Directors of the Company, has considered it appropriate to change the name of the Company to 'Yaari Digital Integrated Services Limited' by just removing the one additional "i" from the existing prefix Yaari. The proposed new name would better reflect the underlying business proposition of the Company.

## DIVIDEND / TRANSFER TO IEPF

In view of future business requirements of the Company, your directors do not recommend any dividend.

During the year under review, the unclaimed dividend pertaining to financial year 2012-13 of Rs. 2,50,376/- got transferred to Investor Education and Protection Fund, after giving due notice to the members. Further, the Company has transferred 42,766 equity shares pertaining to the Financial Year 2012-13 in respect of which dividend has not been received or claimed for seven consecutive years to Demat Account of IEPF Authority, in respect of which, individual notice had also been sent to concerned shareholders. Those members who have not so far claimed their dividend for any financial year(s) are advised to claim it from the Company or KFin Technologies Private Limited (Formerly 'Karvy Fintech Private Limited').

Further, in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI LODR"), the Dividend Distribution Policy of the Company is available on the website of the Company, at web-link: [https://www.yaari.com/investor/pdf/Dividend\\_Distribution\\_Policy.pdf](https://www.yaari.com/investor/pdf/Dividend_Distribution_Policy.pdf)

## DIRECTORS & KEY MANAGERIAL PERSONNEL

During the FY 2020-21, Mr. Kubeir Khara (DIN: 03498226), has been appointed as an Executive Director and KMP, designated as CEO of the Company, for a period of 5 years, with effect from January 1, 2021. Mr. Kubeir Khara, aged 39 years, is a distinguished & committed professional with rich & varied experience of over 14 years in brand-building, marketing & sales across advertising, financial services and real estate sectors. Mr. Khara is associated with the 'Yaari' platform since its inception, including conceptualizing, launch, transition and expansion along with implementing innovative plans for accomplishment of targets and through his keen insights and extensive cross-functional experience, he has developed a deep understanding of digital businesses. He has been associated with Indiabulls Group for over last 13 years at middle and senior management positions. With cross-functional experience in strategizing and executing on corporate vision, Mr. Khara has successfully demonstrated track record in overcoming complex business challenges and delivering on high-impact decisions. He played an instrumental role in maximizing revenue growth despite intensely competitive environment and massive headwinds for the last few years. Prior to joining Indiabulls, he was responsible for business development and communication for a leading MNC in India.

Being Additional Director, Mr. Kubeir Khara, holds office as such upto the date of ensuing Annual General Meeting. Keeping in view his vast experience and managerial skills and his dedicated involvement and association with the 'Yaari' platform from its inception, including conceptualizing, launch, transition and expansion along with implementing innovative plans, the Board, basis the recommendation of the Nomination and Remuneration Committee, recommends his appointment as director, liable to retire by rotation and as an Executive Director and Key Managerial Personnel of the Company, designated as Chief Executive Officer, for a period of 5 years, with effect from January 1, 2021.

The present term of Mr. Praveen Kumar Tripathi (DIN: 02167497), a retired IAS and Ex-Chief Secretary, Govt. of NCT Delhi, as Independent Director of the Company, shall come to an end on March 27, 2022. To ensure continuity of guidance from Mr. Praveen Kumar Tripathi, the Board has recommended his re-appointment as Independent Director of the Company for a term of 3 years from March 28, 2022 till March 27, 2025. Keeping in view, the vast experience and knowledge of Mr. Tripathi, the Board is of the view that his re-appointment as Independent Director, on the Board, will be in the interest of the Company. Upon getting approval of the shareholders for his re-appointment as Independent Director, his re-appointment shall be formalized by issuing a letter of appointment to him, 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.

In accordance with Section 152 of the Companies Act, 2013 and rules framed thereunder, and in terms of the Articles of Association of the Company, Mr. Ajit Kumar Mittal (DIN: 02698115), Non-Executive Director, is liable to retire by rotation, and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting. The Board of Directors recommended his re-appointment.

The matter relating to appointment / re-appointment of aforementioned directors has been included in the Notice convening the 14th Annual General Meeting of the Company. The brief resume of the Directors proposed to be appointed / re-appointed, 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, is provided in the Notice convening the 14th Annual General Meeting of the Company.

All the present Independent Directors of the Company are persons of integrity and possess requisite knowledge, expertise, experience and skills, for discharging their duties effectively as Independent Directors, and have given confirmation that they meet the criteria of independence laid down under Section 149(6) of the Companies Act, 2013, and under Regulation 16(a)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

## SHARE CAPITAL/ STOCK OPTIONS/ SAR SCHEMES

The paid up equity share capital of the Company as on March 31, 2021, was Rs. 17,86,51,138/- comprising of 8,93,25,569 equity shares of face value of Rs. 2/- each. An aggregate of 55,66,600 stock options, granted under Company's ESOP Schemes were in force as on March 31, 2021 which shall be exercisable as per the vesting schedule of respective ESOP Schemes, viz., 'Yaari Digital Integrated Services Limited Employee Stock Option Scheme - 2011' and 'Yaari Digital Integrated Services Limited - Employee Stock Benefit Scheme 2018' (hereinafter individually and/or collectively referred to as the Scheme(s)).

Further, in compliance with erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014 (SBEB Regulations), the Company had set up a registered employees' welfare trust titled "Surya Employee 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(s).

During the FY 2020-21, 17,54,327 shares held by the Trust have been appropriated for the implementation and management of Company's employees benefit scheme viz. the "Yaari Digital Integrated Services Limited - Employee Stock Benefit Scheme 2018", towards grant of Share Appreciations Rights (SARs) to the employees of the Company and its subsidiaries as permitted pursuant to and in compliance with applicable SBEB Regulations.

# Board's Report (Contd.)

The disclosures required to be made under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, have been placed on the website of the Company [www.yaari.com](http://www.yaari.com).

## PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits from the public, falling within the ambit of Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, therefore, the disclosures required in terms of Rule 8 of the Companies (Accounts) Rules, 2014, are not required to be given.

## LISTING WITH STOCK EXCHANGES

The Equity Shares (ISIN: INE126M01010) of the Company, continue to remain listed at BSE Limited and National Stock Exchange of India Limited. The listing fees payable to both the exchanges for the financial year 2021-22 have been paid.

## AUDITORS

### (a) Statutory Auditors

M/s Agarwal Prakash & Co. (Firm Registration No. 005975N), the Statutory Auditors of the Company were re-appointed by the members at their Twelfth Annual General Meeting, held on September 30, 2019, for a period of five years i.e. until the conclusion of the Seventeenth Annual General Meeting of the Company.

The Auditors' Report forming part of this Annual Report is self-explanatory and therefore do not call for any further explanation. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer. No frauds have been reported by the Auditors of the Company in terms of the provisions of Section 143(12) of the Companies Act, 2013 and Rules framed thereunder.

### (b) Secretarial Auditor & Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the rules made thereunder, the Company had appointed M/s Neha S & Associates, a firm of Company Secretaries in practice as its Secretarial Auditors, to conduct the secretarial audit of the Company for the Financial Year 2020-21. 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 2020-21, 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.

Further, the Secretarial Audit Report(s) of the unlisted material subsidiaries, viz. Indiabulls Life Insurance Company Limited (IBLIC) and Indiabulls General Insurance Limited (IBGIL), are annexed as Annexure 2(i) and 2(ii) respectively. The Secretarial Audit Reports of the Company and said subsidiaries 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.yaari.com/investor/pdf/CSR%20Policy.pdf> and the details are contained in the Annual Report on CSR Activities given in Annexure 3, forming part of this Report. These projects are in accordance with Schedule VII of the Companies Act, 2013, read with the relevant rules.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the SEBI LODR, Management Discussion and Analysis Report, for the year under review, is presented in a separate section forming part of this Annual Report.

## CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 of SEBI LODR, a separate section on Corporate Governance Practices followed by the Company, together with a certificate from a Practicing Company Secretary confirming compliance, is presented in a separate section forming part of this Annual Report.

## BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34 of the SEBI LODR, a Business Responsibility Report (BRR) is presented in a separate section forming part of this Annual Report.

## 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, 2021, 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, 2021 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.

## ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3) of the Companies Act, 2013 ("Act"), the Annual Return as on March 31, 2021 is available on website of the Company, at web-link: [https://www.yaari.com/investor/pdf/Form\\_MGT\\_7\\_Yaari\\_Integrated\\_31\\_03\\_2021.pdf](https://www.yaari.com/investor/pdf/Form_MGT_7_Yaari_Integrated_31_03_2021.pdf).

## BOARD MEETINGS

During the FY 2020-21, 8 (Eight) 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 and/or relaxations given by MCA and SEBI, due to COVID-19 pandemic. 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 January 15, 2021, without the presence of Non-Independent Directors and the members of the Company Management.

## PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEE AND DIRECTORS

The Nomination & Remuneration Committee (NRC) of the Board reassessed the framework, methodology and criteria for evaluating the performance of the Board as a whole, including Board committee(s), as well as performance of each director(s) and confirms that the existing evaluation parameters are in compliance with the requirements as per SEBI guidance note dated January 5, 2017 on Board evaluation. The existing parameters includes effectiveness of the Board and its committees, decision making process, Directors'/ members' participation, governance, independence, quality and content of agenda papers, team work, frequency of meetings, discussions at meetings, corporate culture, contribution and management of conflict of interest. Basis these parameters and guidance note on board evaluation issued by SEBI, the NRC had reviewed at length the performance of each director individually and expressed satisfaction on the process of evaluation and the performance of each Director. The performance evaluation of the Board as a whole and its committees, namely, Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, as well as the performance of each director individually was carried out by the entire Board of Directors. The performance evaluation of the Non-Independent Directors and the Board of Directors, as a whole was carried out by the Independent Directors in their meeting held on January 15, 2021. The Directors expressed their satisfaction with the evaluation process.

Also the CEO 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.

## POLICY ON APPOINTMENT OF DIRECTORS & THEIR REMUNERATION

A Board approved policy for selection and appointment of Directors, Senior Management and their remuneration, is already in place. 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.yaari.com/investor/pdf/Remuneration%20Policy\\_IBULISL.pdf](https://www.yaari.com/investor/pdf/Remuneration%20Policy_IBULISL.pdf)

## LOANS, GUARANTEES OR INVESTMENTS

During the FY 2020-21, 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 2020-21 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.

# Board's Report (Contd.)

## 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.yaari.com/investor/pdf/Policy%20for%20Dealing%20with%20Related%20Party%20Transactions.pdf>

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an elaborate system of internal controls commensurate with the size, scale and complexity of its operations; it also covers areas like financial reporting, fraud control, compliance with applicable laws and regulations etc. Regular internal audits are conducted to check and to ensure that responsibilities are discharged effectively. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with regulatory directives, efficacy of its operating systems, adherence to the accounting procedures and policies of the Company and its subsidiaries. Wherever required, the internal audit efforts are supplemented by audits conducted by specialized consultants/audit firms. Based on the report of the Internal Auditors, process owners undertake corrective actions, in their respective areas and thereby strengthen the controls.

## MATERIAL CHANGES AND COMMITMENTS

Except as disclosed in this report, there are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the Financial Year of the Company i.e. March 31, 2021 and the date of this Report.

Further, no significant and material orders were passed by the regulators or courts or tribunals, impacting the going concern status and Company's operations in future.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo, is as under:

### A. Conservation of Energy

The Company operations do not account for substantial energy consumption. However, the Company is taking all possible measures to conserve energy.

As an ongoing process, the followings are (i) the steps taken or impact on conservation of energy; (ii) the steps taken by the company for utilising alternate sources of energy; and (iii) the capital investment on energy conservation equipment:

The Company has been able to reduce energy consumption by using star rated appliances where possible and also through the replacement of CFL lights with LED lights. The Company continues to explore collaboration with contractors/partners that ensure conservation of energy and resources. Some of the steps undertaken for the conservation of energy are (a) using energy saving LED light fixtures, (b) conservation of energy at all of its offices by replacing lighting system with LEDs, installation of star energy conservation air conditioning systems, installation of automatic power controllers to save maximum demand charges and energy, installation of TFT monitors that saves power, and periodic Training sessions for employees on ways to conserve energy in their individual roles. The Company continuously aims to reduce the impact on environment by optimizing the usage of various resources. The Company will explore solar energy, as alternate source of energy, to meet the energy demands, wherever possible.

### B. Technology Absorption

The Company has implemented / shall implement best of the class applications to manage and automate its business processes to achieve higher efficiency, data integrity and data security. It has helped it in implementing best business practices and shorter time to market new schemes, products and customer services. The Company's investment in technology has improved customer services, reduced operational costs and development of new business opportunities.

#### I. The efforts made towards technology absorption:

The Company is investing in cutting edge technologies to upgrade its infrastructure set up and innovative technical solutions, thereby increasing customer delight & employee efficiency. Next Generation Business Intelligence & analytics tool have been implemented to ensure that while data continues to grow, decision makers gets answers faster than ever for timely & critical level decision making. The Company has taken major initiatives for improved employee experience, by implementing innovative solutions and empowering them by providing mobile platform to manage their work while on the go. Deployment of machines to substitute manual work partly or fully, using LED lighting in our office buildings, using timers for external lighting and basement lighting for switching lights on/off as per peak and non-peak hours are some steps towards optimizing the usage of various

resources by adopting technology. The Company promotes the use of electronic means of communication with its shareholders by sending electronic communication for confirmation of payments and other similar purposes. The Company also encourages the use of electronic mode of communications to and from all its stakeholders. Soft copies of the annual report(s) along with the notice convening the Annual General Meeting(s) were sent to its shareholders so as to minimize the usage of paper.

## II. The benefits derived like product improvement, cost reduction, product development or import substitution:

The Company's investment in technology has improved customer services, reduced operational cost and development of new business opportunities. Also, there is cost reduction in the administration and business operations expense through utilisation of scheduling and planning, efficient practices, etc. Some of the initiatives are: In-depth planning, organising/scheduling/ structuring the work in tandem with job descriptions to ensure efficiency, engaging specialised contractors/ consultants to complete tasks efficiently, introducing rules and regulations based on national and international standards and internal classifications, monitoring performance at projects and administrative offices.

## III. Information regarding imported technology (imported during last 3 years) and Expenditure incurred on Research & Development:

Not Applicable, since the Company has not imported any technology or incurred expenses of Research & Development, during such period.

## C. Foreign Exchange Earnings and Outgo

There was no earning and outgo in foreign exchange during the year under review and the previous year.

## BUSINESS RISK MANAGEMENT

Pursuant to the applicable provisions of the Companies Act, 2013 and Regulation 21 of the SEBI LODR, the Company has in place a Board constituted Risk Management Committee. Details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of this report.

The Company has a robust Business Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on its business objectives and enhance its competitive advantage. It defines the risk management approach across the Company and its subsidiaries at various levels including the documentation and reporting. At present, the Company has not identified any element of risk which may threaten its existence.

## 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 4, forming part of this Report. In terms of the provisions of Section 136(1) of the Companies Act, 2013, read with the said rules, the Board's Report is being sent to all the shareholders of the Company excluding the annexure on the names and other particulars of employees, required in accordance with Rule 5(2) of said rules, which is available for inspection by the members, subject to their specific written request, in advance, to the Company Secretary. The inspection is to be carried out at the Company's Registered Office during business hours on working days of the Company up to date of ensuing Annual General Meeting.

## FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through presentations about the Company's strategy, business model, product and service offerings, customers' & shareholders' profile, financial details, human resources, technology, facilities, internal controls and risk management, their roles, rights and responsibilities in the Company. The Board is also periodically briefed on the various changes, if any, in the regulations governing the conduct of Independent Directors. The details of the familiarization programs have been hosted on the website of the Company, at web-link:

<https://www.yaari.com/investor/pdf/Details%20of%20familiarization%20programmes%20imparted%20to%20independent%20directors.pdf>

## SUBSIDIARY COMPANIES

Pursuant to Section 129 of the Companies Act, 2013, the Company has prepared its Consolidated Financial Statements along with all its subsidiaries, in the same form and manner, as that of the Company, which shall be laid before its ensuing Fourteenth 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, 2021, form part of this Annual Report.



# Board's Report (Contd.)

For the performance and financial position of each of the subsidiaries of the Company, along with other related information required pursuant to Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014, the Members are requested to refer to the Financial Statements and form AOC-1 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 2020-21, none of the companies became or ceased to be the subsidiaries or associate of the Company. During the current year, on May 27, 2021, YDI Consumer India Limited was incorporated as wholly owned subsidiary of the Company. As on March 31, 2021, the Company had 13 subsidiaries. Indiabulls General Insurance Limited and Indiabulls Life Insurance Company Limited were material subsidiaries of the Company during the FY 2020-21.

## **COMMITTEES OF THE BOARD**

The Company has following Board constituted committees which have been established as a part of the best corporate governance practices and is in compliance with the requirements of the relevant provisions of applicable laws and statutes:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders Relationship Committee
- (d) Corporate Social Responsibility Committee
- (e) Risk Management Committee

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 2020-21, no case of sexual harassment was 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 working for the Company and its subsidiaries. Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds/assets etc. A whistle-blowing or reporting mechanism, asset out in the Policy, invites all employees to act responsibly to up hold 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.yaari.com](http://www.yaari.com). The Audit committee set by the Board, constitutes a vital component of the whistle blower mechanism and instances of financial misconduct, if any, are reported to the Audit committee. No employee is denied access to the Audit Committee.

## GREEN INITIATIVES

Pursuant to the guidelines and notification issued by the Ministry of Home Affairs, Government of India and pursuant to applicable provisions of the Companies Act and rules made thereunder and SEBI LODR and the MCA/ SEBI Circulars, the AGM of the Company is being held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. 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. Electronic copies of the Annual Report for Financial year 2020-21 and Notice of the Fourteenth AGM are sent to all the members whose email addresses are registered with the Company / Depository Participant(s). The Members who have not received the said Annual Report and Notice may download the same from the Company's website at [www.yaari.com](http://www.yaari.com) and on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

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 Fourteenth AGM. This is pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI LODR. The instructions for remote e-voting are provided in the Notice of Fourteenth AGM. The members may also cast their votes during the AGM.

## 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: September 6, 2021  
Place: Gurugram

Kubeir Khera  
Executive Director & CEO  
DIN: 03498226

Ajit Kumar Mittal  
Director  
DIN:02698115

# Board's Report (Contd.)

Annexure-1 (i)

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For the Financial Year ended on March 31, 2021

[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  
Yaarii Digital Integrated Services Limited  
(Formerly Indiabulls Integrated Services Limited)  
Plot No. 448-451, Udyog Vihar,  
Phase-V, Gurugram-122016, Haryana

We have conducted, the Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices, by Yaarii Digital Integrated Services Limited (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and accordingly expressing my opinion thereupon.

Based on our verification of books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company, has during the audit period covering the financial year ended on 31.03.2021 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 31.03.2021 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.

## Board's Report (Contd.)

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### It is further reported that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director(s), Non – Executive Director(s), Woman Director 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 there were no specific events/actions having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

For Neha S & Associates  
Company Secretaries

Neha Sharma  
Proprietor

Membership No: 44741

CP No.:16522

UDIN: A044741C000508701

Date: 24.06.2021

Place: New Delhi

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

### 'Annexure A'

To,  
The Members,  
Yaari Digital Integrated Services Limited  
(Formerly Indiabulls Integrated Services Limited)  
Plot No. 448-451 Udyog Vihar,  
Phase-V Gurgaon, Haryana 122016

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The maximum liability of our firm under the secretarial audit in respect of the aggregate of all claims shall not exceed the fee charged by us.

For Neha S & Associates  
Company Secretaries

Neha Sharma  
Proprietor

Membership No: 44741

CP No.:16522

UDIN: A044741C000508701

Date: 24.06.2021

Place: New Delhi

# Board's Report (Contd.)

Annexure 1(ii)

## Secretarial Compliance Report of Yaarii Digital Integrated Services Limited for the year ended 31st March, 2021

We, M/s Neha S & 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, 2021 ("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
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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.
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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
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Not Applicable

For Neha S & Associates  
Company Secretaries

Neha Sharma  
Proprietor

Membership No: 44741  
CP No.:16522

UDIN: A044741C000508622

Place: New Delhi  
Date: June 24, 2021

**FORM NO. MR-3****SECRETARIAL AUDIT REPORT**

For the Financial Year ended on March 31, 2021

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
Indiabulls Life Insurance Company Limited  
M-62 & 63, First Floor,  
Connaught Place, New Delhi – 110 001

We have conducted, the Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices, by Indiabulls Life Insurance Company Limited (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and accordingly expressing my opinion thereupon.

Based on our verification of books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company, has during the audit period covering the financial year ended on 31.03.2021 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 31.03.2021 according to the provisions of the following, as amended from time to time, and to the extent applicable:-

- i. The Companies Act, 2013 (the Act) and Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; N.A.
- iii. The Depositories Act, 1996 and the Regulations and Bye – Laws framed thereunder; N.A.
- iv. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct investment, Overseas Direct Investment and External Commercial Borrowings; N.A.
- v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :- N.A.
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- vi. Other Laws Applicable to the Company as a Business Unit and Other Offices:
  - a) **Taxation Laws**
  - b) **Insurance Laws**
  - c) **Labour and Social Security Laws** – Employees State Insurance Act, 1948; Payment of Wages Act, 1936; Minimum Wages Act, 1948; Industrial Disputes Act, 1947; Payment of Bonus Act, 1965; Payment of Gratuity Act, 1972; Contract Labor (Regulation and Abolition) Act, 1970; Maternity Benefit Act, 1961; The Equal Remuneration Act 1976; Employees Provident Funds And Miscellaneous Act, 1952.
  - d) **IT Related Laws** – Information Technology Act, 2000;
  - e) **Miscellaneous Laws** – Electricity Act, 2003; Sexual Harassment of Women at Workplace (Prevention, Prohibition and Regulation) Act, 2013

## Board's Report (Contd.)

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I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has been regular in complying with various applicable provisions of the Act, rules, regulations, Guidelines and Standards etc. which are subject matter of present Audit Report, stated hereinabove.

It is further reported that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non – Executive Director, Woman Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

In compliance with applicable provisions of the Companies Act, 2013 and rules made thereunder and Secretarial Standards issued by the Institute of Company Secretaries of India, adequate notices were given to all directors to schedule the Board Meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions are carried through unanimously and therefore dissenting members' views are not required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events/actions having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

For Neha S & Associates  
Company Secretaries

Neha Sharma  
Proprietor

Membership No: 44741

CP No.:16522

UDIN: A044741C000509480

Date: 24.06.2021

Place: New Delhi

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

## 'Annexure A'

To,  
The Members,  
Indiabulls Life Insurance Company Limited  
M-62 & 63, First Floor,  
Connaught Place, New Delhi – 110 001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The maximum liability of our firm under the secretarial audit in respect of the aggregate of all claims shall not exceed the fee charged by us.

For Neha S & Associates  
Company Secretaries

Neha Sharma  
Proprietor

Membership No: 44741

CP No.:16522

UDIN: A044741C000509480

Date: 24.06.2021  
Place: New Delhi



# Board's Report (Contd.)

Annexure 2(ii)

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For the Financial Year ended on March 31, 2021

[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 General Insurance Limited  
M-62 & 63, First Floor,  
Connaught Place, New Delhi – 110 001

We have conducted, the Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices, by Indiabulls General Insurance 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 31.03.2021 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 31.03.2021 according to the provisions of the following, as amended from time to time, and to the extent applicable :-

- i. The Companies Act, 2013 (the Act) and Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; N.A.
- iii. The Depositories Act, 1996 and the Regulations and Bye – Laws framed thereunder; N.A.
- iv. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; N.A.
- v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :- N.A.
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- vi. Other Laws Applicable to the Company as a Business Unit and Other Offices:
  - a) **Taxation Laws**
  - b) **Insurance Laws**
  - c) **Labour and Social Security Laws** – Employees State Insurance Act, 1948; Payment of Wages Act, 1936; Minimum Wages Act, 1948; Industrial Disputes Act, 1947; Payment of Bonus Act, 1965; Payment of Gratuity Act, 1972; Contract Labor (Regulation and Abolition) Act, 1970; Maternity Benefit Act, 1961; The Equal Remuneration Act 1976; Employees Provident Funds And Miscellaneous Act, 1952.
  - d) **IT Related Laws** – Information Technology Act, 2000;
  - e) **Miscellaneous Laws** – Electricity Act, 2003; Sexual Harassment of Women at Workplace (Prevention, Prohibition and Regulation) Act, 2013

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has been regular in complying with various applicable provisions of the Act, rules, regulations, Guidelines and Standards etc. which are subject matter of present Audit Report, stated hereinabove.

**It is further reported that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non – Executive Director, Woman Director 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 there were no specific events/actions having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

**For NP Gupta & Associates**  
Company Secretaries

**Neha Gupta**

Membership No.: 47714

CP No: 17685

UDIN: A047714C000511078

Place: New Delhi

Date: 24th June, 2021

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

# Board's Report (Contd.)

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## 'Annexure A'

To,  
The Members,  
Indiabulls General Insurance Limited  
M-62 & 63, First Floor,  
Connaught Place, New Delhi – 110 001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The maximum liability of our firm under the secretarial audit in respect of the aggregate of all claims shall not exceed the fee charged by us.

For NP Gupta & Associates  
Company Secretaries

Neha Gupta  
Membership No.: 47714  
CP No: 17685  
UDIN: A047714C000511078

Place: New Delhi  
Date: 24th June, 2021

## ANNEXURE 3

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

**1. Brief outline on CSR Policy of the Company**

The Company focuses its CSR efforts on such areas, where it could provide maximum benefits to the society at large. The Company will continue to engage with stakeholders including experts, NGOs, professional bodies/ forums and the government and would take up such CSR activities in line with the government's intent, which are important for the society at large. The Company may also undertake such other CSR projects, where societal needs are high or in special situations.

**2. Composition of the CSR Committee**

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Shamsher Singh Ahlawat	Chairman of Committee, Independent Director	2	2
2.	Mr. Ajit Kumar Mittal	Member of Committee, Non-Executive Director	2	2
3.	Mr. Manvinder Singh Walia	Member of Committee, Executive Director	2	2

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company**

Composition of the CSR committee shared above and CSR projects approved by the Board, are available on the Company's website at [https://www.yaari.com/api/static/investors/1630668284999Disclosure\\_on\\_CSR\\_Committee\\_and\\_CSR\\_Projects.pdf](https://www.yaari.com/api/static/investors/1630668284999Disclosure_on_CSR_Committee_and_CSR_Projects.pdf) and Policy of the Company is available at <https://www.yaari.com/investor/pdf/CSR%20Policy.pdf>.

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)**

Not applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

S. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1.	2017-18	NIL	NIL
2.	2018-19	NIL	NIL
3.	2019-20	NIL	NIL
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>

**6. Average net profit of the company as per section 135(5): Rs. 6,82,56,590/-**

**7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 13,70,000/-**

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL**

**(c) Amount required to be set off for the financial year, if any: NIL**

**(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 13,70,000/-**

# Board's Report (Contd.)

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
13,70,000	N.A.	N.A.	N.A.	N.A.	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Registration number
1.	Promotion of Education Including Scholarship to Students	(ii)	Yes	PAN India	3 years	13,70,000	13,70,000	N.A.	No	Indiabulls Foundation CSR00000380
<b>Total</b>						<b>13,70,000</b>	<b>13,70,000</b>			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Ac	Local area (Yes/No)	Location of the project State District	Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency Name CSR registration number
N.A.							

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 13,70,000/-

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	13,70,000
(ii)	Total amount spent for the Financial Year	13,70,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1.	2017-18	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.	2018-19	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3.	2019-20	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed /Ongoing
N.A.								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- (a) Date of creation or acquisition of the capital asset(s): N.A.
- (b) Amount of CSR spent for creation or acquisition of capital asset: N.A.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc : N.A.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A.

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) : N.A.

For Yaari Digital Integrated Services Limited

Date: September 6, 2021  
Place: Gurugram

Kubeir Khara  
Executive Director & CEO  
DIN: 03498226

Ajit Kumar Mittal  
Director  
Member - CSR Committee  
DIN: 02698115

Shamsher Singh Ahlawat  
Independent Director  
Chairman - CSR Committee  
DIN: 00017480

# Board's Report (Contd.)

## ANNEXURE 4

### 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 2020-21.**

Name & Designation	Ratio of remuneration to median employees' remuneration
Chief Executive Officer & Executive Director	1.12:1

Mr. Kubeir Khara was appointed as Chief Executive Officer & Executive Director on the Board of the Company w.e.f. January 1, 2021.

It is to be noted that except Mr. Kubeir Khara, no remuneration was paid to any of the other Executive / Non-Executive Directors, except the payment of sitting fee to Independent Directors, during the financial year 2020-21. The details of fee for attending Board meetings, paid to Independent Directors have been disclosed in the Annual Return as on March 31, 2021, which is available on the Company's website on [https://www.yaari.com/investor/pdf/Form\\_MGT\\_7\\_Yaarii\\_Integrated\\_31\\_03\\_2021.pdf](https://www.yaari.com/investor/pdf/Form_MGT_7_Yaarii_Integrated_31_03_2021.pdf).

**Percentage increase in remuneration of each director and Key Managerial Personnel in FY 2020-21.**

No remuneration was paid to any of the Directors during the FY 2020-21 except Mr. Kubeir Khara, Chief Executive Officer & Executive Director, who was appointed on the Board of the Company w.e.f. January 1, 2021 and, since then there was no increase in his remuneration. Since it has been Company's endeavor to reduce annual operating costs significantly, to ensure sustainability and therefore in view of the economic scenario in the wake of COVID, during the year 2020-21, the senior management of the Company took voluntary salary cuts to lead the efforts on expense control. Therefore, during FY 2020-21, there was a decrease in remuneration of Company Secretary of the Company by 9.34%. Further, during the FY 2019-20, the Chief Financial Officer of the Company did not draw any remuneration from the Company, and therefore, percentage change in his remuneration cannot be ascertained.

**The percentage increase in the median remuneration of employees in the FY 2020-21.**

The percentage increase in the median remuneration of all the employees (including KMPs), computed on the basis of median remuneration for FY 2020-21 and FY 2019-20 was -9.34%.

**Number of permanent employees on the rolls of Company**

The Company had 74 employees on its permanent rolls, as of March 31, 2021.

**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 decrease made in the salaries of total employees other than the key managerial personnel, for FY 2020-21 is around 18.79%, while there was a decrease in remuneration of Company Secretary in FY 2020-21 by 9.34%, due to voluntary salary cuts to lead the efforts on expense control, as stated above. The change in remuneration of Key Managerial Personnel was based on the voluntary measure adopted by senior management of the Company, focusing conserving capital and consequent rationalization of the balance sheet, as the COVID-19 pandemic was hitting the overall economy.

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.

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: September 6, 2021  
Place: Gurugram

Kubeir Khara  
Executive Director & CEO  
DIN: 03498226

Ajit Kumar Mittal  
Director  
DIN:02698115

## ECONOMIC OVERVIEW

The pandemic was an unforeseen health catastrophe, which has had enormous impact on the global economy, contracting by 3.3% in 2020. Although the economy is being seemingly supported by multiple fiscal measures taken by the government to ease supply constraints and inject liquidity, the path to recovery has been inconsistent. The pandemic induced additional pressures on the already stressed Indian economy, which saw a steep economic slowdown, and is reported by National Statistical Office (NSO) to have contracted by 7.7% in FY 2021. This decline was sharper than expected.

However, multiple economic indicators have contributed positively towards broad-based resurgence of economic activity. The path to recovery will carry likelihood of further mobility restrictions, less stringent restrictions, targeted lockdown approach, and shorter duration of lockdowns, going forward. Resilient consumer and business behaviour to the New Normal will mitigate the economic impact of the second wave. Vaccination drives across country are a source of optimism and an enabler of continuity in an environment of uncertainty.

As lockdown conditions have been progressively eased, early signs of recovery are evident in the most recent economic data. The most important growth factor for India is its large and fast-growing middle class, which is helping to drive consumer spending. The second-largest population, highest young and working population coupled with rapid urbanisation and rising affluence are key indigenous advantages to achieve stronger economic growth rate in India in the middle to long term.

## INDUSTRY OVERVIEW

The Indian economy was distressed because of the operational challenges on back of social distancing, remote working and closure of commercial activities. COVID-19 has reshaped consumer decisions and journeys forever; loyalties are being influenced by diverse macro and micro factors. Consumers are becoming more restrained in their purchases, with trading down for value buying, choosing convenience over anything else and sometimes opting for a combination of both.

The Company believes, despite the stressed economy there is a huge market potential in the social commerce space. The pandemic accelerated the adoption of multiple contactless services, including video and WhatsApp shopping and home delivery. Digital channel adoption for food delivery, grocery to all kind of shopping and services gained a higher share than before. Online sales increased by over 10% across most categories they are available in. The trend is expected to stay in India.

## BUSINESS OVERVIEW

As stated in the last couple of years, the Company, through two of its wholly owned subsidiaries, viz., Indiabulls Life Insurance Company Limited (IBLIC) and Indiabulls General Insurance Limited (IBGIL) intended to venture into Life and Non-Life insurance businesses, and had applied to the insurance regulator, Insurance Regulatory and Development Authority of India (IRDAI), for the necessary licenses for the same. Both IBLIC and IBGIL, got the preliminary approval (R1) for their proposed Life and Non-Life Insurance business, respectively, and then after satisfying all necessary pre-conditions and putting in place the necessary manpower and technology systems, had applied for necessary registration (R2) with IRDAI to commence their life insurance and general insurance business in India. However due to Covid-19 and other conditions, the companies faced inordinate delay in getting the next stage of approval (R2). All the necessary paperwork had been filed with the IRDAI and the necessary presentations made before the authorities, but still the final approval has not been forthcoming.

Meanwhile, due to change in business environment and economic scenario, which got impacted by the ongoing pandemic, the Company decided to upscale its digital platform business, being new age business ventures, where the Company management has a competitive edge, given Company's cutting edge technology platform and digital reach and in order to charter right direction for its continuous focus around promoting digital platform businesses and to grow to next frontier, the Company launched a social commerce marketplace 'Yaari', which enable small businesses and individual resellers to start their business online via social channels such as WhatsApp, Facebook, Instagram etc.

Yaari app is a social commerce marketplace for a bouquet of curated consumer products including, but not limited to, Fashion, Beauty and Personal care and electronics. Yaari is a mobile first business available for access anywhere anytime through its Android & iOS Application. Ever since its inception, Yaari has managed to help customers with their personal requirements of various financial products and is now venturing into business to fulfil customers' personal requirements in terms of consumer goods.

The Yaari app is designed to easily allow manufacturers and suppliers, list their products online and make a viable alternate channel to market their products Pan India. The resellers then leveraging the power of existing social networks, will market these products to their contacts and thereby supplementing their income through the platform. The app also provides aspiring entrepreneurs, especially women, the ease to start an online business from home by taking away risk of inventory management, payments and even order fulfilment.

Yaari app coupled with digitally connected Bharat, will accelerate the growth of online commerce and create an ecosystem that enables income support for aspiring Indians. Yaari is further looking to aggregate marketplace model to other online commerce verticals.

## BUSINESS RESTRUCTURING

To streamline the operations and ownership structure of the Company, in a manner leading to maximization of stakeholders' value and diversification of shareholders' portfolio by providing them direct ownership in each business segments, and to have a focused approach



## Management Discussion and Analysis (Contd.)

towards upcoming insurance business and digital platform business, the Board of Directors of the Company had approved the composite Scheme of Amalgamation and Arrangement amongst the Company, its direct and indirect subsidiaries (viz. SORIL Infra Resources Limited, Albasta Wholesale Services Limited, Sentia Properties Limited, Lucina Infrastructure Limited, Ashva Stud and Agricultural Farms Limited, Mahabala Infracon Private Limited, Store One Infra Resources Limited, Indiabulls Enterprises Limited and Indiabulls Pharmacare Limited) and Indiabulls Pharmaceuticals Limited and their respective shareholders and creditors ("Scheme"). Pursuant to the Scheme, the shareholders of the Company will get shares of Indiabulls Enterprises Limited, free of any cost, in lieu of their shareholding in the Company. The shares of Indiabulls Enterprises Limited will get listed on NSE and BSE and with this, post effectiveness of the Scheme, they will have shares of two listed entities –

- (1) the Company, the equity shares of which are listed and will remain listed on NSE and BSE, focusing on the business of digital platform, upcoming life and general insurance and related businesses, and
- (2) Indiabulls Enterprises Limited, equity shares of which will be listed on NSE and BSE, focusing on non-insurance businesses of the Company and its subsidiaries (including proposed pharma business and rural finance business).

Subsequent to receipt of NOCs (observation letters) from the National Stock Exchange of India Limited and BSE Limited, the Company had filed the Scheme and Company Application, under Sections 230 to 232 of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, before jurisdictional bench of NCLT ("NCLT") and NCLT, vide its order dated July 7, 2021, inter alia directed the meeting of the Company's equity shareholders to be convened on August 21, 2021, through Video Conference ("VC")/Other Audio-Visual Means ("OAVM") for the purpose of considering, and if thought fit, approving the Scheme by the shareholders. Your directors are pleased to inform that the shareholders of the Company, at aforementioned meeting, have approved the Scheme with requisite majority and thereafter, the Company has filed second motion application with NCLT.

### INDUSTRY STRUCTURE AND DEVELOPMENT AND BUSINESS OUTLOOK

The Company aims to build a stable, secure and sustainable business that is focused on maximizing growth opportunities within the industry. We envision as an upcoming online commerce company that is based on key principles of strong business fundamentals, predominantly focused on good governance, low cost operations, innovation and trust.

The Indian social commerce industry is still at the nascent stage is expected to grow to US\$ 70 billion by FY 2030, as it serves distinct needs of the consumers. Social commerce is expected to democratize the entire e-commerce industry, primarily driven by more distributed models that are built on trust and community. Also, it will help in structuring the unstructured long tail segments in the online commerce industry.

The Company's digital app Yaari coupled with the digitally connected Bharat, will accelerate the growth of online commerce and create an ecosystem that enables income support for over 40 million aspiring Indians.

The Government of India has announced various initiatives, namely Digital India, Make in India, Start-up India, Skill India and Innovation Fund. The timely and effective implementation of such programs will likely support growth of E-commerce in the country. Some of the major initiatives taken by the Government to promote E-commerce in India are as follows:

1. 100% FDI is allowed in B2B Commerce and 100% FDI under the automatic route is permitted in the marketplace model of e-commerce.
2. As of February 15, 2020, the Government eMarketplace (GeM), listed 1,071,747 sellers and service providers across over 13,899 product and 176 service categories. For the financial year 2020-21, government procurement from micro and small enterprises was worth Rs. 23,424 crore (US\$ 3.2 billion).
3. National Retail Policy: The government had identified five areas in its proposed national retail policy—ease of doing business, rationalisation of the licence process, digitisation of retail, focus on reforms and an open network for digital commerce—stating that offline retail and e-commerce.
4. Under the Digital India movement, Government launched various initiatives like Umang, Start-up India Portal, Bharat Interface for Money (BHIM) etc. to boost digitisation.
5. Heavy investment made by the Government in rolling out fiber network for 5G will help boost E-commerce in India.

Apart from this, adoption of technology, positive demographics changes and education, have contributed to this growth. As a result, the outlook for online commerce markets in emerging economies remains largely positive, even as cyclical and structural factors weigh on the overall macro growth prospects.

### OUR STRATEGY

Our strategy focuses on ensuring that our customer is at the core of everything we do. We believe in building a sustainable organization that remains relevant to the agenda of our stakeholders, and providing value to our clients, and aim to create growth opportunities to our employees and profitable returns to our investors. The Company's strategy for long term profitable growth is based on continuously scaling its various businesses in India, while investing in new markets and venturing into new businesses.

### **The customer experience is at the centre of the industry.**

Customers now demand a transparent and seamless experience enabled by technology that provides quick information/ feedback. Customers are now setting new standards of ease, convenience and value, expecting 24-hour access along with customized products at competitive prices. Customer journeys and an increasing focus on customer experiences is now emerging as a key imperative for the online commerce sector.

### **Digitisation**

Digital technology has proved to be a game changer in online commerce. Increasing internet penetration (expected to be 900 million by 2024) will continue to influence the online commerce business as well as other industries.

Blurring lines of business coupled with increased flow of information have created an ultracompetitive marketplace where it has become important to continuously innovate and be agile. Rapidly evolving customer behaviour means that providing a frictionless end-to-end buying experience to customers has become of utmost importance.

Considering Yaari existing & future digital customer base and huge potential in digital business, going forward, the Company intends to pursue its substantial existing and future businesses, including social commerce business, digitally under the brand Yaari, through its Yaari app, without any physical branches. Yaari will use its reach to millions of customers to sell, service & cater the Consumer products of Company's subsidiaries, as and when these products become available. This will be done through intuitive product UI with smart product recommendations & hassle free claims process.

## **OUR STRENGTHS**

### **Presence of dynamic leadership and professional management team**

The Company and the group companies are headed by professional industry leaders and are overseen by Boards comprising of eminent industry veterans. The Group benefits immensely from the diverse and collective experience of these individuals and the social commerce business will also draw from their inputs and experience. The Company will further have online commerce experts and will benefit from highly skilled and experienced key management personnel, well-trained employee force, business partners, strong analytics and technical background.

### **Technological expertise**

Yaari digital integrated service is a technology leaders within the sector pioneering many cost-effective and customer-centric innovations. The company has also effectively deployed technology to further expand its reach into the hinterlands. The technology thrust of the Group is customer focused and aims at offering utmost customer convenience and maximum cost effectiveness. While entering into the proposed social commerce business, the Company shall be highly benefited with group's technological expertise

### **Robust systems and process**

The Company believes that the systems and processes are its major strength. Considering the long-term nature of the business, the Company will put in place robust processes and systems for the orderly growth of the Company. We shall develop appropriate systems and processes to ensure that the investments of the Company are in line with the regulatory requirements and asset-liability norms

## **OPPORTUNITIES**

There are huge potential and opportunities in social commerce sector in India. Today, with a regulatory environment, increasingly aware digital customer and technological enablers, we believe we are in a good position to utilize the existing opportunities. The current market is focused primarily on the urban population, however, by re-imagining the social commerce way, we believe there is potential market to be unlocked. The Company believes that following are the key growth drivers that exist in the current market for its various business operations and opportunities:

### **Favourable demographics and economic factors**

India currently has over 600 million internet user, and is still in early stage of online commerce as only 28% of the active users purchase online. The active user base is expected to increase up to 900 million by 2024. While most of the active users are currently based in urban India, the shift is expected by 2024 wherein most the active users will be from Rural India. This changing demographic profile means that innovation in products, distribution and on-boarding, is of utmost importance to be able to provide a superior customer experience. These factors also highlight the wide array of growth opportunities for the social commerce industry.

### **Shifting towards Online Commerce**

Fear around Covid-19 has made greater awareness amongst people about online commerce. Pandemic induced lockdowns have pushed the new buyers and sellers onto the digital platform. Social Distancing compulsion coupled with increased internet penetration has galvanised the online commerce adoption beyond the metro cities and into small towns and rural areas. The structural shift in consumer behaviour has resulted in faster adoption of the online commerce. According to Forrester Research, Indian e-commerce sales increased by

## Management Discussion and Analysis (Contd.)

7-8% in 2020. Also, the e-commerce sector recorded growth as most consumers shifted to online shopping as opposed to stepping outside due to lockdown restrictions.

### Untapped Market

India ranks second in terms of the number of internet users. This number is split almost equally among urban and rural users. The number of internet users is further set to rise, with initiatives such as Digital Village providing internet access to more people. While the primary focus of the industry has been urban population, the potential to tap the tier 2 and tier 3 consumer is huge.

The majority of the consumers from tier 2, tier 3 cities and rural areas engage in value-based shopping driven via people they know—family members, friends, acquaintances or connections

## RISKS AND THREATS

### Economic Slowdown

As the Covid-19 cases continued to rise exponentially, the economy declined sharply. If the slowdown continues, its consequences will impact consumer confidence and customers spending behaviour as a result this might affect new business logins and persistency of social commerce business.

### Uncertainty

Uncertainty is the inability to predict the future with confidence. Because of the presence of uncertainty, we need to consider the effects of possible deviations from the projected figures. Due to overall uncertainty in the environment, the market volatility and consumer confidence we could experience a drop in demand as consumer confidence in the stock market is shaky.

### Supply chain management

The manifold disruptions due to Covid-19 related lockdowns, challenges in production, managing supply and distribution networks pose multi-dimensional risks that are rapidly evolving. These can disrupt supply chain and manufacturing processes and adversely impact business.

### Cyber security risk

Our operations are increasingly dependent on IT systems, digital interactions and management of information. The cyber-attack threat of unauthorised access and misuse of sensitive information or disruption to operations can inhibit business operations in several ways.

## SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS AND CHANGE IN RETURN ON NETWORTH

In compliance with the requirements of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with other key financial ratios and changes in Return on Networth of the Company (on standalone basis) including detailed explanations therefor are as under:

Particulars	2020-21	2019-20
<b>Ratios - Balance Sheet</b>		
During the year 2020-21, the debt of the Company has increased due to which debt-equity ratio has increased to 0.33 as compared to 0.12 in the previous year.		
Liquid cash as a % of total assets*	50%	52%
Debt Equity Ratio	0.33	0.12
<b>Ratios – Financial performance</b>		
The basic and diluted EPS of the Company decreased during the FY 2020-21, as the Company has incurred losses of ₹88.09 crore as compared to loss of ₹ 22.45 crore in the previous year. The finance cost of the Company has increased during the FY 2020-21 due to additional borrowings.		
Net Profit Margin	(18.23)	(2.21)
Basic EPS (in ₹)	(9.86)	(2.51)
Diluted EPS (in ₹)	(9.86)	(2.51)

\*Liquid cash includes current loans and investment in mutual funds less book overdraft.

### Change in Return on Networth:

During the FY 2020-21 and FY 2019-20, the Company has incurred losses and hence return on networth is negative in both the years.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has in place adequate systems of internal control commensurate with its size and nature of business. It has institutionalised a robust and comprehensive internal control mechanism across all the major processes to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws, and regulations. The Board Audit Committee oversees the compliance framework of the Company. The Company has formulated various internal policies/procedures and an employee code of conduct, which govern the day-to-day activities to ensure compliance. The Internal audit function provides independent and reasonable assurance about the adequacy and operating effectiveness of the Internal Controls to the Board and the Audit Committee.

### **HUMAN RESOURCES**

The Company firmly believes that its employees are the key to driving performance and developing competitive advantage. The emphasis has been on proper recruitment of talent and empowerment while devoting resources for their continuous development. The structured recruitment process, which the Company employs, focuses on recruiting people who have the right mindset for working, supported by structured training programs and internal growth opportunities. As on March 31, 2021, the Company had a strong team of 74 employees, who are aligned and dedicated towards the Company's goals.

### **CAUTIONARY STATEMENT**

*Statements in this Report on Management Discussion and Analysis describing the Company's objectives, estimates and expectations may be forward looking based on certain assumptions and expectations of future events. Actual results might differ substantially or materially from those expressed or implied. The Company here means the consolidated entity consisting of its subsidiary(ies).*

*The Company assumes no responsibility nor is under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.*

# Business responsibility Report

Yaari Digital Integrated Services Limited ("Yaari" or "the Company"), as an incorporated legal entity, came into existence July 24, 2007, under the Companies Act, 1956, and obtained the certificate for commencement of business on August 08, 2007.

Due to change in business environment and economic scenario, which got impacted by the ongoing pandemic, the Company decided to upscale its digital platform business, being new age business ventures, where the Company management has a competitive edge, given Company's cutting edge technology platform and digital reach and in order to charter right direction for its continuous focus around promoting digital platform businesses and to grow to next frontier, the Company launched a social commerce marketplace 'Yaari', which enable small businesses and individual resellers to start their business online via social channels such as WhatsApp, Facebook, Instagram etc.

Yaari app is a social commerce marketplace for a bouquet of curated consumer products including, but not limited to, Fashion, Beauty and Personal care and electronics. Yaari is a mobile first business available for access anywhere anytime through its Android & iOS Application. Ever since its inception, Yaari has managed to help customers with their personal requirements of various financial products and is now venturing into business to fulfil customers' personal requirements in terms of consumer goods.

The Yaari app is designed to easily allow manufacturers and suppliers, list their products online and make a viable alternate channel to market their products Pan India. The resellers then leveraging the power of existing social networks, will market these products to their contacts and thereby supplementing their income through the platform. The app also provides aspiring entrepreneurs, especially women, the ease to start an online business from home by taking away risk of inventory management, payments and even order fulfilment.

Yaari app coupled with digitally connected Bharat, will accelerate the growth of online commerce and create an ecosystem that enables income support for aspiring Indians. Yaari is further looking to aggregate marketplace model to other online commerce verticals.

Considering Yaari existing & future digital customer base and huge potential in digital business, going forward the Company intends to pursue its substantial existing and future businesses, including social commerce business, digitally under the brand Yaari, through its Yaari app, without any physical branches. Yaari will use its reach to millions of customers to sell, service & cater the Consumer products of Company's subsidiaries, as and when these products become available. This will be done through intuitive product UI with smart product recommendations & hassle free claims process.

The Company has drawn up this Business Responsibility Report based on the "National Voluntary Guidelines on Socio-Economic and Environmental Responsibilities of Business" published by the Ministry of Corporate Affairs, Government of India in 2011, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the circulars issued by SEBI in this regard, to the extent applicable.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	CIN	LS1101HR2007PLC077999
2	Name of the Company	Yaari Digital Integrated Services Limited
3	Registered office address	Plot No. 448-451 Udyog Vihar, Phase-V Gurgaon Gurgaon HR 122016
4	Corporate office address	One International Center, Tower 1, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013
5	Website	www.yaari.com
6	E-mail id	helpme@yaari.com
7	Financial Year Reported	April 1, 2020 to March 31, 2021
8	Sector(s) that the Company is engaged in	The Company primarily, directly and through its subsidiaries, is presently engaged in the businesses of digital platform through Yaari app, providing management and maintenance services, equipment hiring services, financial services with the primary focus on financing in rural markets, and other related services and businesses, and shall undertake its proposed life and general insurance business, through its subsidiaries, upon receipt of regulatory approvals.
9	List three key products/services that the Company provides	The Company primarily, directly and through its subsidiaries, is presently engaged in the businesses of digital platform through Yaari app, providing management and maintenance services, equipment hiring services, financial services with the primary focus on financing in rural markets, and other related services and businesses, and shall undertake its proposed life and general insurance business, through its subsidiaries, upon receipt of regulatory approvals.
10	Total number of locations where business activity is undertaken by the Company:	Company's digital platform Yaari and other businesses have PAN India presence
11	Markets served by the Company Local/ State/National/ International	National

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	Rs. 17.87 crores
2	Total Turnover (INR)	Rs. 4.84 crores
3	Total profit / (loss) after taxes (INR)	Rs. (88.28) crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Rs. 0.14 crores
5	List of activities in which expenditure in 4 above has been incurred	Promotion of Education including Scholarship to Students

## SECTION C: OTHER DETAILS

## 1. Does the Company have any Subsidiary Company/ Companies?

The Company had 13 subsidiaries as on March 31, 2021. The details of the subsidiaries are provided in the Annual Return as on March 31, 2021 is available on website of the Company, at web-link: [https://www.yaari.com/investor/pdf/Form\\_MGT\\_7\\_Yaari\\_Integrated\\_31\\_03\\_2021.pdf](https://www.yaari.com/investor/pdf/Form_MGT_7_Yaari_Integrated_31_03_2021.pdf).

## 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

The subsidiaries of the Company are separate legal entities and follow BR initiatives as per rules and regulations as may be applicable

## 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No. The Company has not mandated any supplier, distributor etc. to participate in the BR initiatives of the Company

## SECTION D: BR INFORMATION

## Details of Director/Directors responsible for BR

## a) Details of the Director(s) responsible for implementation of the BR policy

1	DIN	03498226	02698115
2	Name	Mr. Kubeir Khera	Mr. Ajit Kumar Mittal
3	Designation	CEO & Executive Director	Non-Executive Director

## b) Details of the BR Head

1	DIN	03498226
2	Name	Mr. Kubeir Khera
3	Designation	CEO & Executive Director
4	Telephone	+91-22-61899700
5	Email ID	helpdesk@indiabulls.com

## 2. Principle-wise as per NVGs BR Policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

1. Businesses should conduct and govern themselves with ethics, transparency and accountability
2. Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
3. Businesses should promote the well-being of all employees
4. Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
5. Businesses should respect and promote human rights
6. Businesses should respect, protect and make efforts to restore the environment

## Business responsibility Report (Contd.)

7. Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
8. Businesses should support inclusive growth and equitable development
9. Businesses should engage with and provide value to their customers and consumers in a responsible manner

Details of compliance (Reply in Y/N):

No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
		Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1		Refer Note 1	Refer Note 1
3	3. Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	-	Y	Y
		Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1		Refer Note 1	Refer Note 1
4	4. Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	-	Y	Y
		Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2		Refer Note 2	Refer Note 3
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	Y
		Refer Note 4	Refer Note 4	Refer Note 4	Refer Note 4	Refer Note 4	Refer Note 4		Refer Note 4	Refer Note 4

Note 1: Policies have been developed based on the best practices or as per the regulatory requirements and through appropriate consultation with relevant stakeholders.

Note 2: May include a combination of internal policies of the Company which are accessible to all internal stakeholders and the policies are placed on the Company's website at [www.yaari.com](http://www.yaari.com)

Note 3: The policies of the Company are internal documents.

Note 4: The policies are internally evaluated by various department heads, business heads and the management.

Note 5: Details on each of the principles are provided in Section E under-mentioned.

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The BR performance of the Company is periodically assessed by the BR Head during the year.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time-to-time), the Company publishes a Business Responsibility Report as an Annexure to the Board's Report on an annual basis. Business Responsibility Report of the Company is available on the website of the Company viz. [www.yaari.com](http://www.yaari.com)

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Business should conduct and govern themselves with ethics, transparency and accountability Ethics, Transparency, Accountability

Ethics, transparency and personal accountability form the core values of the Company. It focuses on high standards of corporate governance, in the conduct of its business. It has zero-tolerance for bribery and corruption and strives to build and maintain relationships with its lenders, borrowers, shareholders and other stakeholders in a fair, transparent and professional manner. The Company adheres to all applicable governmental and regulatory rules in order to ensure complete transparency and accountability in all business practices. Any and all breaches of Company guidelines are viewed very seriously by Management, who ensures that appropriate disciplinary action is taken. The Company has constituted various committees such as: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Compensation Committee, Corporate Social Responsibility Committee, Management Committee, Reorganization Committee. These committees meet periodically to supervise, review and advice on the relevant/ respective matters. The Company is committed to conducting all aspects of its business in keeping with the highest legal and ethical standards and expects all employees and other persons acting on its behalf to uphold this commitment. In accordance with this commitment, the Company has adopted Anti-Corruption Compliance Policy, which is applicable to all directors, officers, employees, agents, representatives and other associated persons of the Company. In brief, the Company will not tolerate bribery, kickbacks, or corruption of any kind, directly or through third parties, whether or not explicitly prohibited by this Policy or by law. Company Personnel are not permitted to give or offer anything of value (including gifts, hospitality, or entertainment) to anyone for the purpose of improperly obtaining or retaining a business advantage. Similarly, Company Personnel may not solicit or accept such improper payments.

#### Code of Conduct

With the objective of enhancing the standards of governance, the Company has formulated and adopted Code of Conduct & Ethics for its Board Members and Senior Management team. The Code is placed on the website of the Company, which provides for ethical, transparent and accountable behaviour by its Directors and Senior Management team. The Company lays utmost importance on integrity while recruiting employees. The Employee Code of Conduct provides the framework within which the Company expects its business operations to be carried out and lays down the standards and principles, to be followed by all its employees. Failure to comply with the Code leads to disciplinary action, including dismissal from the services of the Company. All employees are handed over a copy of the Employee Code of Conduct on their first day of joining the Company, as a part of the employee joining kit. Additionally, the contents of the Code of Conduct are also shared in detail with the employees through a specific module that forms part of the HR session during the employee induction training programme. The Company has also formulated and adopted various other codes and policies including Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, policy on Protection of Women Against Sexual Harassment at Workplace, Code of Conduct for Prevention of Insider Trading etc, in terms of laws applicable to its business, which are applicable to all its employees / directors for enforcement of ethical conduct from a governance, regulatory and risk management perspective. In addition, the Company has a Whistle Blower Policy through which the Company seeks to provide a mechanism for its employees, directors, vendors or customers to disclose any unethical and/or improper practice(s) suspected to be taking place in the Company for appropriate action and reporting. Further, no employee was denied access to the Audit Committee and all disclosures are reported to the Chairman of the Audit Committee. The Code of Conduct and the Whistle Blower Policy are uploaded on the Company's website – [www.yaari.com](http://www.yaari.com). The Code of Conduct and other policies adopted by the Company applies to the employees of the Company and that of its subsidiary companies.

#### Stakeholder Complaints

The Company is committed to providing effective and prompt service to all its stakeholders. The central operations team along with the call centre records and redresses grievances and feedback from customers. Complaints and grievances are addressed in a time-bound manner. Regular analysis of customer issues is conducted and where required corrective measures are taken in the Company's processes. Designated customer care personnel are responsible for ensuring efficient and effective resolution of complaints within the prescribed turnaround time. All complaints are centrally monitored at the Head Office by the Operations and/or customer care team. The Company has in-built grievance redressal and escalation mechanism wherein complaints are escalated to the level of Head Customer Care and Operations/Business/Sales Head(s). The Company has not yet received any incidence / complaint of Whistle Blower or code of conduct &



## Business responsibility Report (Contd.)

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ethics. During the year 2020-21, the Company received 2(two) shareholders complaints, which were duly redressed. Customer complaints are addressed in the normal course of business by a dedicated team of Customer Services personnel. The Company submits a periodic status of complaints received, redressed and outstanding from its stakeholders along with the nature of complaints and their mode of redressal to the Board constituted Stakeholders Relationship Committee and the statement of all such complaints and their status are also placed before Board.

### Data Privacy and Cyber Security

The Company treats customers' data with utmost sensitivity and accords the highest standards of privacy and security against cybercrime and data theft. IT Security and Customer Data is a valuable asset and safeguarding business information and IT Infrastructure from any kind of cyber security threat is a top priority for the Company, and this is done through effective monitoring and implementation of risk mitigation measures. We undertake vulnerability assessment and penetration testing regularly through internal resources as well as external experts to test and improve the implemented control measures. The Company explicitly discloses the manner in which customer information is collected, stored and used and also ensures that the usage of customer information is in compliance with various statutory and regulatory authorities' requirements.

### Third Party Engagements

The Company recognizes that having an association with suppliers/ vendors/distributors from diverse backgrounds but with a focus on the Company's mission of sustainability and governance, contributes to increased efficiency and innovation to provide an enhanced yet standard experience for its customers.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

### Environmental Standards

The Company continuously aims to reduce the impact on environment by optimizing the usage of various resources. The Company works at minimizing its carbon footprint and there is particular focus on reduced resource usage. The Company has been able to reduce energy consumption by using star rated appliances where possible and also through the replacement of CFL lights with LED lights. Monitoring resource usage, improved process efficiency, reduced waste generation and disposal costs have also supported the cause. The Company has in place an Environmental Management Systems (EMS) that helps assess the environmental cost of the Company's services and activities, and seeks to reduce or eliminate the negative impact and increase their positive effects.

### Resource Savings

The Company has undertaken initiatives and energy efficient measures at its office premises such as use of LED light fittings, provision of centralised waste collection, etc. At most of its offices across India, the CFL light fitting have been replaced by LED light fittings to conserve energy. The Company promotes the use of electronic means of communication with its shareholders by sending electronic communication for confirmation of payments and other similar purposes. The Company also encourages the use of electronic mode of communications to and from all its stakeholders. Soft copies of the annual report(s) along with the notice convening the Annual General Meeting(s) were sent to its shareholders so as to minimize the usage of paper

**Principle 3: Businesses should promote the well-being of all employees**

### Equitable Employment

The Company has always advocated a business environment that favours the concept of equal employment opportunities for all without any discrimination with respect to caste, creed, gender, race, religion, disability or sexual orientation. The Company provides a workplace environment that is safe, hygienic, and humane which upholds the dignity of its employees. The Company does not employ child labour directly or indirectly in any of its offices/projects.

### Enabling a Gender Friendly & safe Workplace

For the Company, safety of its employees is of paramount importance and as a good corporate citizen; it is committed to ensuring safety of all its employees at the work place. The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace and has constituted an internal complaints committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

### Policies for Employee Grievances

The Company believes in smooth and effective communication to ensure better flow of information and understanding amongst its employees. Any employee, irrespective of hierarchy, has free access to the members of senior management for sharing creative ideas, suggestions or even personal grievances. The Company has strengthened its vigil mechanism by adopting the Whistle Blower Policy which is applicable to its directors, employees and other stakeholders. The said policy which has been uploaded on Company's website and also communicated to all its employees aims to promote good governance, instil faith and empower all stakeholders to fearlessly voice their concerns

### Gender Inclusion

The Company ensures that a gender inclusive environment is provided. To create an inclusive work culture for women, the awareness for the same is spread through special workshops and seminars. Wherever required, women employees have been provided with laptops with the view that they can work from home in case of an emergency and also for the reason that they do not work late. On various occasions and specifically on International Women's Day, health check-up camps and self-defence training sessions for all women employees are organized.

### Work-Life Balance

The Company's policies are structured around promoting work-life balance which ensures improved employee productivity at work.

### Employee Engagement

The Company firmly believes that highly engaged employees are high on productivity and therefore, in order to keep the motivation and the employee engagement levels high, it is necessary to constantly engage them in activities that motivate them. In sync with this philosophy, the Company encourages its employees to regularly participate in sports, picnics, outings, get-togethers and team building programmes.

### Development of Employees

The Company believes in the all-round development of its employees. Job specific knowledge gaps, skills and attitudes are identified during the performance appraisal process. Through constant learning and development, the Company ensures that its employees are adequately trained in functional and behavioural skills to sustain high standards of service. The Company nominates its employees for self-development and leadership programmes for further enhancing their competencies and skill sets. Learning and development needs are also identified on the basis of internal audit reports as well as customer feedback. On-the-job training, job rotation or training through various programmes – internal, external are offered to employees to upgrade their competencies.

### Mentoring Program

The mentoring programme formulated by the Company ensures that all new employees integrate into its working culture and value systems. Such a programme helps new entrants understand and blend with its existing employees in a seamless manner.

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

### Corporate Social Responsibility

The Company strives to approach its CSR activities with the goal to identify and work across a range of social initiatives that have a long-term sustainable impact. The details of CSR activities undertaken by the Company are provided in the Annual Report on Corporate Social Responsibility (CSR) Activities which forms part of this Annual Report

**Employee Welfare & Participation** To encourage employees to maintain and lead a healthy life, employees' family get together, sports events and medical check-ups were organised across various branches.

**Principle 5: Businesses should respect and promote human rights**

### Human Rights

The Company complies and adheres to all the human rights laws and guidelines of the Constitution of India, national laws and policies. The Company treats all its stakeholders and customers with dignity, respect and due understanding. The Company takes care to be just, patient and understanding while dealing with delinquent customers. The Company has put in place an internal culture work ethics where delinquent customers are treated with fairness. Customers who have difficulty in making regular payments are counselled patiently and given sufficient opportunities to recover from difficulties. Employee training programmes lay emphasis on this aspect. Any complaints and grievances pertaining to behavioural issues are attended to personally by senior officers.

**Principle 6: Businesses should respect, protect and make efforts to restore the environment**

### Green Initiatives

The Company promotes ecological sustainability and green initiatives, adopts energy saving mechanisms, by encouraging its employees, customers and all its other stake holders to use electronic medium of communication and to reduce usage of papers as far as possible.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

The Company would makes various recommendations/representations before various regulators, forums and associations relevant to further growth of Industry in the country, as and when required.

## Business responsibility Report (Contd.)

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### **Principle 8: Businesses should support inclusive growth and equitable development**

As a committed corporate citizen, the Company has promoted and undertaken various social welfare initiatives. Details of CSR activities undertaken by the Company are provided in the Annual Report on Corporate Social Responsibility (CSR) Activities which forms part of this Annual Report.

### **Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner Customer Relationship Enhancement and Managing System**

The Company is committed to providing effective and prompt service to all its stakeholders. The Company aims to reduce the number of grievances, attain the operational excellence and ensures continuous improvement by doing periodical root-cause analysis (RCA) of all the received grievances.

#### **Transparent Communication**

The Company strives to ensure that transparent, correct and relevant information, pertaining to its products and services, is disseminated through its advertising material and the information displayed on the digital platforms owned by the Company. The Company encourages responsible and responsive communication towards all its stakeholders be it customers, media, investors, analysts, regulatory authorities, vendors and other stakeholders. The Company is a strong proponent of true and fair advertising and as such, discourages all kinds of means and activities that are unethical, abusive, derogatory or anti-competitive. All the communication material released by the Company adheres to the mandated regulatory requirements. The Company has complied with all the advertising norms applicable to the Company. The important product attributes relevant information about the projects, fees and charges, and other important notifications like most important terms & conditions are displayed prominently in each of the Company office. This information is available on the Company's website as well. The Company is extending its presence to various social and digital platforms to engage and connect with existing customers and also to reach out to newer audiences through constant communication, which is in consonance with its brand values and the prescribed regulatory framework. The performance and financials of the Company are disclosed to BSE and NSE for information to all its stakeholders and on its website.

#### **Grievance Redressal**

The Company aims to reduce the number of grievances, attain operational excellence and ensure continuous improvement by doing periodical root-cause analysis (RCA) of all the received grievances.

## 1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Yaari Digital Integrated Services Limited (formerly Indiabulls Integrated Services Limited) ("Yaari" or "the Company") is committed towards achieving the highest standards of Corporate Governance coupled with best in class practices across all its business operations thereby ensuring its core values i.e. Customer First, Transparency, Integrity and Professionalism. The Company focuses on implementing the robust, resilient and best corporate practices in every facet of its operations and in all spheres of its activities for generating significantly greater returns and maximizing shareholders' value

The Company also engages itself in a credible and transparent manner with all its stakeholders which help them to understand its long term strategies. All its actions are governed by its values and principles, which are reinforced at all levels of the Company. This together with meaningful CSR activities has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities, in which it operates.

The COVID-19 pandemic has caused an unprecedented health and economic crisis across the globe. The severity of its impact on economy and day-to-day life is still evolving. Companies are having to be nimble-footed and continuously evolve their strategies to deal with the emergent challenges. The Board has played a critical role helping the Company navigate the issues brought on by the COVID-19 pandemic. The Board is responsive and their depth of experience helps the management team evolve measured responses to issues that come up. The board guided the management in implementing cost rationalization measures at every level and across every function of the Company.

In line with the nature and size of operations, the Corporate Governance framework of the Company, is based on the following main principles:

- Optimizing the size and composition of Board to ensure that it has the appropriate mix of domain, functional, operational and legal expertise with the relevant experience and commitment to discharge their responsibilities and duties, thereby ensuring transparency and independence in the functions of the Board.
- Ensuring timely flow of information to the Board and its Committees to enable them spending adequate time on strategy, performance, talent, risk management, succession planning and social responsibility with clear vision and guidelines to discharge their functions effectively.
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders and protection of their rights and interests.
- Independent verification and assured integrity of financial reporting.
- Engaging and communicating with long-term institutional investors and constructively engaging with them on matters of strategic importance.
- A sound system of risk management, internal control, anti-bribery and anti-corruption business practices.
- Compliance with applicable laws, rules and regulations in letter and spirit.

## 2. BOARD OF DIRECTORS ("BOARD")

### A. Composition and size of the Board

The Board of the Company has been constituted in compliance with the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI LODR") as amended and in accordance with highest standards of Corporate Governance in its management, which ensures an appropriate mix of Executive/Non Executive, Woman Director and Independent Directors with demonstrated skill sets and relevant experience. The Board members have professional knowledge and experience in diverse fields.

The Board consists of seven directors of whom two are Executive Directors (one being designated as CEO) and the remaining five directors are non- executive directors, with four of such directors being Independent Directors (one of them is a Woman Director). No Director is related to any other Director on the Board.

The core skills/ practical experience/ special knowledge/ competencies those are identified by the Board of Directors of the Company, as required in the context of Company's business(es) and sector(s) to function effectively are building and scaling up digital platform, insurance, sales and marketing of digital platform business and insurance products, Finance Management, Tax Regulatory compliances, business strategy, business development, resource mobilization, credit control, collections, Economics, Law, Business Management, Risk Management, Human Resources, project execution etc. The Directors of the Company have mapped their skills based on the board skill matrix.

## Corporate Governance Report (Contd.)

The details of Directors, directorship in listed companies, number of directorships held by them in other companies and also the number of their memberships and chairmanships on various Board Committees, including skill sets/ expertise/ competencies/ practical knowledge, as on March 31, 2021 are as under:

Sl. No.	Name of the Director	Category of Director	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies	No. of Directorships in other Companies* (including listed companies)	Directorship in other Listed Companies & Category of Directorship	No. of Memberships/ Chairmanships in the Board Committees of various companies (including the Company)**	
						Member***	Chairman
1.	Mr. Kubeir Khera (DIN: 03498226)	CEO & Executive Director	Business Strategy, Business development, brand-building, marketing & sales across advertising, financial services and real estate sectors, deep understanding of digital businesses.	5	N.A.	Nil	Nil
2.	Mr. Manvinder Singh Walia (DIN: 07988213)	Executive Director	Business Strategy, Business development and scaling up, Sales and marketing of insurance products, Finance management, Resource mobilization, Human Resources management, Risk Management, Operations and Process Optimization	1	N.A.	1	Nil
3.	Mr. Ajit Kumar Mittal (DIN: 02698115)	Non-Executive Director	Business Strategy, Finance management, Risk Management, Corporate Governance, Regulatory Compliances, Credit control, Economics, Law, Corporate Governance, Value Creation and Stakeholder Management	7	Indiabulls Housing Finance Limited (Executive Director), Indiabulls Commercial Credit Limited (Non-Executive Chairman)^ Dhani Loans and Services Limited (Non-Executive Director)^	3	1
4.	Mr. Shamsher Singh Ahlawat (DIN: 00017480)	Non-Executive Independent Director	Industry Knowledge & Experience, Financial, Regulatory / legal & Risk Management, Corporate Governance, Operations and Process Optimization, Banking and Finance	8	Indiabulls Real Estate Limited (Non-Executive Independent Director) Indiabulls Housing Finance Limited (Non-Executive Independent Director) Indiabulls Commercial Credit Limited (Non-Executive Independent Director)^	10	3
5.	Mr. Gurrappa Gopalakrishna (DIN: 06407040)	Non-Executive Independent Director	Regulatory Compliances, Risk Management, Corporate Governance, Corporate Social Responsibility and Stakeholder Management	7	N.A.	5	0

Sl. No.	Name of the Director	Category of Director	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies	No. of Directorships in other Companies* (including listed companies )	Directorship in other Listed Companies & Category of Directorship	No. of Memberships/ Chairmanships in the Board Committees of various companies (including the Company)**	
						Member***	Chairman
6.	Justice Mrs. Gyan Sudha Misra (Retd.) (DIN: 07577265)	Non-Executive Independent Director	Financial, legal & Corporate Legal	5	Regulatory / Risk Management, Governance, and administration. Indiabulls Housing Finance Limited (Non-Executive Independent Director) Indiabulls Real Estate Limited (Non-Executive Independent Director) Olectra Greentech Limited (Non-Executive Independent Director) Ruchi Soya Industries Limited (Non-Executive Independent Director)	5	1
7.	Mr. Praveen Kumar Tripathi (DIN: 02167497)	Non-Executive Independent Director	Risk Management, Corporate Management and administration.	4	Indiabulls Real Estate Limited (Non-Executive Independent Director) Dhani Services Limited (Non-Executive Independent Director) JBM Auto Limited (Non-Executive Independent Director)	3	2

\*Includes directorships held in private limited companies, foreign companies and Companies under Section 8 of the Companies Act, 2013.

\*\*Only memberships of the Audit Committee / Stakeholders' Relationship Committee in various public limited companies and chairmanship of the Audit Committee / Stakeholders' Relationship Committee in various equity listed limited companies, including this listed company are considered, as per Regulation 26 of the SEBI LODR.

\*\*\*Includes Chairmanship in the Committees.

^Only debt securities of these companies are listed on NSE and/or BSE

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 recommendations of committees of the Board which are mandatorily required, during the financial year 2020-21.

None of the Non-Executive Directors held any equity share and/or convertible security of the Company during the financial year ended March 31, 2021.

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.yaari.com/investor/pdf/Details%20of%20familiarization%20programmes%20imparted%20to%20independent%20directors.pdf>

#### B. Details of Board Meetings and the last Annual General Meeting (AGM) and attendance record of Directors thereat

The Board meetings of the Company are held in a highly professional manner, after giving proper notice, Board papers, agenda and other explanatory notes / relevant information to each of the directors of the Company, well in advance.

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, Executive Directors and senior management explain the Board members on various matters including the financial results, operations related issues etc.

## Corporate Governance Report (Contd.)

During the financial year 2020-21, the Board met 8 (Eight) times. The dates of the meetings were July 11, 2020, August 29, 2020, September 12, 2020, October 16, 2020, November 13, 2020, January 01, 2021, January 15, 2021 and March 19, 2021. During the year, a separate meeting of the Independent Directors was held on January 15, 2021 without the attendance of non-independent directors and the members of the management. All Independent Directors attended the said meeting. At the meeting, the independent directors assessed the quality, quantity and timeliness of the flow of information between the Company's management and the board.

The last Annual General Meeting (AGM) of the Company was held on November 13, 2020.

Attendance of Directors at the Board Meetings held during the FY 2020-21 and at the last Annual General Meeting are as under:

Sl. No.	Name of the Directors	No. of Meetings held during the tenure	No. of Board Meetings attended	Attendance at the last AGM
1	Mr. Kubeir Khara* (DIN: 03498226)	2	2	NA
2	Mr. Manvinder Singh Walia (DIN: 07988213)	8	8	Yes
3	Mr. Ajit Kumar Mittal (DIN: 02698115)	8	8	Yes
4	Mr. Shamsher Singh Ahlawat (DIN: 00017480)	8	8	Yes
5	Mr. Gurrappa Gopalakrishna (DIN: 06407040)	8	7**	Yes
6	Justice Gyan Sudha Misra (Retd.) (DIN: 07577265)	8	8	Yes
7	Mr. Praveen Kumar Tripathi (DIN: 02167497)	8	8	Yes

\*Appointed as CEO & Executive Director of the Company w.e.f. January 1, 2021.

\*\*Mr. Gurrappa Gopalakrishna could not attend the meeting held on July 11, 2020, due to a prior commitment.

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 of the Board comprises of three members, all Non-executive Independent Directors, namely Justice Gyan Sudha Misra (Retd.), as Chairperson, Mr. Shamsher Singh Ahlawat and Mr. Gurrappa Gopalakrishna, as other two members of the Committee. Ms. Priya Jain, Company Secretary of the Company also acts as the Secretary of the Audit Committee.

##### Terms of reference

The terms of reference of the Audit Committee, inter-alia, includes:

- To oversee the financial reporting process and disclosure of financial information;
- To review with management, quarterly and annual financial statements and ensure their accuracy and correctness before submission to the Board;
- To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations;
- To recommend the appointment of the internal and statutory auditors and fixing their remuneration;
- To hold discussions with the statutory and internal auditors;
- To review and monitor auditor's independence and performance, and effectiveness of audit process;
- To examine the auditors' report on financial statements of the Company (in addition to the financial statements) before submission to the Board;

- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters as and when such funds are raised and also there viewing with the management the utilization of the funds so raised, for purposes other than those stated in the relevant offer document, if any and making appropriate recommendations to the Board in this regard;
- Evaluation of the risk management systems (in addition to the internal control systems);
- Review and monitoring of the performance of the statutory auditors and effectiveness of the audit process;
- To hold post audit discussions with the auditors to ascertain any area of concern;
- To review the functioning of the whistle blower mechanism;
- Approval to the appointment of the CFO after assessing the qualifications, experience and background etc. of the candidate;
- Reviewing the utilization of loans and/or advances and/or investment by the Company to its subsidiary companies, exceeding rupees 100 Crore or 10% of the assets side of the respective subsidiary companies, whichever is lower, including existing loans / advances / investment existing as on April 01, 2019.

**Meetings and Attendance during the year**

During the FY 2020-21, the Audit Committee met four times. The dates of the meetings being July 11, 2020, September 12, 2020, November 13, 2020 and January 15, 2021.

The attendance record of committee members to the meetings so held is depicted in the table given below:

Name of the Member	No. Meetings held during the tenure	No. of Meetings attended
Justice Gyan Sudha Misra (Retd.)	4	4
Mr. Shamsher Singh Ahlawat	4	4
Mr. Gurrappa Gopalakrishna	4	3*

\*Mr. Gurrappa Gopalakrishna could not attend the meeting held on July 11, 2020, due to a prior commitment.

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 comprises of three Non-Executive Directors as its members namely Mr. Shamsher Singh Ahlawat, as the Chairman, Justice Gyan Sudha Misra (Retd.) and Mr. Ajit Kumar Mittal, as the other two members. Two out of the three members namely Mr. Shamsher Singh Ahlawat and Justice Gyan Sudha Misra (Retd.), are Independent Directors.

**Terms of reference**

The terms of reference of N&R Committee, inter-alia, includes:

- 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.
- Recommending to the Board all remuneration, in whatever form, payable to senior management.

**Meetings and Attendance during the year**

During the FY 2020-21, the Committee met two times on August 29, 2020 and January 01, 2021.



## Corporate Governance Report (Contd.)

The attendance record of committee members to the meetings, so held, is depicted in the table given below:

Name of the Member	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Shamsheer Singh Ahlawat	2	2
Justice Gyan Sudha Misra (Retd.)	2	2
Mr. Ajit Kumar Mittal	2	2

### 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.

- 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.
- 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.
- In case of appointment of Independent Directors, the independent nature of the proposed appointee vis-a-vis the Company, shall be ensured.
- 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.
- 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.yaari.com/investor/pdf/Remuneration%20Policy\\_IBULISL.pdf](https://www.yaari.com/investor/pdf/Remuneration%20Policy_IBULISL.pdf).

### Performance Evaluation criteria for Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI LODR, the N&R Committee has laid down the criteria for performance evaluation of Independent Directors, which inter-alia covers level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board of Directors except the Directors subject to evaluation. The Directors expressed their satisfaction with the evaluation process.

### Policy on Board Diversity

The N&R Committee devises the policy to provide for having a broad experience and diversity on the Board.

### Directors' Remuneration:

#### (i) Remuneration of Executive Director

During FY 2020-21, Mr. Manvinder Singh Walia, Executive Director did not draw any remuneration. Mr. Kubeir Khera, CEO & Executive Director, is being paid remuneration as recommended by N&R Committee and approved by the Board of Directors.

Details of remuneration paid to Mr. Kubeir Khera during the year under review are provided in the Annual Return as on March 31, 2021, which is available on the Company's website on [https://www.yaari.com/investor/pdf/Form\\_MGT\\_7\\_Yaari\\_Integrated\\_31\\_03\\_2021.pdf](https://www.yaari.com/investor/pdf/Form_MGT_7_Yaari_Integrated_31_03_2021.pdf)

#### (ii) Remuneration of Non-Executive Director

With changes in the corporate governance norms brought in by the Companies Act, 2013 as well as SEBI LODR, the role of Non-Executive Directors (NED) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time. The Company is being hugely benefited from the expertise, advice

and inputs provided by the NEDs. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company. The Company is making payment of sitting fee to its Independent Directors 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, 2021, 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 2020-21. Details of sitting fees paid to the Independent Directors has been disclosed in the Annual Return as on March 31, 2021, which is available on the Company's website on [https://www.yaari.com/investor/pdf/Form\\_MGT\\_7\\_Yaarii\\_Integrated\\_31\\_03\\_2021.pdf](https://www.yaari.com/investor/pdf/Form_MGT_7_Yaarii_Integrated_31_03_2021.pdf). The Company has not issued any stock option to its Non-Executive Directors. There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

### C. Stakeholders Relationship Committee

#### Composition

The Stakeholders Relationship Committee of the Board comprises of three members namely Mr. Ajit Kumar Mittal, Non-Executive Director, as the Chairman and Justice Gyan Sudha Misra (Retd.) and Mr. Manvinder Singh Walia, as other two members.

#### Terms of Reference

- To approve requests for share transfers and transmissions;
- To approve the requests pertaining to remat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc.;
- To oversee all matters encompassing the shareholders' / investors' related issues.
- Resolving the grievances of the security holders of the Company, including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

#### Meetings and Attendance during the year

During the FY 2020-21, the Committee met three times. The dates of the meetings were July 11, 2020, October 6, 2020 and January 15, 2021.

The attendance record of committee members in respect of the meetings so held is depicted in the table given below:

Name of the Member	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Ajit Kumar Mittal	3	3
Mr. Manvinder Singh Walia	3	3
Justice Gyan Sudha Misra (Retd.)	3	3

#### Name and designation of Compliance Officer

Ms. Priya Jain, Company Secretary is the Compliance Officer pursuant to Regulation 6(1) of SEBI LODR.

#### Details of queries / complaints received and resolved during the year 2020-21

Sl. No.	Particulars	Opening	Received	Disposed	Pending
1.	Letters from SEBI / Stock Exchange	0	1	1	0
2.	Non-receipt of dividend	0	0	0	0
3.	Non-receipt of shares	0	0	0	0
4.	Non-receipt of Annual Report	0	1	1	0
	<b>Total</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>

## Corporate Governance Report (Contd.)

### D. Corporate Social Responsibility (CSR) Committee

#### Composition

The Corporate Social Responsibility Committee of the Board comprises of three members namely Mr. Shamsheer Singh Ahlawat, an Independent Director, as the Chairman, and Mr. Ajit Kumar Mittal and Mr. Manvinder Singh Walia, 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;
- To ensure compliance of all related applicable regulatory requirements.

#### Meetings and Attendance during the year

During the FY 2020-21, the Committee met two times. The dates of the meetings were January 15, 2021 and March 31, 2021. The attendance record of Committee members in respect of the meetings so held is depicted in the table given below:

Name of the Member	No. of meetings held during the tenure	No. of meetings attended
Mr. Shamsheer Singh Ahlawat	2	2
Mr. Ajit Kumar Mittal	2	2
Mr. Manvinder Singh Walia	2	2

### E. Risk Management Committee

#### Composition

The Risk Management Committee comprises of five members namely Mr. Manvinder Singh Walia, an Executive Director, as the Chairman, Mr. Ajit Kumar Mittal, Mr. Praveen Kumar Tripathi, Mr. Shamsheer Singh Ahlawat and Mr. Saurabh Garg, as members.

#### Terms of Reference

- Monitor and review the Risk Management Plan of the Company;
- Approve all functional policies of the Company;
- To ensure appropriate fraud control mechanism and cyber security in the system, while dealing with the customers etc.;
- Any other matter involving Risk to the asset / business of the Company

#### Meetings and Attendance during the year

During the FY 2020-21, the committee met once on July 11, 2020. The attendance record of Committee members in respect of the meeting so held is depicted in the table given below:

Name of the Member	No. of meetings held during the tenure	No. of meetings attended
Mr. Manvinder Singh Walia	1	1
Mr. Ajit Kumar Mittal	1	1
Mr. Praveen Kumar Tripathi	1	1
Mr. Shamsheer Singh Ahlawat	1	1
Mr. Saurabh Garg	1	1

Apart from the above, the Board has also constituted Compensation Committee for administration of stock option scheme(s), Management Committee for operational matters, Issuance Committee for considering issuance of securities and Reorganization Committee for on-going Scheme and reorganization plans.

#### 4. GENERAL BODY MEETINGS

##### A. Location and time of last three Annual General Meetings (AGMs) and number of special resolutions passed thereat:

Year	Meeting	Location	Date	Time	No. of special resolutions passed
2017-18	11th AGM	Mapple Emerald, Rajokri, NH-8, New Delhi-110038	September 29, 2018	01:00 P.M.	2
2018-19	12th AGM	'The Pllazio Hotel', 292-296, Near City Center, Sector 29, South City, Gurugram-122001, Haryana	September 30, 2019	02:00 P.M.	4
2019-20	13th AGM	Through VC/ OAVM	November 13, 2020	11:00 A.M.	2

##### B. Special Resolutions passed during the financial year 2020-21 through Postal Ballot:

During the year 2020-21, no resolution was passed by the Company through Postal Ballot. No Special Resolution requiring Postal Ballot is being proposed on or before the ensuing AGM of the Company.

#### 5. MEANS OF COMMUNICATION

The Company has provided adequate and timely information to its member's inter-alia through the following means:

- Publication of Financials Results:** The quarterly / annual results of the Company are published in two newspapers viz. Financial Express and Jansatta or The Pioneer (English & Hindi).
- News, Release, etc.:** The Company has its own website: [www.yaari.com](http://www.yaari.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.
- Management Discussion and Analysis Report:** The same has been included in a separate section, which forms a part of this Annual Report.
- Investors' Relation:** The Company's website contains a separate dedicated section 'Investors' where general information is available for shareholders.

#### 6. GENERAL SHAREHOLDERS' INFORMATION

##### (A) Company Registration Details

The Company is registered in the State of Haryana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L51101HR2007PLC077999.

##### (B) Date, Time and Venue of Annual General Meeting (AGM)

The 14th AGM of the Company would be held on the day, date, time and venue as mentioned in the Notice convening the said AGM. The Company is conducting AGM through Video Conferencing / Other Audio Visual Mode pursuant to MCA Circulars dated May 5, 2020 and January 13, 2021 and there is no requirement of having a venue for the 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 14th AGM of the Company.

##### (E) Dividend Payment date

During the FY 2020-21, no dividend was declared by the Company.

##### (F) Listing on Stock Exchanges

The Company's Equity Shares are listed on the following stock exchanges:

###### BSE Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

###### National Stock Exchange of India Limited (NSE)

"Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai-400 051

The listing fees for the financial year 2021-22, have been paid to BSE and NSE.

## Corporate Governance Report (Contd.)

### (G) Stock Code

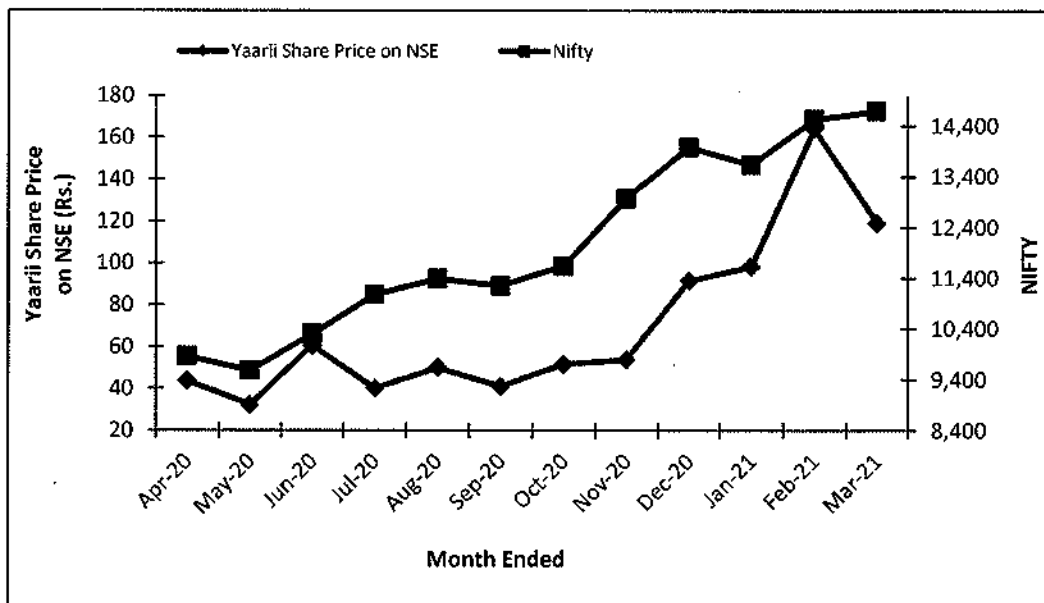
BSE Limited	-	533520
National Stock Exchange of India Limited	-	YAARII
ISIN for Dematerialization	-	INE126M01010

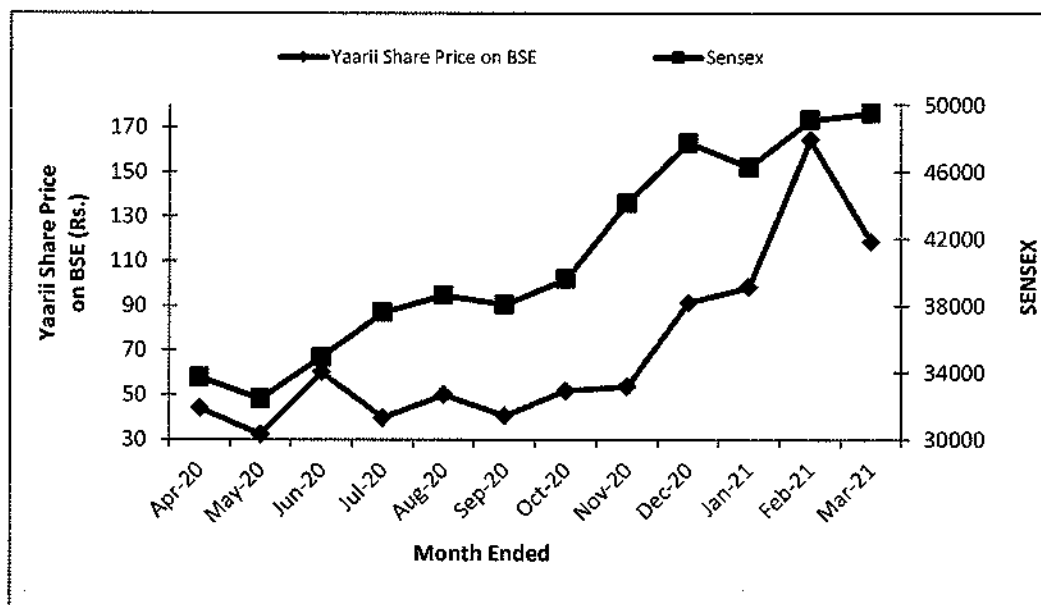
### (H) Market Price Data

The monthly high and low market prices of shares at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the year ended March 31, 2021 are as under:

Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2020	50.00	36.65	50.90	36.75
May 2020	43.00	31.00	43.50	31.10
June 2020	62.20	32.20	62.30	31.90
July 2020	62.20	39.05	62.40	39.60
August 2020	56.95	39.00	56.95	39.20
September 2020	50.60	37.80	50.60	37.70
October 2020	65.25	41.00	65.30	41.10
November 2020	57.60	50.10	58.70	50.00
December 2020	91.50	55.00	91.55	55.40
January 2021	119.75	93.60	120.00	93.60
February 2021	183.45	93.65	182.85	93.10
March 2021	178.65	119.05	178.40	118.75

### (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 (formerly M/s. Karvy Fintech Private Limited) is the Registrar and Share Transfer Agents (RTA) of the Company for handling the share related matters, both in physical and the dematerialized mode.

The contact details are as under:

M/s. KFin Technologies Private Limited  
 (Unit: Yaarii Digital Integrated Services Limited)  
 Selenium Tower B, Plot No.31 & 32, Gachibowli,  
 Financial District, Nanakramguda,  
 Serilingampally Mandal, Hyderabad - 500 032  
 Contact Person: Ms. C Shobha Anand, DGM, Corporate Registry  
 Toll Free No. 1800 - 309 4001  
 E-mail: einward.ris@kfintech.com

**(K) Share Transfer System**

The Board has delegated the authority for share transfers, transmissions, remat/demat of shares/sub-division/ consolidation/ issue of renewed and duplicate share certificates etc. to the board constituted Stakeholders' Relationship Committee. For any such action request is to be made to the RTA, which after scrutinizing all such requests, forwards it for approval by Stakeholders' Relationship Committee.

**(L) i) Distribution of equity shareholding as on March 31, 2021**

Sl. No.	Shareholding Value of nominal (in Rs.)		No. of holders	% to total no. of holders	Value (in Rs.)	% to nominal Value
	From	To				
1.	1	5000	46,989	96.88	1,07,46,770	6.02
2.	5001	10000	608	1.25	45,31,246	2.54
3.	10001	20000	379	0.78	56,32,288	3.15
4.	20001	30000	159	0.33	39,98,242	2.24
5.	30001	40000	86	0.18	30,88,486	1.73
6.	40001	50000	60	0.12	27,48,732	1.54
7.	50001	100000	109	0.22	76,67,060	4.29
8.	100001	and above	114	0.24	14,02,38,314	78.50
	<b>Total</b>		<b>48,504</b>	<b>100.00</b>	<b>17,86,51,138</b>	<b>100.00</b>

## Corporate Governance Report (Contd.)

### ii) Equity Shareholding pattern as on March 31, 2021

Sl. No.	Category	No. of Shares	% holding
1.	Promoters and Promoters Group	38,633,988	43.25
2.	Financial Institutions/ Banks/ Mutual Funds	105	0.00
3.	Foreign Portfolio Investors	12,610,268	14.12
4.	NBFCs Registered with RBI	87	0.00
5.	Bodies Corporate	7,565,962	8.47
6.	Indian Public	27,187,484	30.44
7.	NRIs	1,073,925	1.20
8.	Foreign Nationals	15,000	0.02
9.	Clearing Members	441,657	0.49
10.	Others (IEPF/EWT)	1,797,093	2.01
	<b>Total</b>	<b>89,325,569</b>	<b>100.00</b>

#### (M) Dematerialization of shares and liquidity

Equity Shares of the Company are compulsorily traded in dematerialized form and are available for trading under both the depositories i.e. NSDL and CDSL.

As on March 31, 2021, 99.98% Equity shares of the Company representing 89,310,149 out of a total of 8,93,25,569 Equity shares were held in dematerialized form and the balance 15,420 shares were held in physical form.

The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI LODR and files a copy of the certificate with the Stock Exchanges.

#### (N) Outstanding Convertible Instruments

As on March 31, 2021, an aggregate of 5,566,600 Employees Stock options were in force.

These options, upon exercise, are convertible into equal number of Equity Shares of the Company. As and when these options are exercised, the paid-up share capital of the Company shall stand increased accordingly.

#### (O) Commodity price risk or foreign exchange risk and hedging activities

During the FY 2020-21, the Company neither had any exposure to commodity price risks nor had any foreign exchange exposure by way of foreign currency borrowings. However, company has a policy to manage import procurements by continuous monitoring of foreign exchange market and hedging through a combination of forward contracts, principal only swaps, interest rate swaps and / or cross currency swaps, if required.

#### (P) Plant Locations – Not applicable

#### (Q) Address for Correspondence

##### a. Registered Office:

Plot No. 448-451, Udyog Vihar, Phase-V,  
Gurugram-122016, Haryana  
Email: helpdesk@indiabulls.com,  
Tel: 0124-6681199, Fax: 0124-6681111,  
Website: www.yaari.com

##### b. Corporate Office:

One International Center, Tower 1, Senapati Bapat Marg,  
Elphinstone Road, Mumbai – 400013  
Tel: 022-61899700, Fax: 022-61891421

#### (R) Profiles of the directors seeking appointment/re-appointment have been captured in the Notice convening the Fourteenth 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

During the Financial Year 2020-21, the Company had not raised any funds through preferential allotment or qualified institutions placement.

**(U) Fees paid to Statutory Auditors**

The total fees incurred by the Company and its subsidiaries on a consolidated basis, for services rendered by Statutory auditors and its affiliates entities, is given below:

Particulars	Amount (₹ in crores)
Statutory Audit Fees	0.25
Certification Fees	0.02
<b>Total</b>	<b>0.27</b>

**7. COMPLIANCE CERTIFICATE(S) FROM THE PRACTICING COMPANY SECRETARY**

Certificate(s) from a Practicing Company Secretary certifying: (a) 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 (b) 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 are annexed to and forms part of this Report.

**8. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Particulars	Number
Number of complaints filed during the FY 2020-21	0
Number of complaints disposed during the FY 2020-21	0
Number of complaints pending as on end of the financial FY 2020-21	0

**9. OTHER DISCLOSURES****i) Subsidiary Companies**

The Company has formulated a Policy for determining material subsidiaries, pursuant to the provisions of the SEBI LODR which is available on the website of the Company, at web-link: <https://www.yaari.com/investor/pdf/Policy%20for%20Determining%20material%20subsidiary.pdf>. Each quarter, the Audit Committee reviews the performance and unaudited/audited financial statements of subsidiary companies. The minutes of the board meetings of the unlisted subsidiary companies of the Company and significant transactions and arrangements entered into by all the unlisted subsidiary companies are placed before the board on a quarterly basis. The Board is periodically apprised of the performance of key subsidiary companies, including material developments.

As on March 31, 2021, the Company had 13 subsidiaries. Indiabulls General Insurance Limited and Indiabulls Life Insurance Company Limited were material subsidiaries of the Company during the FY 2020-21.

**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.yaari.com/investor/pdf/Policy%20for%20Dealing%20with%20Related%20Party%20Transactions.pdf>

**iii) CEO / CFO Certification**

(a) The CEO 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 CEO 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.yaari.com](http://www.yaari.com)

All Board Members and Senior Management personnel have affirmed compliance with the Code. A declaration signed by the CEO 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.



## Corporate Governance Report (Contd.)

### (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.yaari.com](http://www.yaari.com) The Audit committee set by the Board, constitutes a vital component of the whistle blower mechanism and instances of financial misconduct, if any, are reported to the Audit committee. No employee is denied access to the Audit Committee.

### vi) Strictures and penalties

During the last three financial years, there has not been any instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence, no penalty has been imposed on the Company or no strictures have been passed against it, by SEBI or Exchanges or any other statutory authorities on any such matters.

### vii) Details of compliance with mandatory requirements and adoption of the discretionary requirements of SEBI LODR.

The Company has complied with all the mandatory requirements of the SEBI LODR in letter as well as in spirit. The details of these compliances have been given in the relevant sections of this Report. The status on compliance with the discretionary requirements is given later in this Report.

## 10. DISCRETIONARY REQUIREMENTS

### (A) Unmodified Opinion in Audit Report

The Auditors' Report on the annual accounts of the Company does not contain any qualification from the Statutory Auditors, and it shall be the endeavor of the Company to continue the trend by building up accounting systems and controls which ensure complete adherence to the applicable accounting standards and practices obviating the possibility of the Auditors qualifying their report as to the audited accounts.

### (B) Shareholders Rights

The Company would be getting its quarterly/half yearly and annual financial results published in leading newspapers with wide circulation across the country and regularly update the same on its public domain website. In view of the same individual communication of quarterly / annual financial results to the shareholders will not be made. Further, information per training to important developments in the Company shall be brought to the knowledge of the public at large and to the shareholders of the Company in particular, through communications sent to the stock exchanges where the shares of the Company are listed, through press releases in leading newspapers and through regular uploads made on the Company website.

### (C) Reporting of Internal Auditor

The Internal Auditor of the Company reports to Audit Committee and the Board of Directors of the Company.

Except as set out above, the Company has not adopted the discretionary requirements as to any of the other matters recommended under Part E of Schedule II of Regulation 27(1) of SEBI LODR. The Board, at every meeting, elect any one of the directors present at the meeting, as Chairman.

## 11. UNCLAIMED SHARES LYING IN DEMAT SUSPENSE ACCOUNT

The Company was not required to transfer any shares in Demat Suspense Account. Accordingly, the disclosure required to be made in terms of Regulation 34(3) read with Schedule V of the SEBI LODR, in respect of shares in the demat suspense account or unclaimed suspense account, is not applicable to the company.

This Corporate Governance Report of the Company for the financial year ended 31st March, 2021 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 CHIEF EXECUTIVE OFFICER PURSUANT TO REGULATION 34(3) READ WITH SCHEDULE-V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

I confirm that for the year under review, directors and senior management have affirmed their adherence to the provisions of the Code of Conduct.

for Yaarii Digital Integrated Services Limited

Date: May 8, 2021  
Place: Gurugram

Kubeir Khara  
CEO  
DIN: 03498226

**CEO/CFO certification pursuant to regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors  
Yaarii Digital Integrated Services Limited

As required by Regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm to the Board that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
- (1) There were no significant changes in internal control over financial reporting during the year;
  - (2) There were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: May 8, 2021  
Place: Gurugram

Kubeir Khara  
CEO

Saurabh Garg  
Chief Financial Officer

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## CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To,  
The Members of  
Yaarii Digital Integrated Services Limited  
(Formerly Indiabulls Integrated Services Limited)  
Plot No. 448-451, Udyog Vihar,  
Phase-V, Gurugram-122016, Haryana

We have examined the compliance of conditions of Corporate Governance by Yaarii Digital Integrated Services Limited ("the Company"), for the year ended March 31, 2021, 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

We state that the compliance of conditions of Corporate Governance is the responsibility of the Company's management and, our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with 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, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended March 31, 2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Neha S & Associates  
Company Secretaries

Neha Sharma  
Proprietor  
C.P. No. - 16522  
Membership No.: A44741  
UDIN: A044741C000832000

Place: New Delhi  
Date: 25 August, 2021

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Yaari Digital Integrated Services Limited**  
(Formerly Indiabulls Integrated Services Limited)  
Plot No. 448-451, Udyog Vihar,  
Phase-V, Gurugram-122016, Haryana

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Yaari Digital Integrated Services Limited having CIN **L51101HR2007PLC077999** and having registered office at Plot No. 448-451, Udyog Vihar, Phase-V, Gurugram-122016, Haryana (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs (MCA) or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in the Company *
1.	Mr. Kubeir Khera	03498226	01/01/2021
2.	Mr. Manvinder Singh Walia	07988213	08/12/2017
3.	Mr. Ajit Kumar Mittal	02698115	08/12/2017
4.	Mr. Praveen Kumar Tripathi	02167497	28/03/2019
5.	Mr. Gurruppa Gopalakrishna	06407040	08/12/2017
6.	Justice Gyan Sudha Misra (Retd.)	07577265	08/12/2017
7.	Mr. Shamsher Singh Ahlawat	00017480	25/04/2011

\*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Neha S & Associates  
Company Secretaries

**Neha Sharma**  
Proprietor

C.P. No. - 16522  
Membership No.: A44741  
UDIN: A04471C000826016

Place: New Delhi  
Date: 24 August, 2021

# Independent Auditor's Report

To the Members of Yairii Digital Integrated Services Limited (formerly Indiabulls Integrated Services Limited)

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone financial statements of Yairii Digital Integrated Services Limited (formerly Indiabulls Integrated Services Limited) ("the Company"), which comprise the balance sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, 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.

### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our audit report.

Key audit matters	How our audit addressed the key audit matter
<p><b>Impairment assessment of investments and loans made to its subsidiaries</b></p> <p>The Company's policies on the impairment assessment of the investments and loans are set out in Note 5.9 to the Standalone Financial Statements.</p> <p>The Company has investments amounting to ₹ 880.85 Crores (net of impairment) and has outstanding loans amounting to ₹ 1781.65 Crores to its subsidiaries as at 31 March 2021 as disclosed under the Note 7 and 8 to the standalone financial statements.</p> <p>Impairment assessment of these investments and loans is considered as a significant risk as there is a risk that recoverability of the investments and loans could not be established, and potential impairment charge might be required to be recorded in the standalone financial statements. The recoverability of these investments is inherently subjective due to reliance on either the net worth of investee or valuations of the financial assets or cash flow projections of financial assets in these investee companies.</p>	<p>Our procedures in relation to the impairment assessment of investments and loans included, but not limited to the following:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the Company's accounting policy by comparing with applicable Ind AS;</li> <li>• We obtained an understanding of the management process for identification of possible impairment indicators and process performed by the management for impairment testing;</li> <li>• Enquired of the management and understood the internal controls related to completeness of the list of loans and investment along with the process followed to recover/adjust these and assessed whether further provisioning is required;</li> <li>• Performed test of details:               <ol style="list-style-type: none"> <li>a. For all significant additions made during the year, underlying supporting documents were verified to ensure that the transaction has been accurately recorded in the standalone financial statement;</li> <li>b. For all significant investments and loans outstanding as at 31 March 2021, confirmations were circulated and received. Further, all the significant reconciling items were tested;</li> </ol> </li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p>However, due to their materiality in the context of the Company's standalone financial statements as a whole and significant degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the cash flows used in the impairment evaluation, this is considered to be the area to be of most significance to the audit and accordingly, has been considered as a key audit matter for the current year audit.</p>	<p>c. All material investments and significant loans as at 31 March 2021 were discussed on case to case basis with the management for their plan of recovery/adjustment;</p> <p>d. Compared the carrying value of material investments and significant loans to the net assets of the underlying entity, to identify whether the net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount; and</p> <p>e. Wherever the net assets were lower than the recoverable amount, for material amounts:</p> <p>i. We obtained and verified the management certified cash flow projections of financial assets and tested the underlying assumptions used by the management in arriving at those projections;</p> <p>ii. We challenged the managements on the underlying assumptions used for the cash flow projections, considering evidence available to support these assumptions and our understanding of the business;</p> <p>iii. We obtained and verified the valuation of financial assets; and</p> <p>We assessed the appropriateness and adequacy of the disclosures made by the management for the impairment losses recognized in accordance with applicable accounting standards.</p>

## Information Other than the standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Financial Statements of the current year and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The standalone financial statements dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 2021– Refer Note 41 to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021.
  - 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 2021, other than disclosed in the Financial Statement .
- (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: 21097848AAAAD05680

Place: Gurugram  
Date: 08 May 2021



# 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 2021, based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and intangible assets.
- (b) The property, plant and equipment and intangible assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment and intangible assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in the nature of property, plant and equipment'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted interest free unsecured loans to companies covered in the register maintained under Section 189 of the Act, and with respect to the same:
  - (a) in our opinion, the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.
  - (b) the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is regular.
  - (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained to us, the Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products / services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax and goods and services tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1.56	Assessment Year 2012-13	High Court
Income Tax Act, 1961	Income Tax	0.03	Assessment Year 2013-14	Appeal before ITAT
Income Tax Act, 1961	Income Tax	0.49	Assessment Year 2014-15	CIT (A)

- (viii) In our opinion, the Company has not defaulted in repayment of loans or borrowings to any financial institution or debenture-holders during the year. Further, the Company has no loans or borrowings payable to a bank or government during the year.
- (ix) As explained to us, no money raised by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not obtained any term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion, the provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company as the Company does not pay/provide for any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.

- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not any made preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Agarwal Prakash & Co.  
Chartered Accountants  
Firm's Registration No.: 005975N

Vikas Aggarwal  
Partner  
Membership No. 097848  
UDIN: 21097848AAAADO5680

Place: Gurugram  
Date: 08 May 2021

# Annexure B

## to the Independent Auditor's Report

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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 2021 of even date.

### **Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls with reference to standalone financial statements of Indiabulls Integrated Services Limited ('the Company') as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2021, 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: 21097848AAAADO5680

Place: Gurugram  
Date: 08 May 2021

# Balance Sheet

as at 31 March 2021

*All amount in ₹ crores, unless otherwise stated*

	Note	31 March 2021	31 March 2020
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	6 A	1.01	1.03
(b) Capital work-in-progress		0.62	-
(c) Right to use asset	6 C	-	2.80
(d) Other intangible assets	6 B	0.54	0.95
(e) Financial assets			
Investments	7 A	676.66	681.67
Loans	8 A	0.05	0.12
(f) Deferred tax assets, net	9	-	-
(g) Non-current tax assets, net	10	0.20	0.56
(h) Other non-current assets		-	-
		<b>679.08</b>	<b>687.13</b>
<b>Current assets</b>			
(a) Inventories	11	0.30	0.38
(b) Financial Assets			
Investments	7 B	220.40	223.22
Trade receivables	12	0.67	0.72
Cash and cash equivalents	13	2.20	0.72
Loans	8 B	1,781.90	945.35
(c) Other current assets	14	2.78	2.60
		<b>2,008.25</b>	<b>1,172.99</b>
<b>Total of Assets</b>		<b>2,687.33</b>	<b>1,860.12</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	17.51	17.87
(b) Other equity	16	1,491.62	1,600.43
		<b>1,509.13</b>	<b>1,618.30</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
Lease Liability	17 A	-	2.31
(b) Provisions	18 A	0.59	0.30
		<b>0.59</b>	<b>2.61</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
Borrowings	19	728.65	220.97
Lease Liability	17 B	-	0.50
Trade payables	20	-	-
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Other financial liabilities	21	445.43	15.63
(b) Other current liabilities	22	3.52	1.95
(c) Provisions	18 B	0.01	0.01
(d) Current tax liabilities, net	23	-	0.15
		<b>1,177.61</b>	<b>239.21</b>
<b>Total of Equity and Liabilities</b>		<b>2,687.33</b>	<b>1,860.12</b>
<b>Summary of significant accounting policies</b>	5		

The accompanying notes form an integral part of the financial statements

This is the balance sheet referred to in our report of even date.

For Agarwal Prakash & Co.  
Chartered Accountants  
Firm's Registration Number.: 005975N

Vikas Aggarwal  
Partner  
Membership Number: 097848

Place : Gurugram  
Date : 08 May 2021

For and on behalf of the Board of Directors

Kubeir Khara  
Executive Director & CEO  
[DIN:03498226]

Priya Jain  
Company Secretary

Ajit Kumar Mittal  
Director  
[DIN:02698115]

Saurabh Garg  
Chief Financial Officer

# Statement of profit and loss

for the year ended 31 March 2021



*All amount in ₹ crores, unless otherwise stated*

	Note	Year ended	
		31 March 2021	31 March 2020
<b>Revenue</b>			
Revenue from operations	24	0.10	0.06
Other income	25	4.74	8.54
<b>Total Revenue</b>		<b>4.84</b>	<b>8.60</b>
<b>Expenses</b>			
Cost of revenue	26		
Cost of materials consumed		-	-
Changes in inventories of finished goods		0.08	-
Employee benefits expense	27	4.16	6.03
Finance costs	28	85.42	18.39
Depreciation and amortisation expense	6	1.00	1.06
Other expenses	29	2.27	2.16
<b>Total Expenses</b>		<b>92.93</b>	<b>27.64</b>
<b>Loss before tax</b>		<b>(88.09)</b>	<b>(19.04)</b>
Tax expense	30		
Current tax (including earlier years)		-	1.60
Less: minimum alternate to credit entitlement		-	0.38
Deferred tax (credit)/ charge		-	1.43
<b>Loss after tax</b>		<b>(88.09)</b>	<b>(22.45)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement (loss)/gain on defined benefits plans		(0.19)	0.01
<b>Total other comprehensive income net of tax</b>		<b>(0.19)</b>	<b>0.01</b>
<b>Total Comprehensive Income for the year</b>		<b>(88.28)</b>	<b>(22.44)</b>
<b>Earnings per equity share</b>	31		
Basic (₹)		(9.86)	(2.51)
Diluted (₹)		(9.86)	(2.51)
<b>Summary of significant accounting policies</b>	5		
The accompanying notes form an integral part of the financial statements			

This is the Statement of profit and loss referred to in our report of even date.

For Agarwal Prakash & Co.  
Chartered Accountants  
Firm's Registration Number.: 005975N

Vikas Aggarwal  
Partner  
Membership Number: 097848

Place : Gurugram  
Date : 08 May 2021

For and on behalf of the Board of Directors

Kubeir Khera  
Executive Director & CEO  
[DIN:03498226]

Priya Jain  
Company Secretary

Ajit Kumar Mittal  
Director  
[DIN:02698115]

Saurabh Garg  
Chief Financial Officer

# Statement of Cash Flows

## for the year ended 31 March 2021

All amount in ₹ crores, unless otherwise stated

	Year ended	
	31 March 2021	31 March 2020
<b>A. Cash flow from operating activities:</b>		
Loss before tax	(88.09)	(19.04)
<b>Adjustments for :</b>		
Depreciation and amortisation expense	1.00	1.06
Interest income	(4.35)	(6.77)
Dividend income	(0.00)	(0.18)
Interest expense	85.39	17.01
Profit on sale of Investments	(0.22)	(0.45)
Provision for employee benefits	0.11	0.11
Loss on sale /written off of property, plant and equipment	-	0.01
Balances written back	(0.05)	(0.58)
Fair valuation of financial assets	0.47	(0.56)
Derecognition of lease liability	(0.08)	-
Share based payment expense	2.12	3.62
<b>Operating loss before working capital changes and other adjustments</b>	<b>(3.70)</b>	<b>(5.77)</b>
<b>Working capital changes and other adjustments:</b>		
Trade receivables	0.05	(0.01)
Loans and advances	0.09	(0.18)
Other financial assets	-	0.14
Other assets	(0.18)	(0.16)
Inventories	0.08	-
Trade payables	-	(2.56)
Other financial liabilities	444.55	0.04
Other current liabilities	1.61	1.03
<b>Cash generated from / (used in) operating activities</b>	<b>442.50</b>	<b>(7.47)</b>
Income tax (paid) / refund received, net	0.20	(7.17)
<b>Net cash generated from / (used in) operating activities</b>	<b>442.70</b>	<b>(14.64)</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment and other intangible assets	(1.04)	(0.55)
Investment in equity shares of subsidiaries	-	(149.00)
Sale/ (Investment) in securities, net	2.57	431.37
Inter-corporate loans given/ received back, net	(836.56)	(492.50)
Interest received	4.36	6.77
Dividend income received	0.00	0.18
<b>Net cash used in investing activities</b>	<b>(830.67)</b>	<b>(203.73)</b>

# Statement of Cash Flows

for the year ended 31 March 2021 (Contd...)



All amount in ₹ crores, unless otherwise stated

	Year ended	
	31 March 2021	31 March 2020
<b>C. Cash flow from financing activities:</b>		
(Refer note-44)		
Payment of lease liabilities	(0.04)	(0.35)
Acquisition of Treasury shares	(17.99)	-
Inter-corporate borrowings taken	3,980.14	263.44
Inter-corporate borrowings repaid	(3,472.46)	(42.47)
Interest paid on borrowings	(100.15)	(1.86)
Dividends paid including corporate dividend tax	(0.05)	-
<b>Net cash generated from financing activities</b>	<b>389.45</b>	<b>218.76</b>
<b>D. Increase/ (decrease) in cash and cash equivalents, net (A+B+C)</b>	<b>1.48</b>	<b>0.39</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>0.72</b>	<b>0.33</b>
<b>F. Cash and cash equivalents at the end of the year (D+E)</b>	<b>2.20</b>	<b>0.72</b>
<b>G. Reconciliation of cash and cash equivalents as per cash flow statement</b>		
Cash and cash equivalents includes		
Cash on hand	-	0.00
Balances with banks		
In current accounts	2.20	0.67
In unclaimed dividend account	-	0.05
	<b>2.20</b>	<b>0.72</b>

- a) The accompanying notes form an integral part of the financial statements.
- b) Ind AS-7 allows entities to report cash flow from operating activities using either the direct or indirect method, however listing regulations issued by SEBI (Securities Exchange Board of India) requires the listed companies to present cash flow only under indirect method. The Company has presented the above cash flow statement by using the indirect method.

This is the statement of cash flows referred to in our report of even date.

**For Agarwal Prakash & Co.**  
Chartered Accountants  
Firm's Registration Number.: 005975N

**Vikas Aggarwal**  
Partner  
Membership Number: 097848

Place : Gurugram  
Date : 08 May 2021

**For and on behalf of the Board of Directors**

**Kubeir Khara**  
Executive Director & CEO  
[DIN:03498226]

**Priya Jain**  
Company Secretary

**Ajit Kumar Mittal**  
Director  
[DIN:02698115]  
**Saurabh Garg**  
Chief Financial Officer



# Statement of Changes in Equity

## as at 31 March 2021

### (A) Equity share capital\*

31 March 2021

All amount in ₹ crores, unless otherwise stated

Particulars	Opening balance as at 01 April 2019	Changes during the year	Balance as at 31 March 2020	Changes during the year	Balance as at 31 March 2021
Equity share capital	17.87	-	17.87	(0.36)	17.51

### (B) Other equity\*\*

All amount in ₹ crores, unless otherwise stated

Particulars	Reserves and surplus					Other Comprehensive Income	Share warrant Money	Total
	General reserve	Capital reserve	Deferred employee compensation reserve	Securities Premium	Retained earnings			
Balance as at 01 April 2019	501.50	9.42	6.71	980.28	77.13	-	44.22	1,619.26
Profit/(loss) for the year	-	-	-	-	(22.45)	-	-	(22.45)
Other comprehensive income:								
Re-measurement of defined benefit plans ( net of tax)	-	-	-	-	0.01	-	-	0.01
Share based payment expense	-	-	3.62	-	-	-	-	3.62
Forfeiture of Share Warrant Money	-	44.22	-	-	-	-	(44.22)	-
Balance as at 31 March 2020	501.50	53.64	10.33	980.28	54.69	-	-	1,600.43
Profit/(loss) for the year	-	-	-	-	(88.09)	-	-	(88.09)
Other comprehensive income:								
Re-measurement of defined benefit plans ( net of tax)	-	-	-	-	(0.19)	-	-	(0.19)
IND AS effect on investment in Inter-Corporate deposits	-	-	-	-	(5.02)	-	-	(5.02)
Share based payment expense	-	-	2.12	-	-	-	-	2.12
Acquisition of own shares	-	-	-	(17.64)	-	-	-	(17.64)
Balance as at 31 March 2021	501.50	53.64	12.45	962.64	(38.61)	-	-	1,491.62

\*Refer Note-15

\*\*Refer Note-16

The accompanying notes are integral part of the financial statements

This is the statement of changes in equity referred to in our report of even date.

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number.: 005975N

Vikas Aggarwal

Partner

Membership Number: 097848

Place : Gurugram

Date : 08 May 2021

For and on behalf of the Board of Directors

Kubeir Khera

Executive Director & CEO

[DIN:03498226]

Priya Jain

Company Secretary

Ajit Kumar Mittal

Director

[DIN:02698115]

Saurabh Garg

Chief Financial Officer

## 1. Nature of principal activities

Yaarii Digital Integrated Services Limited (formerly Indiabulls Integrated Services Limited) "the Company", was incorporated on 24 July 2007. The Company's registered office stands changed from M-62 and 63, First Floor, Connaught Place, New Delhi – 110001, India to Plot No. 448-451 Udyog Vihar, Phase-V Gurugram - 122016, Haryana, India with effect from 15 January 2019.

Pursuant to the Company's shareholders' approval, at their AGM held on November 13, 2020, in order to create unique digital identity, through its digital platform "Yaarii", of which the Company has proprietary rights, and to charter right direction for its continuous focus around promoting digital financial and other solutions and given that Yaarii app, as a digital distribution platform, finds resonance as on date with lacs of customers across a range of financial products and to leverage on its brand identity to grow to next frontier, the name of the Company stood changed from 'Indiabulls Integrated Services Limited' to 'Yaarii Digital Integrated Services Limited' with effect from November 25, 2020, upon receipt of fresh Certificate of Incorporation dated November 25, 2020, issued by the Registrar of Companies NCT of Delhi and Haryana.

## 2. General information and statement of compliance with Ind AS

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')), as amended and other related provisions of the Act.

The Company has uniformly applied the accounting policies during the periods presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on 08 May 2021. The revision to financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of Companies Act, 2013.

## 3. Basis of preparation

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Certain financial assets and financial liabilities are measured at fair value and are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable. Further, share based payments are also measured at fair value of the stock options.

## 4. Estimation of uncertainties relating to the global health pandemic from covid-19 (covid-19):

The Company has considered the possible effect that may result from the pandemic relating to COVID-19, The Company has made a detailed assessment of its liquidity position and of the recoverability and carrying values of its assets as at balance sheet date, however, the actual impact of Covid-19 pandemic on the Company's results remains uncertain and dependant on spread of Covid-19 and steps taken by the Government to mitigate the economic impact and may differ from that estimated as at the date of approval of these financial statements.

## 5. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements.

### 5.1 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Companies Act 2013. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

### 5.2 Revenue recognition

Revenue is recognised when control is transferred and is accounted net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of the revenue transaction as set out below.

#### *Interest income*

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognized on accrual basis except in cases where ultimate collection is considered doubtful.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

### *Dividend income*

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

### *Income from sale of Investment*

Profit on sale of investment is recognised on the date of its sale and is computed as excess of sale proceeds over its carrying amount as at the date of sale.

### **5.3 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

### **5.4 Property, plant and equipment (PPE)**

#### *Recognition and initial measurement*

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

#### *Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013.

Asset class	Useful life
Building	1-3 years
Plant and equipment	12 years
Office equipment	5 years
Computers	3 – 6 years
Furniture and fixtures	10 years
Vehicles	8 years

The residual values, useful lives and method of depreciation of are reviewed at the end of each financial year.

#### *De-recognition*

An item of property, plant and equipment initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in statement of profit and loss when the asset is derecognised.

### **5.5 Intangible assets**

#### *Recognition and initial measurement*

Intangible assets (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

#### *Subsequent measurement (amortisation)*

The cost of capitalized software is amortized over a period four years from the date of its acquisition.

## 5.6 Foreign currency

### *Functional and presentation currency*

The financial statements are presented in Indian Rupee ('INR' or '₹') which is also the functional and presentation currency of the Company.

### *Transactions and balances*

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

## 5.7 Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

## 5.8 Financial instruments

### **Financial assets**

#### *Recognition and initial measurement*

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

#### *Subsequent measurement*

i. **Debt instruments at amortised cost** – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Equity Instruments** – All equity investments in scope of 'Ind AS 109 Financial Instruments' ('Ind AS 109') are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

iii. **Mutual funds** – All mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

#### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

### **Financial liabilities**

#### *Recognition and initial measurement – amortised cost*

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

### *Subsequent measurement – Amortised cost*

Subsequent to initial measurement, all financial liabilities are measured at amortised cost using the effective interest method.

### *Recognition and initial and subsequent measurement – fair value*

A financial liability is classified as fair value through profit and loss ('FVTPL') if it is designated as such upon initial recognition. Financial liabilities at FVTPL are measured (initial and subsequent) at fair value and net gains/losses, including any interest expense are recognised in statement of profit and loss.

### *De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### **Compound financial instrument**

Optionally convertible debentures are separated into liability and equity components based on the terms of the contract. On issuance of the said instrument, the liability component is arrived by discounting the gross sum at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognised as equity component of compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured. Such instruments are classified as current financial liability if the conversion option vests with the holder.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **5.9 Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company factors historical trends and forward looking information to assess expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

### *Trade receivables*

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

### *Other financial assets*

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition, if the financial asset is determined to have low credit risk at the balance sheet date.

## **5.10 Inventories**

Land other than that transferred to real estate projects under development is valued at lower of cost or net realizable value.

Real estate properties (developed and under development) includes cost of land under development, internal and external development costs, construction costs, and development/construction materials, borrowing costs and related overhead costs and is valued at lower of cost or net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs of necessary to make the sale.

## **5.11 Income taxes**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside statement of profit and loss is recognised in the statement in which the relevant item is recognised.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax losses are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

#### 5.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

#### 5.13 Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

#### 5.14 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### 5.15 Employee benefits

##### *Defined contribution plan*

The Company's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss or inventorized as a part of real estate project under development, as the case may be. The Company's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan.

##### *Defined benefit plan*

The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognized in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gain/losses resulting from re-measurements of the liability are included in other comprehensive income.

##### *Other long term employee benefits*

The Company also provides benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

### *Short-term employee benefits*

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

### **5.16 Share based payments**

Share based compensation benefits are provided to employees via Employee Stock Option Plans (ESOPs). The employee benefit expense is measured using the fair value of the employee stock options and is recognized over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. On the exercise of the employee stock options, the employees will be allotted equity shares of the Company.

### **5.17 Right of use assets and lease liabilities**

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

#### *Classification of leases*

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

#### *Recognition and initial measurement*

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

#### *Subsequent measurement*

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

### **5.18 Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

#### *Significant management judgements*

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Recoverability of advances/receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments

(where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

**Provisions** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However the actual future outcome may be different from this judgement.

*Significant estimates*

**Revenue and inventories** – Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. This requires forecasts to be made of total budgeted cost with the outcomes of underlying construction and service contracts, which further require assessments and judgements to be made on changes in work scopes, claims (compensation, rebates etc.) and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the Company used the available contractual and historical information. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

**Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

All amount in ₹ crores, unless otherwise stated

Note - 6A

Property, plant and equipment

Particulars	Plant & Machinery	Office Equipment	Computers	Furniture and Fixtures	Vehicles	Total	Capital Work-in-progress
<b>Gross carrying amount</b>							
Balance as at 1 April 2019	0.03	0.01	0.57	0.01	0.50	1.12	-
Additions	-	-	0.55	-	-	0.55	-
Disposals/assets written off	(0.03)	-	-	(0.01)	-	(0.04)	-
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>0.01</b>	<b>1.12</b>	<b>-</b>	<b>0.50</b>	<b>1.63</b>	<b>-</b>
Additions	-	0.08	0.33	-	-	0.41	0.62
Disposals/assets written off	-	-	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>0.09</b>	<b>1.45</b>	<b>-</b>	<b>0.50</b>	<b>2.04</b>	<b>0.62</b>
<b>Accumulated depreciation</b>							
Balance as at 1 April 2019	0.02	0.01	0.08	0.01	0.18	0.30	-
Charge for the year	0.00	0.00	0.27	0.00	0.06	0.33	-
Adjustments for disposals	(0.02)	-	-	(0.01)	-	(0.03)	-
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>0.01</b>	<b>0.35</b>	<b>-</b>	<b>0.24</b>	<b>0.60</b>	<b>-</b>
Charge for the year	-	0.00	0.38	-	0.05	0.43	-
Adjustments for disposals	-	-	-	-	0.00	0.00	-
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>0.01</b>	<b>0.73</b>	<b>-</b>	<b>0.29</b>	<b>1.03</b>	<b>-</b>
<b>Net carrying value as at 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>0.77</b>	<b>-</b>	<b>0.26</b>	<b>1.03</b>	<b>-</b>
<b>Net carrying value as at 31 March 2021</b>	<b>-</b>	<b>0.08</b>	<b>0.72</b>	<b>-</b>	<b>0.21</b>	<b>1.01</b>	<b>0.62</b>

- (i) There is no restriction on title of the property, plant and equipment. None of the property, plant and equipment has been pledged as security.
- (ii) There are no contractual commitments for the acquisition of property, plant and equipment.

All amount in ₹ crores, unless otherwise stated

**6B Other intangible assets**

	Software	Total
<b>Gross carrying amount</b>		
Balance as at 01 April 2019	1.65	1.65
Additions	-	-
Disposals/assets written off	-	-
<b>Balance as at 31 March 2020</b>	<b>1.65</b>	<b>1.65</b>
Additions	-	-
Disposals/assets written off	-	-
<b>Balance as at 31 March 2021</b>	<b>1.65</b>	<b>1.65</b>
<b>Accumulated depreciation</b>		
Balance as at 01 April 2019	0.29	0.29
Charge for the year	0.41	0.41
Adjustments for disposals	-	-
<b>Balance as at 31 March 2020</b>	<b>0.70</b>	<b>0.70</b>
Charge for the year	0.41	0.41
Adjustments for disposals	-	-
<b>Balance as at 31 March 2021</b>	<b>1.11</b>	<b>1.11</b>
<b>Net carrying value as at 31 March 2020</b>	<b>0.95</b>	<b>0.95</b>
<b>Net carrying value as at 31 March 2021</b>	<b>0.54</b>	<b>0.54</b>

(i) Contractual obligations

There are no contractual commitments for the acquisition of property, plant and equipment.

**6C Right to use Asset**

	Office Premises	Total
<b>Gross carrying amount</b>		
Balance as at 01 April 2019	-	-
Additions	3.12	3.12
Adjustments for lease termination	-	-
<b>Balance as at 31 March 2020</b>	<b>3.12</b>	<b>3.12</b>
Additions	-	-
Adjustments for lease termination	(2.64)	(2.64)
<b>Balance as at 31 March 2021</b>	<b>0.48</b>	<b>0.48</b>
<b>Accumulated depreciation</b>		
Balance as at 01 April 2019	-	-
Charge for the year	0.32	0.32
Adjustments for disposals	-	-
<b>Balance as at 31 March 2020</b>	<b>0.32</b>	<b>0.32</b>
Charge for the year	0.16	0.16
Adjustments for disposals	-	-
<b>Balance as at 31 March 2021</b>	<b>0.48</b>	<b>0.48</b>
<b>Net carrying value as at 31 March 2020</b>	<b>2.80</b>	<b>2.80</b>
<b>Net carrying value as at 31 March 2021</b>	<b>-</b>	<b>-</b>

(i) Contractual obligations

There are no contractual commitments for the acquisition of right to use asset.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

All amount in ₹ crores, unless otherwise stated

Note - 7

	31 March 2021		31 March 2020	
	Number	(₹ In crores)	Number	(₹ in crores)
<b>A Investments - non-current*</b>				
<b>(i) Investment in equity shares</b>				
<b>(a) Subsidiaries (Fully paid up)-Unquoted**</b>				
Lucina Infrastructure Limited	8,550,000	10.83	8,550,000	10.83
Sentia Properties Limited	50,000	37.03	50,000	37.03
Albasta Wholesale Services Limited	100,050,000	100.07	100,050,000	100.07
Mahabala Infracon Private Limited	3,050,000	3.05	3,050,000	3.05
Ashva Stud and Agricultural Farms Limited	50,000	0.05	50,000	0.05
Airmid Aviation Services Limited***	-	-	-	5.02
Indiabulls General Insurance Limited	100,099,998	150.00	100,099,998	150.00
Indiabulls Life Insurance Company Limited	150,000,000	310.00	150,000,000	310.00
Indiabulls Enterprises Limited	100,000	0.10	100,000	0.10
		<b>611.13</b>		<b>616.15</b>
During the year ended 31 March 2020, the Company has set up an employees welfare trust titled "Surya Employee Welfare Trust (formerly known as Indiabulls Integrated Services Employee Welfare Trust)" (the "Trust") to efficiently manage the current as well as any future share based employees benefits schemes.				
*** During the year ended 31 March 2021, investment in one of the step-down subsidiary, viz. Airmid Aviation Services Limited has been impaired as per the testing procedure applied according to Ind AS 36 "Impairment of Assets".				
<b>(b) Subsidiaries (Fully paid up) - Quoted**</b>				
SORIL Infra Resources Limited	20,383,310	65.52	20,383,310	65.52
		<b>65.52</b>		<b>65.52</b>
<b>Total (a + b)</b>		<b>676.66</b>		<b>681.67</b>
<b>Aggregate book value of unquoted investments</b>		<b>611.13</b>		<b>616.15</b>
<b>Aggregate book value of quoted investments</b>		<b>65.52</b>		<b>65.52</b>
<b>Aggregate market value of quoted investments</b>		<b>281.29</b>		<b>87.24</b>

\* Investments in equity instruments of subsidiaries are stated at cost as per IND AS 27, separate financial statements.

\*\* Face value of ₹10/- each unless otherwise stated

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

**yaari**

All amount in ₹ crores, unless otherwise stated

	31 March 2021		31 March 2020	
	Number	(₹ in crores)	Number	(₹ in crores)
<b>B Investments - current</b>				
<b>(i) Investment in preference shares</b>				
<b>Subsidiaries (fully paid up) - Unquoted**</b>				
Albasta Wholesale Services Limited	30,000,000	30.00	30,000,000	30.00
SORIL Infra Resources Limited	19,795,000	174.20	19,795,000	174.20
		<b>204.20</b>		<b>204.20</b>
<b>(ii) Investment in mutual funds (quoted)</b>				
Indiabulls Liquid Fund - Direct Plan - Growth [Nil (31-March-2020: 22,670,246) units, NAV: NA (31-March-2020: ₹1,036.618)]		-		2.35
				<b>2.35</b>
<b>(iii) Investment in Non-Convertible Debentures - Quoted</b>				
Dhani Loans and Services Limited (Formerly Indiabulls Consumer Finance Limited) [1,60,000 units (31 March 2020: 1,60,000 units), NAV: ₹1,005.511(31 March 2020: ₹1,035.001 )]		16.09		16.56
Add: Interest Accrued on debentures		0.11		0.11
		<b>16.20</b>		<b>16.67</b>
<b>Total of current investments</b>		<b>220.40</b>		<b>223.22</b>
<b>Aggregate book value of unquoted investments</b>		<b>204.20</b>		<b>204.20</b>
<b>Aggregate market value of quoted investments</b>		<b>16.09</b>		<b>18.91</b>
<b>Aggregate book value of quoted investments</b>		<b>16.00</b>		<b>18.35</b>

\*\* Face value of ₹10/- each unless otherwise stated

**Note - 8**

	31 March 2021	31 March 2020
<b>A Loans - Non-Current</b>		
Security deposits*		
Considered good - Unsecured	0.05	0.12
	<b>0.05</b>	<b>0.12</b>
*The Company does not have any loans which are either credit impaired or where there is significant increase in credit risk.		
<b>B Loans - Current</b>		
Security deposits		
Considered good - Unsecured	0.25	0.27
Inter-corporate loans to related parties (refer note-34)		
Considered doubtful - Unsecured	1,781.65	945.08
	<b>1,781.90</b>	<b>945.35</b>

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

All amount in ₹ crores, unless otherwise stated

Note - 9

Deferred tax assets, net	31 March 2021	31 March 2020
Deferred tax asset arising on account of :		
Share based payment	-	-
Minimum alternative tax credit entitlement	-	-

Caption wise movement in deferred tax assets as follows:

Particulars	01 April 2019	Recognised in other comprehensive income	Recognised in profit and loss	31 March 2020
Deferred tax asset arising on account of :				
Share based payment	1.43	-	(1.43)	-
<b>Sub-Total</b>	<b>1.43</b>	<b>-</b>	<b>(1.43)</b>	<b>-</b>
Minimum alternative tax credit entitlement	0.38	-	(0.38)	-
<b>Total</b>	<b>1.81</b>	<b>-</b>	<b>(1.81)</b>	<b>-</b>

Particulars	31 March 2020	Recognised in other comprehensive income	Recognised in profit and loss	31 March 2021
Deferred tax asset arising on account of :				
Share based payment	-	-	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred tax assets, net	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Company has restricted the recognition of deferred tax asset on unabsorbed losses ₹102.29 crores (31 March 2020: ₹14.20 crores), depreciation and amortisation & provision of employee benefits to the extent there is convincing evidence which demonstrate probability of realisation of deferred tax asset in near future.

Note - 10

	31 March 2021	31 March 2020
<b>Non-current tax assets (net)</b>		
Advance income tax, including tax deducted at source	0.20	0.56
	<b>0.20</b>	<b>0.56</b>

Note - 11

	31 March 2021	31 March 2020
<b>Inventories</b>		
<b>Real estate properties - developed (at cost)</b>		
Cost of developed properties	0.30	0.38
	<b>0.30</b>	<b>0.38</b>

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)



All amount in ₹ crores, unless otherwise stated

**Note - 12**

	31 March 2021	31 March 2020
<b>Trade receivables*</b>		
Considered good - Unsecured	0.67	0.72
	<b>0.67</b>	<b>0.72</b>

\*The Company does not have any trade receivables which are either credit impaired or where there is significant increase in credit risk.

**Note - 13**

	31 March 2021	31 March 2020
<b>Cash and cash equivalents</b>		
Cash on hand	-	0.00
Balances with banks		
In current accounts	2.20	0.67
In unclaimed dividend account*	-	0.05
	<b>2.20</b>	<b>0.72</b>

\*Unclaimed dividend account pertains to dividend not claimed by the equity shareholders and the Company does not have any right on the said money.

Further, during the financial year ended 31 March 2021, The Company transferred the amount standing in credit of Unpaid Dividend Account to the Investor Education and Protection Fund as per Statutory Regulations.

**Note - 14**

	31 March 2021	31 March 2020
<b>Other current assets</b>		
<b>Unsecured, considered good</b>		
Advance to staff	0.01	0.02
Advance to suppliers/service providers	0.05	0.06
Prepaid expenses	-	0.01
Balances with statutory and government authorities	2.72	2.51
	<b>2.78</b>	<b>2.60</b>

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

All amount in ₹ crores, unless otherwise stated

Note - 15

	31 March 2021		31 March 2020	
	Number	(₹ in crores)	Number	(₹ in crores)
<b>A Equity share capital</b>				
<b>i Authorised</b>				
Equity shares of face value of ₹2 each	400,000,000	80.00	400,000,000	80.00
	<b>400,000,000</b>	<b>80.00</b>	<b>400,000,000</b>	<b>80.00</b>
<b>ii Issued, subscribed and fully paid up</b>				
Equity share capital of face value of ₹2 each fully paid up	89,325,569	17.87	89,325,569	17.87
Less: Purchase of Treasury shares for grant/ exercise of SAR in Trust	1,754,327	0.36	-	-
	<b>87,571,242</b>	<b>17.51</b>	<b>89,325,569</b>	<b>17.87</b>
<b>iii Reconciliation of number and amount of equity shares outstanding at the beginning and at the end of the year</b>				
<b>Equity shares</b>				
Balance at the beginning of the year	89,325,569	17.87	89,325,569	17.87
Add: Issued during the year	-	-	-	-
Less: Redeemed during the year	-	-	-	-
Less: Purchase of Treasury shares for grant/ exercise of SAR in Trust	1,754,327	0.36	-	-
<b>Balance at the end of the year</b>	<b>87,571,242</b>	<b>17.51</b>	<b>89,325,569</b>	<b>17.87</b>
<b>iv</b>	During the quarter ended 31 March 2021, the Company, through its established trust "Surya Employee Welfare Trust" (formerly known as Indiabulls Integrated Employee Welfare Trust) ("Surya-EWT"); had in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 purchased its 17,54,327 Equity shares from the open market, for the implementation and administration of its employees benefit schemes. The face value of these shares have been deducted from the paid-up share capital of the Company, and the excess of amount paid over face value for their acquisition have been adjusted in the other equity. Out of the acquired shares, 17,54,327 shares have been appropriated towards grant of Share Appreciations Rights (SARs) on 12 February 2021 to the employees of the Company and its subsidiaries, as permitted.			
<b>v</b>	The Company does not have any shares issued for consideration other than cash during the immediately preceding five years Company did not buy back any shares during immediately preceding five years.			
<b>vi Rights, preferences and restrictions attached to equity shares</b>	The holders of equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In the event of liquidation of the Company, all preferential amounts, if any, shall be discharged by the Company, the remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date. All shares rank equally with regard to the Company's residual assets, except that holders of preference shares participate only to the extent of the face value of the shares.			

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

# yaari

All amount in ₹ crores, unless otherwise stated

vii Details of shareholder holding more than 5% share capital

Name of the equity shareholder as on 31 March 2021		Number of shares
Jyeshta Infrastructure Private Limited		83,30,412
Kritikka Infrastructure Private Limited		85,53,576
Steadview Capital Mauritius Limited		82,53,187
Calleis Real Estate Private Limited		54,00,000
Calleis Constructions Private Limited		54,00,000
Calleis Properties Private Limited		54,00,000
Powerscreen Media Private Limited		54,00,000

Name of the equity shareholder as on 31 March 2020		Number of shares
Jyeshta Infrastructure Private Limited		83,30,412
Kritikka Infrastructure Private Limited		85,53,576
Steadview Capital Mauritius Limited		82,53,187
Calleis Real Estate Private Limited		54,00,000
Calleis Constructions Private Limited		54,00,000
Calleis Properties Private Limited		54,00,000
Powerscreen Media Private Limited		54,00,000

	31 March 2021		31 March 2020	
	Number	(₹ in crores)	Number	(₹ in crores)
<b>B Preference share capital</b>				
<b>i Authorised</b>				
Preference shares of face value of ₹10 each	30,000,000	30.00	30,000,000	30.00
	<b>30,000,000</b>	<b>30.00</b>	<b>30,000,000</b>	<b>30.00</b>

**Note - 16**

Other Equity	31 March 2021	31 March 2020
<b>Reserves and Surplus</b>		
General reserve	501.50	501.50
Capital reserve	53.64	53.64
Deferred employee compensation reserve	12.45	10.33
Securities Premium	962.64	980.28
Retained earnings	(38.61)	54.69
	<b>1,491.62</b>	<b>1,600.43</b>

(i) Nature and purpose of other reserves

**General reserve**

The Company is required to create a general reserve out of the profits when the Company declares dividend to shareholders.

**Capital reserve**

The Company has issued share warrants in the earlier years. This reserve is created on account of forfeiture of share application money received on account of issuance of share warrants as share warrants holders did not exercise their rights.



## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

All amount in ₹ crores, unless otherwise stated

### Deferred employee compensation reserve

The reserve is used to recognized the expenses related to stock option issued to employees under Holding Company's employee stock option plans.

### Securities premium

Security premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

### Treasury Shares

The Company had created "Surya Employee Welfare Trust" (formerly known as Indiabulls Integrated Employee Welfare Trust) ("Surya-EWT") for the implementation of schemes namely employees stock options plans, employees stock purchase plan and stock appreciation rights plan. The Company treats Surya-EWT as its extension and the Company's own shares held by Surya-EWT are treated as treasury shares. The premium over face value of the acquired treasury shares are presented as a deduction from the securities premium reserve. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

### Note - 17

#### Lease Liabilities (Refer note- 35)

	31 March 2021	31 March 2020
<b>A Non-Current</b>		
Office Premises	-	2.31
	-	<b>2.31</b>
<b>B Current</b>		
Office Premises	-	0.50
	-	<b>0.50</b>

During the financial year 2020-21, the said leases for office premises were terminated between the Company and the lessor.

### Note - 18

	31 March 2021	31 March 2020
<b>A Provisions Non-current</b>		
Provision for employee benefits:		
Gratuity	0.45	0.21
Compensated absences	0.14	0.09
	<b>0.59</b>	<b>0.30</b>
<b>B Provisions - current</b>		
Provision for employee benefits:		
Gratuity	0.01	0.01
Compensated absences	0.00	0.00
	<b>0.01</b>	<b>0.01</b>

### Note - 19

	31 March 2021	31 March 2020
<b>Borrowings - current</b>		
<b>Unsecured borrowings:</b>		
Loans and advances from related parties	489.15	220.97
Loans and advances from others	239.50	-
	<b>728.65</b>	<b>220.97</b>

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

**yaari**

All amount in ₹ crores, unless otherwise stated

**Note - 20**

	31 March 2021	31 March 2020
<b>Trade payables - current</b>		
Due to micro and small enterprises*	-	-
Due to others	-	-

**\* Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"):**

	31 March 2021	31 March 2020
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

**Note - 21**

	31 March 2021	31 March 2020
<b>Other financial liabilities - current</b>		
Interest accrued but not due on Inter-Corporate deposits	0.08	15.02
Interest accrued but not due on term loans from others	0.24	-
Expenses payable to		
Related parties	-	0.00
Others	0.11	0.55
Security deposits	-	0.01
Temporary Book Overdraft*	445.00	-
Unpaid dividend on equity shares**	-	0.05
	<b>445.43</b>	<b>15.63</b>

\*As on 31 March 2021, the Company has received a sanction of loan amount of ₹ 590 Crores, which was in the process of disbursal from the lender. Basis the sanction letter, the Company had issued a cheque of ₹ 445 Crores to the already existing lender in books and received no dues certificate for the same as on 31 March 2021.

\*\* During the financial year ended 31 March 2021, the Company transferred the amount standing in credit of Unpaid Dividend Account to the Investor Education and Protection Fund as per Statutory Regulations. Further, in respect of amount as mentioned under section 125 of the Companies Act, 2013, there were no dues required to be credited to the investor Education and Protection Fund as at 31 March 2021 and 31 March 2020.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

All amount in ₹ crores, unless otherwise stated

**Note - 22**

Other current liabilities	31 March 2021	31 March 2020
Payable to statutory authorities	3.27	1.71
Advance from customers	0.25	0.24
	<b>3.52</b>	<b>1.95</b>

**Note - 23**

Current tax liabilities, net	31 March 2021	31 March 2020
Provision for income tax	-	0.15
	-	<b>0.15</b>

**Note - 24**

Revenue from operations	31 March 2021	31 March 2020
Revenue from real estate project under development	0.10	-
<b>Other operating income</b>		
Others	-	0.04
Referral Commission	0.00	0.02
	<b>0.10</b>	<b>0.06</b>

**Note - 25**

Other income	31 March 2021	31 March 2020
Dividend Income	0.00	0.18
Interest Income on loans and advances	2.63	5.48
Interest Income on income tax refund	0.03	-
Interest income on NCD	1.72	0.84
Interest on Commercial Papers	-	0.45
Finance Income	0.00	0.00
Profit on sale of investments, net	0.22	0.45
Income on fair valuation of financial instruments	-	0.56
Balances written back	-	0.58
Liabilities written back	0.05	-
Derecognition of lease liability	0.08	-
	<b>4.74</b>	<b>8.54</b>

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

**yaari**

All amount in ₹ crores, unless otherwise stated

**Note - 26**

	31 March 2021	31 March 2020
<b>Cost of revenue</b>		
Cost incurred during the year	-	-
(Increase) / decrease in inventory of finished goods		
Opening stock	0.38	0.38
Closing stock	(0.30)	(0.38)
	0.08	-

**Note - 27**

<b>Employee benefits expense</b>	31 March 2021	31 March 2020
Salaries and wages	1.88	2.18
Bonus and ex-gratia	0.00	0.09
Gratuity and compensated absences	0.12	0.11
Contribution to provident fund	0.00	0.01
Staff welfare expenses	0.04	0.02
Share based payment expense	2.12	3.62
	4.16	6.03

**Note - 28**

<b>Finance costs</b>	31 March 2021	31 March 2020
Interest expenses on income tax	0.03	1.39
Interest on inter-corporate deposits	20.61	16.88
Interest on borrowings	64.72	-
Interest on finance lease	0.06	0.12
	85.42	18.39

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)**

*All amount in ₹ crores, unless otherwise stated*

**Note - 29**

<b>Other expenses</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Advertisement expenses	0.01	0.04
Auditor's remuneration - as auditor (refer note (i) below)	0.29	0.28
Director sitting fees (Paid to Independent Directors)	0.16	0.08
Bank charges	0.00	0.00
Communication expenses	-	0.22
Corporate Social Responsibility Expenses	0.14	0.23
Power and fuel expenses	0.01	0.01
Legal and professional charges	0.35	0.72
Printing and stationery	0.07	0.06
Rates and taxes	0.29	0.13
Property plant and equipment written-off	-	0.01
Repairs and maintenance		
Buildings	0.03	0.04
Vehicles	-	0.03
Others	0.09	0.13
Brokerage and marketing expenses	-	0.00
Security Expenses	0.03	0.08
Traveling and conveyance expenses	0.09	0.02
Insurance expenses	0.01	0.05
Customer incentive and other charges	0.22	0.00
Loss on fair valuation of financial instruments	0.47	-
Subscription fees	0.00	-
Provisions for bad & doubtful debts	0.01	-
Miscellaneous expenses	0.00	0.03
	<b>2.27</b>	<b>2.16</b>
<b>(i) Details of auditor's remuneration</b>		
<b>Auditor's remuneration</b>		
Audit fee	0.27	0.26
Others	0.02	0.02
	<b>0.29</b>	<b>0.28</b>

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

**yaari**

All amount in ₹ crores, unless otherwise stated

**Note - 30**

Income tax	31 March 2021	31 March 2020
<b>Tax expense comprises of:</b>		
Current tax (including earlier years)	-	1.60
Less: Minimum alternate tax credit entitlement (including earlier years)	-	0.38
Deferred tax charge	-	1.43
<b>Income tax expense reported in the statement of profit and loss</b>	<b>-</b>	<b>3.41</b>

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168% (31 March 2020: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

<b>Reconciliation of tax expense and the accounting profit multiplied by India's tax rate</b>		
Accounting profit (loss) before income tax	(88.09)	(19.04)
At statutory income tax rate of 25.168% ( 31 March 2020 : 25.168%)	-	-
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Tax impact of exempted income	-	1.60
Deferred tax reversed	-	1.81
<b>Income tax expense</b>	<b>-</b>	<b>3.41</b>

**Note - 31**

**Earnings per share (EPS)**

The Company's Earnings per Share ("EPS") is determined based on the net profit attributable to the shareholders of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

The following reflects the income and share data used in the basic and diluted EPS computation

	31 March 2021	31 March 2020
Profit attributable to equity holders for Basic Earnings per share	(88.09)	(22.45)
Profit attributable to equity holders for Diluted Earnings per share	(88.09)	(22.45)
Weighted average number of equity shares for basic earnings per share	89,325,569	89,325,569
Weighted average number of equity shares adjusted for diluted earnings per share	89,325,569	89,325,569
<b>Earnings per equity share of face value ₹2/-</b>		
(1) Basic (₹)	(9.86)	(2.51)
(2) Diluted (₹)	(9.86)	(2.51)

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

All amount in ₹ crores, unless otherwise stated

### Note - 32

#### Fair value measurements

##### (i) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the financial statements are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** unobservable inputs for the asset or liability.

##### (ii) Financial assets measured at fair value

31 March 2021	Level 1	Level 2	Level 3	Total
<b>Financial instruments at FVTPL</b>				
Non-convertible debentures (including accrued interest thereon)	16.20	-	-	16.20
<b>Total financial assets</b>	<b>16.20</b>	<b>-</b>	<b>-</b>	<b>16.20</b>

31 March 2020	Level 1	Level 2	Level 3	Total
<b>Financial instruments at FVTPL</b>				
Mutual funds	2.35	-	-	2.35
Non-convertible debentures (including accrued interest thereon)	16.67	-	-	16.67
<b>Total financial assets</b>	<b>19.02</b>	<b>-</b>	<b>-</b>	<b>19.02</b>

##### (iii) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include -

- Investments in equity instruments of subsidiaries are stated at cost as per IND AS 27, separate financial statements.
- Unit price of bonds/non-convertible debentures on the last trading day of the respective financial year as per the Fixed Income Money Market and Derivatives Association of India (FIMMDA) guidelines.

### Note - 33

#### Financial risk management

##### i) Financial instruments by category

Particulars	31 March 2021			31 March 2020		
	FVTPL*	FVOCI#	Amortised cost	FVTPL*	FVOCI#	Amortised cost
<b>Financial assets</b>						
<b>Investments</b>						
Mutual funds	-	-	-	2.35	-	-
Non-convertible debentures	16.20	-	-	16.67	-	-
Trade receivables	-	-	0.67	-	-	0.72
Loans	-	-	1,781.65	-	-	945.08
Cash and cash equivalents	-	-	2.20	-	-	0.72
Security deposits	-	-	0.30	-	-	0.39
<b>Total financial assets</b>	<b>16.20</b>	<b>-</b>	<b>1,784.82</b>	<b>19.02</b>	<b>-</b>	<b>946.91</b>

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

**yaari**

All amount in ₹ crores, unless otherwise stated

Particulars	31 March 2021			31 March 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial liabilities</b>						
Borrowings (including interest accrued)	-	-	728.97	-	-	235.99
Trade payables	-	-	-	-	-	-
Security deposits	-	-	-	-	-	0.01
Other financial liabilities			445.35			0.60
<b>Total financial liabilities</b>	-	-	<b>1,174.32</b>	-	-	<b>236.60</b>

Investment in subsidiaries and associates are measured at cost as per Ind AS 27, 'Separate financial statements'.

\* These financial assets are mandatorily measured at fair value.

# These financial assets represents investment in equity instruments designated as such upon initial recognition.

ii) **Financial instruments measured at amortised cost**

For amortised cost instruments, carrying value represents the best estimate of fair value except for long-term financial assets.

iii) **Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(A) **Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) **Credit risk management**

i) *Credit risk rating*

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Asset group	Basis of categorisation	Provision for expenses credit loss
A: Low credit risk	Trade receivables, cash and cash equivalents, other bank balances, loans, investments(current) and other financial assets	12 month expected credit loss/Life time expected credit loss
B: Moderate credit risk	Loans	12 month expected credit loss/Life time expected credit loss

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.



## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

All amount in ₹ crores, unless otherwise stated

### Assets under credit risk –

Credit rating	Particulars	31 March 2021	31 March 2020
A: Low credit risk	Trade receivables, cash and cash equivalents, other bank balances, loans, security deposits, investments(short -term) and other financial assets	19.37	20.85
B: Moderate credit risk	Loans	1,781.65	945.08

### ii) Concentration of financial assets

The Company's principal business activities are real estate project advisory, construction and development of real estate projects and all other related activities. The Company's outstanding receivables are for real estate project advisory business. Loans and other financial assets majorly represents loans to subsidiaries and deposits given for business purposes.

### b) Credit risk exposure

#### Provision for expected credit losses

The Company provides for 12 month expected credit losses for following financial assets –

#### As at 31 March 2021

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	897.05	-	897.05
Trade Receivables	0.67	-	0.67
Cash and cash equivalents	2.20	-	2.20
Loans	1,781.65	-	1,781.65
Security deposit	0.30	-	0.30

#### As at 31 March 2020

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	904.78	-	904.78
Trade Receivables	0.72	-	0.72
Cash and cash equivalents	0.72	-	0.72
Loans	945.08	-	945.08
Security deposit	0.39	-	0.39

#### Expected credit loss for trade receivables under simplified approach

The Company's outstanding trade receivables are less than six months old and the Company expects that money will be received in due course.

### (B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

#### Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

**yaari**

All amount in ₹ crores, unless otherwise stated

31 March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Non-derivatives</b>					
Borrowings(including interest accrued thereon)	728.97	-	-	-	728.97
Other financial liabilities	445.35	-	-	-	445.35
<b>Total</b>	<b>1,174.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,174.32</b>
<b>31 March 2020</b>					
31 March 2020	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Non-derivatives</b>					
Borrowings(including interest accrued thereon)	235.99	-	-	-	235.99
Other financial liabilities	0.61	-	-	-	0.61
<b>Total</b>	<b>236.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>236.60</b>

(C) Market risk

(i) Interest rate risk

The Company's fixed rate borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Particulars	31 March 2021	31 March 2020
Fixed rate borrowing	728.65	220.97
<b>Total borrowings</b>	<b>728.65</b>	<b>220.97</b>

**Note - 34**

The inter corporate deposit to subsidiaries has been extended to give the financials support. The Company have not credit impaired any of its inter corporate deposits. Since these loans are doubtful to be recovered, the Company has not accrued any interest on these loans.

**Note-35**

**Lease related disclosures**

During the financial year 2019-20, the Company had leases for office premises. With the exception of short-term leases and leases of low-value underlying assets, each lease was reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate were excluded from the initial measurement of the lease liability and right of use assets. The Company classified its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposed a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset could only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company was 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 was required to pay maintenance fees in accordance with the lease contracts.

During the financial year 2020-21, the said leases for office premises were terminated between the Company and the lessor.

**A Lease payments not included in measurement of lease liability**

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	31 March 2021	31 March 2020
Short-term leases	-	-
Leases of low value assets	-	-
Variable lease payments	-	-

**B** Total cash outflow for leases for the year ended 31 March 2021 was ₹ 0.04 crores(31 March 2020:₹ 0.53 crores).

**C** The Company had total commitment for short-term leases of Nil as at 31 March 2021 (31 March 2020:₹ 0.50 crores).

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)

All amount in ₹ crores, unless otherwise stated

### D Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

31 March 2021	Minimum lease payments due				
	Within 1 year	1-2 years	2-3 years	More than 3 years	Total
Lease payments	-	-	-	-	-
Interest expense	-	-	-	-	-
Net present values	-	-	-	-	-

31 March 2020	Minimum lease payments due				
	Within 1 year	1-2 years	2-3 years	More than 3 years	Total
Lease payments	0.73	0.73	0.80	1.18	3.44
Interest expense	0.23	0.19	0.13	0.08	0.63
Net present values	0.50	0.54	0.67	1.10	2.81

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2021 is Nil (31 March 2020: Nil).

### F Information about extension and termination options

31 March 2021						
Right of use assets	Number of leases	Range of remaining term (in years)	Average remaining lease term (in years)	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Office premises	-	-	-	-	-	-

31 March 2020						
Right of use assets	Number of leases	Range of remaining term (in years)	Average remaining lease term (in years)	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Office premises	2	4 to 5 years	4.5 years	2	-	2

G The total future cash outflows as at 31 March 2021 for leases that had not yet commenced is Nil (31 March 2020: Nil).

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021 (Contd...)



All amount in ₹ crores, unless otherwise stated

**Note – 36**

**Capital Management**

The Company's objectives when managing capital are:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

Management assesses the current liquidity and long term capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company manages its capital requirements by overseeing the following ratio:

**Current ratio:**

Particulars	31 March 2021	31 March 2020
Current assets	2,008.25	1,172.99
Current liabilities	1,177.61	239.21
Current ratio	1.71	4.90

**Note – 37**

**Information about subsidiaries**

The information about subsidiaries of the Company is as follows. The below table includes the information about step down subsidiaries as well.

Name of subsidiary	Country of incorporation	Proportion of ownership interest as at 31 March 2021	Proportion of ownership interest as at 31 March 2020
SORIL Infra Resources Limited	India	64.71%	64.71%
Sentia Properties Limited	India	100%	100%
Lucina Infrastructure Limited	India	100%	100%
Albasta Wholesale Services Limited	India	100%	100%
Mahabala Infracon Private Limited	India	100%	100%
Ashva Stud and Agricultural Farms Limited	India	100%	100%
Indiabulls Life Insurance Company Limited	India	100%	100%
Indiabulls General Insurance Limited	India	100%	100%
Store One Infra Resources Limited	India	64.71%	64.71%
Airmid Aviation Services Limited	India	100%	100%
Indiabulls Enterprises Limited	India	100%	100%
Indiabulls Pharmacare Limited	India	100%	100%
Indiabulls Rural Finance Private Limited	India	64.71%	64.71%