INDEPENDENT AUDITOR'S REPORT

To the Members of Indiabulls Rural Finance Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Indiabulls Rural Finance Private 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 financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 profit 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 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 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 Matter

Key audit matters are those matters that, in our professional judgment, 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 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 report.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Information technology</td></tr>
<tr><td>
IT systems and controls
The Company’s financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.
We have focused on user access management, change management, segregation of duties, system reconciliation controls over key financial accounting and reporting systems.
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Our audit procedures to assess the IT systems access management include the following:
General IT controls/user access management

We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management , program development and computer operations.
We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights, and preventative controls designed to enforce segregation of duties,
For a selected group of key controls over financial and reporting systems, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process.
Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission.
Other areas that were independently assessed included password policies, system interface controls, controls over changes to applications and databases and those business users, developers and production support did not have access to change applications, the operating system or databases in the production environment.

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De-recognition of financial assets (as described in note-24 of the standalone Ind AS financial statements)	
During the year, the Company has assigned loans amounting to Rs.101.90 crores for managing its funding requirements and recorded a net income of Rs.10.56 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. The Company also records a servicing asset at their fair value for the right retained for servicing the financial asset for the service contract. The assessment of de-recognition criteria being met involves significant judgements and furthermore the measurement of the related EIS receivable income and servicing asset requires significant estimates to be made with respect to the discount rate, expected portfolio life, prepayment and foreclosures. Given the complexity and the volume of such transactions it is considered a key audit matter.	• Assessed the terms of assignment agreements on a sample basis to evaluate whether the de-recognition criteria have been met. • Assessed the significant estimates and judgments, including the discount rate and expected remaining life of the portfolio transferred used by the Company for computation of excess interest spread receivable and servicing asset. • Tested the arithmetical accuracy of computation of the excess interest spread receivable and servicing asset. • Assessed the disclosures included in the Ind AS financial statements with respect to de-recognition in accordance with the requirements of Ind AS 109 and Ind AS 107.

Information Other than the 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 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 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 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 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 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.

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.

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 financial statements dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid 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 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 does not have pending litigations which would impact on its financial positions.

   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.

(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 managerial remuneration for the year ended 31 March 2021 has been paid/provided by the company to its directors in accordance with the provisions of the section 197 read with schedule V to the Act.

For **Agarwal Prakash & Co.**
Chartered Accountants
Firm's Registration No.: 005975N

Vikas Aggarwal
Partner
Membership No. 097848
UDIN: 21097848AAAADS3799

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 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) As the Company has no inventory during the year. Accordingly, the provisions of clauses 3(ii) of the Order are not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured to companies, firm, limited liability partnerships 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 to the Company.

(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) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax , Cess on account of any dispute, which have not been deposited.

(viii) In our opinion, the Company has not defaulted in repayment of loans or borrowings to debenture-holders during the year. Further, the Company has no loans or borrowings payable to any bank or a financial institution or government during the year.

(ix) According to the information and explanations given by the management, the Company did not raise moneys by way of initial public offer or further public offer. Further, monies raised by the Company by way of debt instruments were applied for the purposes for which the loans were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197, 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 financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration dated 05 February 2004.

For **Agarwal Prakash & Co.**
Chartered Accountants
Firm's Registration No.: 005975N

Vikas Aggarwal
Partner
Membership No. 097848
UDIN: 21097848AAAADS3799

Place: Gurugram
Date: 08 May 2021

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 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 financial statements of Indiabulls Rural Finance Private Limited ('the Company') as of 31 March 2021 in conjunction with our audit of the 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 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 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 financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements 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 with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to 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 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: 21097848AAAADS3799

Place: Gurugram
Date: 08 May 2021

INDIABULLS RURAL FINANCE PRIVATE LIMITED

All amount in Cr

	Balance sheet as at	**Notes**	**31 March 2021**	**31 March 2020**
	Assets			
1	**Financial assets**			
	Cash and cash equivalents	4	13.60	4.03
	Trade receivables	5	0.05	0.01
	Loans	6	168.46	198.90
	Other financial assets	7	12.06	5.19
	Total financial assets		**194.17**	**208.13**
2	**Non-financial assets**			
	Current tax assets	8	0.54	0.01
	Property, plant and equipment's	9(a)	1.74	2.60
	Other intangibles assets	9(b)	3.28	2.89
	Right of use assets (*Refer note- 30*)	9(c)	2.93	3.18
	Other non-financial assets	10	0.66	0.86
	Total non-financial assets		**9.15**	**9.54**
	Total Assets		**203.32**	**217.67**
	Liabilities and Equity			
	Liabilities			
3	**Financial liabilities**			
	Trade payables	11		
	(i) total outstanding dues of micro enterprises and small enterprises		-	0.04
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.16	0.50
	Debt securities	12	49.56	-
	Borrowings (other than debt securities)	13	-	83.30
	Other financial liabilities (including lease liabilities)	14	12.92	6.43
	Total financial liabilities		**62.64**	**90.27**
4	**Non-financials liabilities**			
	Current tax liabilities	15	2.17	2.21
	Provisions	16	0.34	0.59
	Deferred tax liabilities (net)	17	2.11	0.10
	Other non-financial liabilities	18	0.13	0.54
	Total non-financial liabilities		**4.75**	**3.44**
5	**Equity**			
	Equity Share capital	19	41.80	41.80
	Other equity	20	94.13	82.16
	Total equity		**135.93**	**123.96**
	Total Liabilities and Equity		**203.32**	**217.67**

The accompanying notes are an integral part of financial statements.
As per our report of even date

For Agarwal Prakash & Co.
Chartered Accountants
Firm's Registration Number : 005975N

For and on behalf of the Board of Directors

Vikas Aggarwal
Partner
Membership Number: 097848

Sunil Kumar Gupta
Whole Time Director
(DIN : 06797017)

Vijay Kumar Agrawal
Whole Time Director
(DIN : 08329352)

Place : Gurugram
Date : 08 May 2021

Manish Khandelwal
Chief Financial Officer

Chandra Shekher Joshi
Company Secretary

INDIABULLS RURAL FINANCE PRIVATE LIMITED

All amount in Cr

Statement of profit and loss for the	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations			
Interest income	21	22.49	32.66
Dividend income	22	-	0.11
Fees	23	1.87	3.19
Net gain on derecognition of financial instruments under amortised cost category	24	10.56	3.11
		34.92	**39.07**
Other income	25	0.57	0.52
Total income		**35.49**	**39.59**
Expenses			
Finance costs	26	6.46	10.84
Impairment on financial instruments	27	0.30	0.15
Employee benefits expense	28	9.06	13.64
Depreciation and amortisation	9	2.02	1.26
Other expenses	29	2.10	2.98
Total expenses		**19.94**	**28.87**
Profit before tax		**15.55**	**10.72**
Tax expense:	17		
Current tax (including earlier years reversal)		1.73	2.26
Deferred tax charge		2.00	0.46
Profit for the year		**11.82**	**8.00**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Re-measurement (loss)/gain on defined benefits plans		0.20	0.00
(ii) Income tax effect on above		(0.05)	(0.00)
Total other comprehensive income		**0.15**	**(0.00)**
Total comprehensive income for the year		**11.97**	**8.00**
Earnings per share:	33		
Basic (₹)		2.83	1.91
Diluted (₹)		2.83	1.91
Face value per equity share (₹)		10.00	10.00
Summary of significant accounting policies			

The accompanying notes are an integral part of financial statements.

As per 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

Sunil Kumar Gupta
Whole Time Director
(DIN : 06797017)

Vijay Kumar Agrawal
Whole Time Director
(DIN : 08329352)

Manish Khandelwal
Chief Financial Officer

Chandra Shekher Joshi
Company Secretary

INDIABULLS RURAL FINANCE PRIVATE LIMITED
Statement of Changes in Equity as at 31 March 2021

All amount in Cr

A) Equity Share Capital

Particulars	Numbers	Amount
As at 01 April 2019	41797400	41.80
Add: Issue of equity share capital	-	-
As at 31 March 2020	41797400	41.80
Add: Issue of equity share capital	-	-
As at 31 March 2021	41797400	41.80

**refer note no 19 for details*

B) Other Equity

Particulars	Reserves and surplus				Other comprehensive income	
	Special reserve u/s 45IC	Securities premium	Impairment Reserve	Retained earnings	Remeasurement of defined benefit liabilities	Total
Balance as at 01 April 2019	0.02	74.83	-	(0.69)	**-**	**74.16**
Profit for the year	-	-	-	8.00	-	8.00
Other comprehensive income for the year :						
Re-measurement gains on defined benefit plans net of tax	-	-	-	-	0.00	0.00
Total comprehensive income for the year	-	-	-	-	**0.00**	**0.00**
Impairment Reserve(refer note -19 for details)	-	-	0.04	(0.04)	-	-
Transfer to Special Reserve @ 20% U/s 45IC	1.60	-	-	(1.60)	**-**	**-**
Balance as at 31 March 2020	**1.62**	**74.83**	**0.04**	**5.67**	**0.00**	**82.16**
Profit for the year	-	-	-	11.82	-	11.82
Other comprehensive income for the year :						
Re-measurement gains on defined benefit plans net of tax	-	-	-	-	0.15	0.15
Total comprehensive income for the year	-	-	-	-	0.15	**0.15**
Impairment Reserve(refer note -19 for details)	-	-	-	-	-	-
Transfer to Special Reserve @ 20% U/s 45IC	2.36	-	-	(2.36)	-	-
Balance as at 31 March 2021	**3.98**	**74.83**	**0.04**	**15.13**	**0.15**	**94.13**

The accompanying notes are an integral part of financial statements.
As per our report of even date

For Agarwal Prakash & Co.
Chartered Accountants
Firm's Registration Number : 005975N

For and on behalf of the Board of Directors

Vikas Aggarwal
Partner
Membership Number: 097848

Sunil Kumar Gupta
Whole Time Director
(DIN : 06797017)

Vijay Kumar Agrawal
Whole Time Director
[DIN : 08329352]

Place : Gurugram
Date : 08 May 2021

Manish Khandelwal
Chief Financial Officer

Chander Shekhar Joshi
Company Secretary

INDIABULLS RURAL FINANCE PRIVATE LIMITED

Statement of cash flows for the	Year ended 31 March 2021	Year ended 31 March 2020
		All amount in Cr
A. Cash flow from operating activities :		
Profit before tax	15.55	10.72
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization of PPE, ROU and Other intangible assets	2.02	1.26
Finance costs	6.44	10.83
Interest income	(22.49)	(32.66)
Net gain on derecognition on assigned loans	(10.56)	(3.11)
Net gain on sale of units of mutual fund(s)	(0.36)	(0.02)
Dividend received on mutual fund	-	(0.11)
Provisions no longer required written back	(0.19)	(0.49)
Net loss on disposal of property, plant and equipments	0.45	-
Provision for employee benefits	(0.05)	0.58
Provision for impairment of non financial assets	0.08	-
Provision for impairment on financial assets	0.30	0.15
Operating (loss) before working capital changes	**(8.81)**	**(12.85)**
Adjustments for working capital charges		
- Trade receivable	(0.04)	(0.01)
- Other financial asset	0.14	(0.08)
- Other assets	(0.32)	(0.81)
- Loans (Financing and related activities)	30.19	(59.13)
- Trade payables	(0.37)	0.42
- Other financial liabilities	2.44	2.55
- Other liabilities and provisions	(0.43)	(31.40)
Cash from/(used in) operations	**22.80**	**(101.31)**
Income received from financial Instruments	26.63	31.03
Interest paid on borrowings from Financing and related activities	(1.80)	(10.40)
Income taxes paid (Net)	(2.54)	(0.25)
Net cash from / (used in) operating activities	**45.09**	**(80.93)**
B. Cash flow from investing activities :		
Payment for purchase of property, plant and equipments and Other intangible assets (including capital advances)	(1.56)	(6.04)
Proceed from sale of property, plant and equipments	0.08	-
Redemption/ (Purchase) of investments (net)	-	7.05
Net gain on sale of units of mutual fund(s)	0.36	0.02
Dividend received on mutual fund	-	0.11
Net cash flow (used in)/from investing activities	**(1.12)**	**1.14**
C. Cash flow from financing activities :		
Net proceeds from Non-convertible debentures	49.43	-
Borrowing /(repayment) of loans(net)	(83.30)	83.30
Payment of lease liabilities	(0.53)	(0.80)
Net cash flow (used in) / from financing activities	**(34.40)**	**82.50**
D. Net increase in cash and cash equivalents (A+B+C)	9.57	2.71
E. Cash and cash equivalents at the beginning of the year	4.03	1.32
F. Cash and cash equivalents at the end of the year (D+E)	**13.60**	**4.03**
G. Reconciliation of cash and cash equivalents as per cash flow statement :		
Cash and cash equivalents: (*refer note 4*)		
Cash on hand	-	-
Balances with banks:		
In current accounts	13.60	4.03
	13.60	**4.03**

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

Summary of significant accounting policies
The accompanying notes are an integral part of financial statements.
As per our report of even date

For Agarwal Prakash & Co.	**For and on behalf of the Board of Directors**	
Chartered Accountants		
Firm's Registration Number : 005975N		
Vikas Aggarwal	Sunil Kumar Gupta	Vijay Kumar Agrawal
Partner	Whole Time Director	Whole Time Director
Membership Number: 097848	(DIN : 06797017)	(DIN : 08329352)
Place : Gurugram	Manish Khandelwal	Chandra Shekher Joshi
Date : 08 May 2021	Chief Financial Officer	Company Secretary

1. Corporate information

Indiabulls Rural Finance Private Limited is non-deposit taking, non-banking financial company ('NBFC') registered with Reserve Bank of India (RBI) with effect from 05 February 2004, with Registration No. B-13.01706. The Company is engaged in providing range of financial services including lending and access to credit to eclectic customers with a bias to operate in financial inclusion space. The registered office of the company is One International Center, Tower – 1, 4th Floor, S. B. Marg, Elphinstone (W), Mumbai, 400013, India.

SORIL Infra Resources Limited (Holding Company) acquired 100% Shareholding on 25 January 2019 vide RBI approval DNBS.CMD.NO. 829/13.12.037/2018-19 dated 12 December 2018.

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.

2. *Basis of* preparation of financial statements

a) Statement of compliance

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

b) Presentation of financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the companies Act, 2013 ("the Act") applicable for Non-Banking Finance companies ("NBFC"). The Statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respects to items in the Balance sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of Notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

c) Basis of preparation

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

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

The preparation of the Company financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, related disclosures, and the disclosure of contingent liabilities. The estimates and underlying assumptions are received on an ongoing basis.
In particulars, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statement is included in the following notes:

<u>Significant management judgements</u>

Business model assumption
Classification and measurement of financial assets depends on the results of the SPPI ("Solely Payments of Principal and Interest") and the business model test to track the contractual cash flows of the financial assets. The Company determines the business model at a level that reflects how the financial assets are managed together to achieve a particular business objective. This assessment includes judgement considering all relevant evidence including how the performance of the assets is evaluated and measured, the risks that affect the performance of the assets and how these assets are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are de-recognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company 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 a prospective change to the classification of those assets is required.

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

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

Effective interest rate method
The Company's EIR methodology recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle.
This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to the Company base rate and other fee income/expense that are integral parts of the instrument.
The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment of non-Financial assets
The Company uses judgment for impairment testing at the end of each reporting period for all non-financial assets.

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

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

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

Provisions
Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Group is exposed are assessed by management and in certain cases with the support of external specialised lawyers.

3. Summary of significant accounting policies

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

3.1. Financial instruments

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

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

I. Financial assets

i) Initial recognition and measurement

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

ii) Classification and subsequent measurement

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

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

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

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

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

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

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

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

Equity instruments

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

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

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

II. Financial Liabilities and Equity Instruments

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

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

Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade payables, borrowings and other liabilities.

ii) Classification and subsequent measurement

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

Borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Reclassification of financial assets and liabilities

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

De-recognition of Financial Assets and Financial Liabilities

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

The Company has transferred the financial asset if and only if, either:
• It has transferred its contractual rights to receive cash flows from the financial asset
Or
• It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

A transfer only qualifies for derecognition if either:

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

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

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

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

Financial Liabilities
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where 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 a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

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

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

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

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

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

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

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

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

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

The calculation of ECLs
The Compay calculates ECLs based on a probability weighted scenarios and historical data to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the

cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:
• PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

• EAD - The Exposure at Default is an exposure at a default date.

• LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.
The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

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

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

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

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

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

3.2. Fair value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or
In the absence of a principal market, in the most advantageous market for the asset or liability
The principal or the most advantageous market must be accessible by the Company.
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 non-financial 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.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3.3. Revenue Recognition

i. Interest income, expenses and other charges

• Interest income
Company earns revenue primarily from giving loans. Revenue is recognized to the extent that it is probable that the economic benefits will flow to Company and can be reliably measured. Interest income is recognized using the effective interest method (EIR).
Company 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', Company calculates the interest to the extent recoverable. If the financial assets cures and is no longer credit-impaired, Company reverts to calculating interest income. 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.

• 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.

• Dividend income
Dividend income is recognized when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

• Other charges & other interest
Additional interest is recognized when the interest is due and charged to the borrower.

ii. Others

- Profit on sale of property, plant and equipments is recognized on the date the recipient obtains control of the sold asset.
- Profit on sale of investment is recognized on the date of its sale and is computed as excess of sale proceeds over its carrying amount as on date of sale.

3.4. Property, Plant and Equipment

Recognition and measurement

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

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

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

IV. The carrying amount of any component accounted as a separate component is derecognised, when replaced or when the property, plant and equipment to which the component relates gets derecognised.

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

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

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

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

IX. The Residual values, useful life and method of depreciation of PPE are reviewed at regular intervals and adjusted prospectively, if appropriate.

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

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

The estimated useful lives are as mentioned below:

Asset category	**Useful life (in years)**	**Basis of determination of useful lives**
Leasehold Improvements	9	As per the period of lease
Computers	3 and 6	Assessed to be in line with Schedule II to the Act.
Furniture	10	Assessed to be in line with Schedule II to the Act.
Office equipment	5	Assessed to be in line with Schedule II to the Act.

Impairment
The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit").

The recoverable amount of an asset or cash generating unit (CGU) is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated pre-tax future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from the other assets or group of assets.

An impairment loss is recognised in the Statement of Profit and Loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount.

An impairment loss in respect of prior periods is assessed at each reporting date for any indications that the impairment loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal of impairment loss is recognised in the Statement of Profit and Loss.

3.5. Intangible Assets:

Recognition and measurement

a). Intangible Assets acquired are measured on initial recognition at cost. Cost comprises the purchase price (net of tax/duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use.
After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.
b). An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation
A summary of the policies applied to the intangible assets is, as follows:

Intangible assets	**Useful life**	**Amortisation method used**
Computer software	4 years	04 years (as per terms of agreement)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each reporting period.

3.6. Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether
a contract conveys the right to control the use of an identified asset, the company assesses whether:

i). the contract involves the use of an identified asset;
ii). the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
iii). the Company has the right to direct the use of the asset.

Company as a lessee:
Right-of-use assets ("ROU")
At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low-value assets.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset and the average lease terms are as follows:

Right of use assets	**Average (Range) lease terms (in years)**
Office space on lease	9 Years (As per the period of lease)

The right of use assets is also subject to impairment. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The Company uses the incremental borrowing rate as the discount rate.
Lease payments included in the measurement of the lease liability include fixed payments, the commencement date; and extension option payments or purchase options payments which the Company is reasonably certain to exercise.

The lease term comprises the non-cancellable lease term together with the period covered by extension options, if assessed as reasonably certain to be exercised, and termination options, if assessed as reasonably certain not to be exercised. Non-lease components in contracts are separated from lease components and accordingly accounted for in operating profit on a cost incurred basis.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

The Company remeasured the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Lease liability (Financial liabilities) and ROU asset have been separately presented in the Balance Sheet and related cash flows are classified as financing activities in the Statement of Cash Flows.
Deferred tax on the deductible temporary difference and taxable temporary differences in respect of carrying value of right of use assets and lease liability and their respective tax bases are recognised separately.

3.7. Employee benefits

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

Post-employment benefit plans

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

Defined benefit plans- Gratuity

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

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

Presentation and disclosure
For the purpose of presentation of Defined benefit plans, the allocation between the current and non-current provisions has been made as determined by an actuary. The Company presents the entire compensated absences as short-term provisions, since employee has an unconditional right to avail the leave at any time during the year.

3.8. Income tax

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

a). Current Tax

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

b). Deferred Tax

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 Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

3.9. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors of Company who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.
Operating segment is identified based on the nature of products and services, the different risks and returns, and the internal business reporting system.

3.10. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when
i). an entity has a present obligation (legal or constructive) as result of a past event; and

ii). It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

iii). A reliable estimate can be made of the amount of the obligation.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed in case of:
i). a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

ii). A present obligation arising from past events, when no reliable estimate is possible.

Contingent assets
Contingent assets are not recognised in the financial statements.

3.11. Borrowing costs

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

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

3.12. Earnings Per Equity Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue or any other share transactions that changes the number of shares outstanding, without a corresponding change in resources.

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

3.13. Cash and cash equivalent

Cash and cash equivalents comprise cash on hand, balances with banks, short term demand deposits with original maturity upto three months and other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.
Cash flow is reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

3.14. Share issue Expenses

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

3.15. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2021.

INDIABULLS RURAL FINANCE PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2021

All amount in Cr

	As at 31 March 2021	As at 31 March 2020
Note - 4		
Cash and cash equivalents		
Balances with banks:		
In current accounts	13.60	4.03
	13.60	**4.03**
Note - 5		
Trade receivables		
Unsecured considered good	0.05	0.01
	0.05	**0.01**
Note - 6		
Loans* (at amortized cost)		
a) Term Loans (net of assignment)	169.26	199.40
Less : Allowances for credit risk	0.80	0.50
Total (A) Net	**168.46**	**198.90**
Secured by tangible assets	152.19	179.49
Unsecured	17.07	19.91
Less : Allowances for credit risk	0.80	0.50
Total (B) Net	**168.46**	**198.90**
***All the loans are disbursed to India.**		
Term loans (net of assignment)		
Total term loans	236.18	235.46
Less : loans assigned	67.72	36.56
	168.46	**198.90**

b) Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

c) 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.

d) The Company has assigned a pool of certain loans amounting to ₹ 101.90 Cr. (Previous year ₹ 41.51 Cr.) by way of a direct assignment transactions. These loan assets have been de-recognized from the loan portfolio of the Company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. The Company continues to act as a servicer to the assignment transactions on behalf of assignee. In terms of the assignment agreements, the Company pays to assignee, on a monthly basis, the pro-rata collection amounts.

e) Impairment loss allowance includes ₹ 0.02 Cr. on account of provision overlay @ 5% on past due account granted moratorium as per RBI circular, RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020.

f) Impairment allowance for loans and advances to customers :

The company's manages credit by an Internal Rating Model. The model grades loans on a four-point grading scale, and incorporates both quantitative as well as qualitative information on the loans and the borrowers to analyze the credit behavior. Some of the factors that the internal risk based model is calibrated to are following:

a) Loan to value
b) Type of collateral
c) Cash-flow and income assessment of the borrower
d) Interest and debt service cover
e) Repayment track record of the borrower
f) Vintage i.e. months on books and number of paid EMIs
g) Project progress in case of project finance

In addition to information specific to the borrower and the performance of the loan, the model may also utilize supplemental external information that could affect the borrower's behavior. The model is also calibrated to incorporate external inputs such as GDP growth rate, unemployment rate and factors specific to the sector/industry of the borrower.

The table below shows the credit quality and the maximum exposure to credit risk:

As at 31 March 2021

Risk categorization	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Very good	160.55	-	-	160.55
Good	5.36	0.87	-	6.23
Average	-	1.67	-	1.67
Non-performing provisioning as per IND-AS *	-	-	0.81	0.81
	165.91	**2.54**	**0.81**	**169.26**

* NPA assets as per RBI - IRACP norms is ₹ 0.39 crores

As at 31 March 2020

Risk categorization	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Very good	178.52	-	-	178.52
Good	20.32	-	-	20.32
Average	0.27	0.26	-	0.53
Non-performing provisioning as per IND-AS *	-	-	0.03	0.03
	199.11	**0.26**	**0.03**	**199.40**

* NPA assets as per RBI - IRACP norms is ₹ 0.03 Crs.

An analysis of changes in the ECL allowances in relation to loans & advances is, as follows:

As at 31 March 2021

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowances opening balance	0.48	0.01	0.01	0.50
ECL on assets added/provision created	0.39	0.01	-	0.40
Assets derecognized or repaid (including write offs/ written back)	(0.35)	0.01	0.24	(0.10)
Transfers from stage 1	(0.28)	0.02	0.26	-
Transfer from stage 2	-	-	-	-
Transfer from stage 3	-	-	-	-
ECL allowances closing balance	**0.24**	**0.05**	**0.51**	**0.80**

As at 31 March 2020

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowances opening balance	0.35	-	-	0.35
ECL on assets added/provision created	0.29	-	-	0.29
Assets derecognized or repaid (including write offs/ written back)	(0.14)	-	-	(0.14)
Transfers from stage 1	(0.02)	0.01	0.01	-
Transfer from stage 2	-	-	-	-
Transfer from stage 3	-	-	-	-
ECL allowances closing balance	**0.48**	**0.01**	**0.01**	**0.50**

g) Impairment assessment

The Company's impairment assessment and measurement approach is set out in the notes below. It should be read in conjunction with the summary of significant accounting policies.

i) Probability of default

The Company considers a loans as defaulted and classifies it as Stage 3 (credit-impaired) for ECL calculations typically when the borrower becomes 90 days past due on contractual payments. The Company may also classify a loan in Stage 3 if there is significant deterioration in the loan collateral, deterioration in the financial condition of the borrower or an assessment that adverse market conditions may have a disproportionately detrimental effect on the loan repayment. Thus, as a part of the qualitative assessment of whether an instrument is in default, the company also considers a variety of instances that may indicate delay in or non-repayment of the loan. When such events occur, the company carefully considers whether the event should result in treating the borrower as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria are present. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade once the account is cured, and whether this indicates there has been a significant reduction in credit risk.

ii) Internal rating model and PD Estimation process

The company's internal rating and PD estimation process:

IBRFPL's Analytics Department has designed and operates its Internal Rating Model that factors in both quantitative as well as qualitative information on the loans and the borrowers. The model uses historical empirical data to arrive at factors that are indicative of future credit risk and segments the portfolio on the basis of combinations of these parameters into smaller homogenous portfolios from the perspective of credit behavior. The PDs are computed for these homogenous portfolio segments. The PDs are also used for Ind-AS 109 ECL calculations and the Ind AS 109 Stage classification of the exposure.The Internal Rating Model is dynamic and is calibrated periodically; the choice of parameters and division into smaller homogenous portfolios is thus also dynamic.

iii) Exposure at default

The outstanding balance as at the reporting date is considered as EAD by the company. Considering that PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

iv) Loss given default

The Company uses peer data (as co. has only one year of Portfolio seasoning) for identified homogenous pools for the purpose of calculating LGD. The estimated recovery cash flows are discounted such that the LGD calculation factors in the NPV of the recoveries.

v) Significant increase in credit risk

The internal rating model evaluates the loans on an ongoing basis. The rating model also assesses if there has been a significant increase in credit risk since the previously assigned risk grade One key factor that indicates significant increase in credit risk is when contractual payments are more than 30 days past due.

vi) Company's loans measured on a collective basis

For Stage 3 loans ECL is calculated on an individual borrower basis.

For stages 1 and 2 the internal rating model analyzes historical empirical data, determines parameters that are indicative of future credit risk and segments the portfolio on the basis of a combination of these parameters into smaller homogeneous portfolios. The loss estimation for these pools is hence done on a collective basis. In addition to information specific to the borrower and the performance of the loan, the model may also utilize supplemental external information that could affect the borrower's behavior. The model is also calibrated to incorporate external inputs such as GDP growth rate, unemployment rate and factors specific to the sector/industry of the borrower.

h) Inputs to the ECL model for forward looking economic scenarios

The internal rating model also provides for calibration to reflect changes in macroeconomic parameters and industry specific factors.

i) Collateral

The company is in the business of extending secured loans mainly backed by mortgage of property (residential or commercial).

In addition to the above mentioned collateral, the Company holds other types of collateral and credit enhancements, such as cross-collateralization on other assets of the borrower, share pledge, guarantees of parent/holding companies, personal guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts etc.

In its normal course of business, the Company does not physically repossess properties or other assets, but recovery efforts are made on delinquent loans through on-rolls collection executives, along with legal means to recover due loan repayments. Once contractual loan repayments are more than 90 days past due, repossession of property may be initiated under the provisions of the SARFAESI Act 2002. Re-possessed property is disposed of in the manner prescribed in the SARFAESI act to recover outstanding debt.

The Company did not hold any financial instrument for which no loss allowance is recognized because of collateral at 31 March 2021.

Note - 7

Other financial assets

Excess Interest spread receivables*	10.27	2.87
Interest accrued but not due on loans	1.20	2.05
Security deposit	0.09	0.27
Ex-gratia - Covid 19	0.10	-
Advance against salary	0.40	-
	12.06	**5.19**

* 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 the present value.credit to Statement of Profit and loss for the year, which has been computed by discounting EIS to the present value.

Note - 8

Current tax assets

TDS deducted at source	0.54	0.01
	0.54	**0.01**

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INDIABULLS RURAL FINANCE PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2021

All amount in ₹

Note - 9
Property, plant and equipments and intangible assets

(a) Property, plant and equipments

Particulars	GROSS CARRYING VALUE(AT COST)				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01 April 2020	Additions	Disposals/ Adjustments	As at 31 March 2021	As at 01 April 2020	Depreciation charge for the year	Disposals/ Adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Tangible Assets:										
Freehold land*	-	0.13	(0.08)	0.05	-	-	-	-	0.05	-
Leasehold Improvements	1.28	-	(0.31)	0.97	0.09	0.12	(0.03)	0.18	0.79	1.19
Furniture and fixtures	0.29	-	(0.08)	0.21	0.02	0.02	(0.01)	0.03	0.18	0.27
Computers	0.69	-	-	0.69	0.14	0.21	-	0.35	0.34	0.55
Office equipments	0.67	0.03	(0.16)	0.54	0.08	0.11	(0.03)	0.16	0.38	0.59
Total	**2.93**	**0.16**	(0.63)	**2.46**	**0.33**	**0.46**	**(0.07)**	**0.72**	**1.74**	**2.60**

* Freehold land has been fair valued.

Particulars	GROSS CARRYING VALUE(AT COST)				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01 April 2019	Additions	Disposals/ Adjustments	As at 31 March 2020	As at 01 April 2019	Depreciation charge for the year	Disposals/ Adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Tangible Assets:										
Freehold land	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	-	1.28	-	1.28	-	0.09	-	0.09	1.19	-
Furniture and fixtures	-	0.29	-	0.29	-	0.02	-	0.02	0.27	-
Computers	-	0.69	-	0.69	-	0.14	-	0.14	0.55	-
Office equipments	-	0.67	-	0.67	-	0.08	-	0.08	0.59	-
Total	**-**	**2.93**	**-**	**2.93**	**-**	**0.33**	**-**	**0.33**	**2.60**	**-**

(b) Other intangibles asset

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01 April 2020	Additions	Disposals/ Adjustments	As at 31 March 2021	As at 01 April 2020	Amortisation charge for the year	Disposals/ Adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Intangible Assets:										
Computer softwares	3.10	1.39	-	4.49	0.21	1.00	-	1.21	3.28	2.89
Total	**3.10**	**1.39**	**-**	**4.49**	**0.21**	**1.00**	**-**	**1.21**	**3.28**	**2.89**

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01 April 2019	Additions	Disposals/ Adjustments	As at 31 March 2020	As at 01 April 2019	Amortisation charge for the year	Disposals/ Adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Intangible Assets:										
Computer softwares	-	3.10	-	3.10	-	0.21	-	0.21	2.89	-
Total	**-**	**3.10**	**-**	**3.10**	**-**	**0.21**	**-**	**0.21**	**2.89**	**-**

(c) Right-of-use assets (*Refer note 30*)

Particulars	GROSS CARRYING VALUE				ACCUMULATED AMORTIZATION				NET CARRYING VALUE	
	As at 01 April 2020	Additions	Disposals/ Adjustments	As at 31 March 2021	As at 01 April 2020	Amortisation charge for the year	Disposals/ Adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Office space on lease	3.90	0.65	(0.86)	3.69	0.72	0.56	(0.52)	0.76	2.93	3.18
Total	**3.90**	**0.65**	**(0.86)**	**3.69**	**0.72**	**0.56**	**(0.52)**	**0.76**	**2.93**	**3.18**

Particulars	GROSS CARRYING VALUE				ACCUMULATED AMORTIZATION				NET CARRYING VALUE	
	As at 01 April 2019	Additions	Disposals/ Adjustments	As at 31 March 2020	As at 01 April 2019	Amortisation charge for the year	Disposals/ Adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Office space on lease	-	3.90	-	3.90	-	0.72	-	0.72	3.18	-
Total	**-**	**3.90**	**-**	**3.90**	**-**	**0.72**	**-**	**0.72**	**3.18**	**-**

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All amount in Cr

	As at 31 March 2021	As at 31 March 2020
Note - 10		
Other non-financial assets		
Prepaid expenses	0.25	0.32
Imprest to employees	-	0.01
Advance to vendors	0.02	0.12
Balances with statutory authorities	0.39	0.41
	0.66	**0.86**

	31 March 2021	31 March 2020
Note - 11		
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	0.04
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	0.16	0.50
	0.16	**0.54**

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

Particulars	**31 March 2021**	**31 March 2020**
a) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	0.04
b) 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
c) 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
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	0.04
e) 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.

	31 March 2021	31 March 2020
Note - 12		
Debt Securities (at amortized cost)*		
Non-convertible debentures*	49.56	-
	49.56	**-**

Terms of NCD

The Company has privately placed 10.50 % per annum secured, redeemable, Non-Convertible Debentures of the face value of ₹ 10,00,000 each, for cash aggregating to ₹ 50 crores which was listed on 07 July 2020. The NCD is repayable at the end of three years on 26 June 2023 and annual interest payment coupons is payable on 26th June every year.

The Debentures is secured by a 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. The security cover will be at least one time of the outstanding book value of the NCDs at all times during the tenure of NCDs.

The transection cost of NCD was included in initial recognition,and amount of borrowing is recognised as interest expense over the term of NCD using the effective interest rate method.

The company has not defaulted on any loans payable during the year.

	31 March 2021	31 March 2020
Note - 13		
Borrowings (other than debt securities) (at amortized cost)*		
Loans from others	-	83.30
	-	**83.30**

*All borrowings are from India including debt securities

	31 March 2021	31 March 2020
Note - 14		
Other financial Liabilities		
Lease liabilities *(Refer note- 30)*	3.40	3.29
Interest accrued but not due on loan assignments	0.42	0.29
Interest accrued but not due on NCD	4.00	-
Employee benefits payable	0.41	0.25
Due to assignees towards collections in derecognised assets	4.32	2.25
Other payables	0.37	0.35
	12.92	**6.43**

Note - 15
Current tax liabilities

Provision for income tax	2.17	2.21
	2.17	**2.21**

Note - 16
Provisions

Provision for employee benefits:		
Compensated absences *(Refer note- 28)*	0.21	0.36
Gratuity *(Refer note- 28)*	0.13	0.23
	0.34	**0.59**

Note - 17
Income taxes

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

The major components of income tax expense for the year ended 31 March 2021 and 31 March 2020 :

Profit or loss section

Particulars	Year ended	
	31 March 2021	**31 March 2020**
Current tax	2.04	2.11
Adjustment in respect of current income tax of prior years	(0.31)	0.15
Deferred tax	2.00	0.46
Total tax charge	**3.73**	**2.72**

Other comprehensive incomes

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

	Year ended	
Particulars	**31 March 2021**	**31 March 2020**
Net gain on re-measurements of defined benefit plans	0.20	0.00
Income tax charged to OCI	(0.05)	(0.00)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021:

	Year ended	
Particulars	**31 March 2021**	**31 March 2020**
Accounting profit before tax from continuing operations	15.55	10.72
Tax at statutory income tax rate of 25.17%	3.92	2.70
Effect of non- deductible expenses	-	(0.10)
Effect of tax exempt income	0.13	(0.03)
Effect of previous year tax adjustments	(0.32)	0.15
Tax at effective Income Tax rate of 23.98%(Previous year 25.40%)	**3.73**	**2.72**
Tax on Other comprehensive income (b)	0.05	-
Total tax expenses at effective tax rate of 24.30% (Previous year 25.40%)	**3.78**	**2.72**

Deferred Tax liabilities / (assets)

	As at	
Particulars	**31 March 2021**	**31 March 2020**
Deferred tax liabilities		
Upfront recogintion of EIS income on loan assignment	(2.58)	(0.72)
Depreciation and amortisation differences	(0.28)	(0.16)
Lease liabilities differences	(0.19)	(0.14)
Non-convertible debentures transaction costs	(0.11)	-
Gross deferred tax liabilities	**(3.16)**	**(1.02)**
Deferred tax assets		
Allowances for credit risks	0.20	0.13
Unamortized loan origination income, (net)	0.40	0.46
Provision for gratuity and compensated absences	0.13	0.15
Right of use assets differences	0.32	0.18
Gross deferred tax assets	**1.05**	**0.92**
Net Deferred tax liabilities	**(2.11)**	**(0.10)**

Deferred Tax charged to statement of profit and loss account

Particulars	31 March 2021	31 March 2020
Upfront recogintion of EIS income on loan assignement	(1.86)	(0.72)
Allowances for credit risks	0.07	0.04
Unamortized loan origination income, (net)	(0.06)	0.19
Provision for gratuity and compensated absences	(0.02)	0.15
Depreciation and amortisation differences	(0.12)	(0.16)
Right of use assets differences	0.14	0.18
Lease liabilities differences	(0.05)	(0.14)
Non-convertible debentures transaction costs	(0.11)	-
Deferred Tax charged to statement of profit and loss account	**(2.00)**	**(0.46)**

Note - 18

Other non-financials liabilities

Statutory dues payable	0.09	0.48
Others	0.04	0.06
	0.13	**0.54**

(This space has been intentionally left blank)

All amount in Cr

	As at 31 March 2021	As at 31 March 2020
Note - 19		
Equity share capital		
Details of authorized, issued, subscribed and paid up share capital		
(a) Authorized share capital		
45000000 (31 March 2020 : 4500000) Equity shares of face value ₹ 10 each	45.00	45.00
	45.00	**45.00**
(b) Issued & Subscribed equity share capital		
41797400 (31 March 2020: 41797400) Equity Shares of face value ₹ 10 each	41.80	41.80
	41.80	**41.80**

(c) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to receive dividends as declared from time to time and one vote per share.

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.

There are no shares allotted as fully paid-up by way of bonus shares or allotted as fully paid-up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

There are no securities which are convertible into equity shares.

(d) The reconciliation of equity shares outstanding at the beginning and at the end of the reporting period.

Particulars	**Nos.**	**Amount**
Equity share as at 01 April 2019	41797400	41.80
Add : Issued during the period	-	-
Equity share as at 31 March 2020	41797400	41.80
Add : Issued during the period	-	-
Equity share as at 31 March 2021	**41797400**	**41.80**

(e) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	**31 March 2021**		**31 March 2020**	
	No.s of shares	**% of holding**	**No.s of shares**	**% of holding**
SORIL Infra Resources Limited	41797400	100.00%	41797400	100.00%

Note - 20
Share premium and other equity

Refer statement of changes in equity for detailed movement in equity balance.

Particulars	**31 March 2021**	**31 March 2020**
Refer statement of changes in equity for detailed movement in equity balance.		
Securities premium	74.83	74.83
Special reserve u/s 45IC	3.98	1.62
Impairment reserve	0.04	0.04
Retained earnings	15.13	5.67
Other Comprehensive Income	0.15	0.00
	94.13	**82.16**

The description of the nature and purpose of each reserve within equity is as follows:

(a) Securities premium
The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

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

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

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

All amount in Cr

Note - 21
Interest income

Particulars	Year ended	
	31 March 2021	31 March 2020
Interest on loans at amortised cost	22.49	32.66
Total	**22.49**	**32.66**

**Refer note- 32 for related party transactions*

Note - 22
Dividend income

Dividend Income on mutual fund	-	0.11
	-	**0.11**

Note - 23
Fees

Loan processing and other fee	1.73	3.18
Service fee on assigned loans	0.14	0.01
	1.87	**3.19**

Note - 24
Net gain on derecognition on financial instruments under amortised cost category

Income on assigned loans	10.56	3.11
	10.56	**3.11**

Note - 25
Other income

Net gain on sale of units of mutual fund(s)	0.36	0.02
Provisions no longer required written back	0.19	0.49
Miscellaneous income	0.02	0.01
	0.57	**0.52**

Note - 26
Finance Costs
(on financial liabilities measured at amortised cost)

Interest on borrowings*	1.80	10.40
Accrued interest (not due) on NCD	4.13	-
Interest on lease liabilities (*Refer note- 30*) **	0.33	0.27
Other interest expenses	0.20	0.17
	6.46	**10.84**

**Refer note- 32 for related party transactions*
**Subsequent to introduction of Ind AS 116 Leases, the Company has recognised Long-term leases as ROU Assets and created lease obligation representing present value of future minimum lease payments. The unwinding of such obligation is recognised as interest expense.

Note - 27
Impairment on financial instruments
(on financial assets measured at amortized costs)

Allowances for credit risks (*Refer note- 6*)	0.30	0.15
	0.30	**0.15**

Note - 28
Employee benefits expense

Salaries and wages	8.80	12.69
Contribution to provident fund and other funds	0.13	0.20
Staff welfare expenses	0.04	0.17
Gratuity	0.09	0.23
Compensated absences	-	0.35
	9.06	**13.64**

1) **Employee benefits -retiral**

(i) Post retirement defined contribution plan

Provident fund

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

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

Particulars	31 March 2021	31 March 2020
Contributions made to:		
Employees' provident fund organisation	0.03	0.08
Employees' state insurance corporation	0.02	0.04
Labour welfare fund	0.00	0.00
Employees' national pension scheme	0.08	0.08
Total	**0.13**	**0.20**

(ii) Post retirement defined benefit obligation

The Company has the following defined benefit plans:

- Gratuity (unfunded)
- Compensated absences (unfunded)

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

Disclosure in respect of Gratuity, Compensated Absences as per actuarial valuation:

Particulars	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2020-21	2019-20	2020-21	2019-20
i)Amount recognised in balance sheet				
Present value of commitments (as per actuarial valuation)	0.12	0.23	0.21	0.36
Fair value of plan assets	-	-	-	-
Net liabilities in the Balance sheet	**0.12**	**0.23**	**0.21**	**0.36**
Movement in net liabilities recognised in the Balance Sheet:				
Net liabilities as at the beginning of the year	0.23	-	0.36	0.01
Amount (paid) during the year/transfer adjustment	-	-	-	-
Net expenses recognised in the statement of profit and loss	0.09	0.23	(0.15)	0.35
Actuarial (gains)	(0.20)	-	-	-
Net liabilities as at the end of the year	**0.12**	**0.23**	**0.21**	**0.36**
ii) Amount recognised in the Profit and Loss				
Current service cost	0.08	0.23	0.13	0.35
Interest cost	0.01	-	0.02	-
Actuarial (gains)	-	-	(0.30)	-
Expected return on plan assets	NA	NA	NA	NA
Expenses charged / (reversal)	**0.09**	**0.23**	**(0.15)**	**0.35**
Amount recognised in the other comprehensive income				
Actuarial gain/(loss) recognised during the year	(0.20)	-	-	-
iii) Present value of Defined benefit obligations:				
obligation as at the beginning of the year	0.23	-	0.36	0.01
Current service cost	0.08	0.23	0.13	0.35
Interest cost	0.01	-	0.02	-
(Paid benefits)	-	-	-	-
Actuarial (gains)	(0.20)	-	(0.30)	-
Present value of the obligation as at the end of the year	**0.12**	**0.23**	**0.21**	**0.36**
Reconciliation of plan assets	N.A	N.A	N.A	N.A

iv) Sensitivity analysis:

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

Gratuity

Assumptions	31 March 2021		31 March 2020	
	Discount rate			
Sensitivity Level	0.50% increase	0.50% increase	0.50% increase	0.50% decrease
Impact on defined benefit obligation	(0.01)	0.01	(0.02)	0.02

Gratuity

	31 March 2021		31 March 2020	
Assumptions	Expected rate of salary increase			
Sensitivity Level	0.50% increase	0.50% increase	0.50% increase	0.50% decrease
Impact on defined benefit obligation	0.01	(0.01)	0.03	(0.02)

Leave Encashment

	31 March 2021		31 March 2020	
Assumptions	**Discount rate**			
Sensitivity Level	0.50% increase	0.50% increase	0.50% increase	0.50% decrease
Impact on defined benefit obligation	(0.02)	0.02	(0.03)	0.03

Leave Encashment

	31 March 2021		31 March 2020	
Assumptions	**Expected rate of salary increase**			
Sensitivity Level	0.50% increase	0.50% increase	0.50% increase	0.50% decrease
Impact on defined benefit obligation	0.02	(0.02)	0.03	(0.03)

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

Particulars	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2020-21	**2019-20**	**2020-21**	**2019-20**
Discount rate	6.79%	6.80%	6.79%	6.80%
Expected return on plan assets	N.A	N.A	N.A	N.A
Expected rate of salary increase	5.50%	5.50%	5.50%	5.50%
Mortality	100 % of IALM (2012 - 14)	100 % of IALM (2012 - 14)	100 % of IALM (2012 - 14)	100 % of IALM (2012 - 14)

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

Expected payment for future years	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2020-21	**2019-20**	**2020-21**	**2019-20**
Within the next 12 months (next annual reporting period)	-	-	-	0.01
Between 1 and 2 years	-	-	-	0.01
Between 2 and 5 years	-	0.01	0.01	0.02
Beyond 5 years	0.12	0.22	0.19	0.31
Total expected payments	**0.12**	**0.23**	**0.20**	**0.35**

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

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Note - 29
Other expenses

IT Expenses	0.49	0.04
Loss on disposal of property, plant and equipments	0.45	-
Office maintenance expenses	0.40	0.83
Communication costs	0.14	0.11
Legal and professional charges	0.11	0.04
Selling and credit verification cost	0.08	1.21
Advertisement and publicity	0.08	0.09
Allowance for credit risk	0.08	-
Corporate social responsibility (*Refer Note (ii) below*)	0.07	-
Rates & taxes expenses	0.06	0.11
Insurance	0.06	0.11
Auditor's remuneration (*Refer note (i) below*)	0.03	0.01
Travelling and conveyance	0.02	0.12
Other expenditure	0.02	0.02
Printing & stationary	0.01	0.06
Recruitment expenses	-	0.23
	2.10	**2.98**

(i) Details of Auditor's remuneration
Auditor's remuneration

Audit fees	0.03	0.01
Reimbursement of expenses	-	-
	0.03	0.01

(ii) Details of Corporate social responsibility expenses

The Company through its implementing agency "Indiabulls Foundation" in association with "Free Consultation by the Doctors including Health Camps" has planned to help people in various states of India.

(a) The gross amount required to be spent by the Company under Section 135 of the Companies Act, 2013 for the year is ₹ 0.07 Cr (31 March 2020: ₹ Nil) i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.

(b) No amount has been spent on construction/acquisition of an asset of the Company.

(c) Payment during the year ended 31 March 2021 : ₹ 0.07 Cr (31 March 2020: ₹ Nil).

Note - 30

Leasing arrangements

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

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

(i) Reconciliation of carrying value of right of use assets at the end of the reporting period (*Refer note 9 (c)*)

(ii) Reconciliation of lease liability at the end of the reporting period

Particulars	**31 March 2021**	**31 March 2020**
Balance as at beginning of the year	3.29	-
Addition during the year	0.65	3.82
Deletion during the year	0.34	-
Interest on lease liabilities	0.33	0.27
Repayment of lease liabilities	0.53	0.80
Balance as at end of the year	**3.40**	**3.29**

Maturity of lease liabilities

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

31 March 2021	**Lease payments**	**Interest expense**	**Net Present values**
Within 1 year	0.56	0.30	0.26
1-2 years	0.62	0.27	0.35
2-5 years	1.97	0.59	1.38
More than 5 years	1.55	0.14	1.41
Total	**4.70**	**1.30**	**3.40**

31 March 2020	**Lease payments**	**Interest expense**	**Net Present values**
Within 1 year	0.60	0.28	0.32
1-2 years	0.48	0.26	0.22
2-5 years	1.65	0.61	1.04
More than 5 years	1.97	0.26	1.71
Total	**4.70**	**1.41**	**3.29**

iii) Rental expense not included in the measurement of the lease liability is as follows:

Particulars	**31 March 2021**	**31 March 2020**
Interest on lease liabilities	0.33	0.27
Depreciation charged for the year	0.56	0.73
Expenses relating to short term lease and low-value assets (includes in rent expenses)	-	0.06
Net present value of security deposits on lease recognised as other income	0.02	0.02
Total	**0.87**	**1.04**

iv. Amounts recognised in statement of cash flows

Particulars	**31 March 2021**	**31 March 2020**
Total cash outflow for Lease as per Ind AS 116	0.53	0.80

Note - 31

Segment Reporting

The company's main business is financing by way of loans to MSMEs and Rural Housing Finance majorly from the Tier-II and Tier-III cities. All other activities of the Company revolve around the main business. Accordingly, there are no separate reportable segments as per "Ind AS" 108 dealing with operating segment.

Note - 32

Disclosures in respect of Related Parties as per Indian Accounting Standard (IndAS) – 24 'Related Party Disclosures'.

a) Name and Nature of relationship with related parties

Relationship	**Name of related parties**
(i) Related party exercising control :	
Holding Company	SORIL Infra Resources Limited
Fellow-subsidiary of holding company	Albasta Wholesale Services Limited
(ii) Key Management Personnel	Mr.Sunil Kumar Gupta, Whole Time Director (from 10 November 2020)

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

b) Summary of significant transactions with related parties:

Particulars	**Year ended**	
	31 March 2021	**31 March 2020**
Transaction with related parties:		
Interest Incomes		
SORIL Infra Resources Limited	1.64	-
Finance costs		
SORIL Infra Resources Limited	1.80	8.86
Albasta Wholesale Services Limited	-	1.12
	1.80	**9.98**
Reimbursement of expenses, net		
SORIL Infra Resources Limited	0.02	0.40
Borrowings		
SORIL Infra Resources Limited	-	171.50
Albasta Wholesale Services Limited	-	53.30
	-	**224.80**
Repayment against borrowings		
SORIL Infra Resources Limited	83.30	88.20
Albasta Wholesale Services Limited	-	53.30
	83.30	**141.50**
Loan given		
SORIL Infra Resources Limited	47.24	-
Loan repaid		
SORIL Infra Resources Limited	4.50	-
Remuneration paid		
Mr.Sunil Kumar Gupta, Whole Time Director	1.13	-
Advance against salary		
Mr.Sunil Kumar Gupta, Whole Time Director	0.40	-

Maximum outstanding balance with related parties :

Borrowings		
SORIL Infra Resources Limited	83.30	133.00
Loan given		
SORIL Infra Resources Limited	42.74	-

Balances outstanding with related parties :		
Borrowings		
SORIL Infra Resources Limited	-	83.30
Loan given		
SORIL Infra Resources Limited	42.74	-
Others		
SORIL Infra Resources Limited	-	0.01

Note - 33

Earning per equity share

Earnings per equity share (EPS) as per Indian Accounting Standard (IndAS)-33 "Earnings per share (*Refer note -3.12*)

Particulars	Year ended	
	31 March 2021	**31 March 2020**
Following reflects the profit and share data used in EPS computations:		
Basic		
Weighted average number of equity shares for computation of Basic EPS	4,17,97,400	41797400
Net profit for calculation of basic EPS	11.82	8.00
Basic earning per share (In ₹)	2.83	1.91
Diluted		
Weighted average number of equity shares for computation of Diluted EPS	41797400	41797400
Net profit for calculation of Diluted EPS	11.82	8.00
Diluted earning per share (In ₹)	2.83	1.91
Nominal value of equity shares (In ₹)	10	10

Note - 34

Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Statement of Cash flows

Effective 01 April 2017, the company adopted the amendment to Ind AS-7, which require the entities to provide disclosure that enable users of financial statements to evaluate change in financial liabilities arising from financing activities including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities to meet the disclosure requirement .The adoption of amendment did not have any impact on the financial statements.

The changes in the Company's liabilities arising from financing activities can be classified as follows:

31 March 2021

Particulars	Debt Securities (Non convertible debentures)	Borrowing (other than debt securities	Total
Opening balance	-	83.30	83.30
Proceeds from current/ non-current borrowings (including current maturities)	50.00	-	50.00
Expenditure on issue of debt securities	(0.57)	-	(0.57)
Repayment of current/ non-current borrowings (including current maturities)	-	(83.30)	(83.30)
Closing balance	**49.43**	**-**	**49.43**

31 March 2020

Particulars	Debt Securities (Non convertible debentures)	Borrowing (other than debt securities	Total
Opening balance	-	-	-
Proceeds from current/ non-current borrowings (including current maturities)	-	259.80	259.80
Expenditure on issue of debt securities	-	-	-
Repayment of current/ non-current borrowings (including current maturities)	-	(176.50)	(176.50)
Closing balance	-	**83.30**	**83.30**

Particulars	Lease liability	
	31 March 2021	**31 March 2020**
Opening balance	3.29	-
Addition on account of new leases during the year (Refer note 30)	0.65	3.82
Deletion on account of closed branches	(0.34)	-
Interest expense	0.33	0.27
Principal payment	(0.20)	(0.53)
Interest paid	(0.33)	(0.27)
Closing balance	**3.40**	**3.29**

*These pertains to non- cash adjustments made during the year

Note - 35

Financial instruments-accounting classification and fair value measurement

A Fair value measurements

(i) **Valuation principles**

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

(ii) **Valuation governance**

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

(iii) **Fair value hierarchy :**

The Company uses the hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole.

Financials assets and financials liabilities are measured at fair value as at the Balance Sheet date and classified of fair value by category Level 1 - 3 as applicable.

Valuation techniques

Mutual fund

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

B Classification of Financial Assets and Financial Liabilities

Financial instruments by category

Particulars	**At amortised cost**	
	31 March 2021	**31 March 2020**
Financial assets		
Cash and cash equivalents	13.60	4.03
Trade receivables	0.05	0.01
Loans	168.46	198.90
Other financial assets	12.06	5.19
Total financial assets	**194.17**	**208.13**
Financial liabilities		
Trade payables	0.16	0.54
Debt securities	49.56	-
Borrowings (other than debt securities)	-	83.30
Other financial liabilities (including lease liability)	12.92	6.43
Total financial liabilities	**62.64**	**90.27**

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

C Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Consolidated Statement of Profit and Loss are as follows:

Particulars	**31 March 2021**	**31 March 2020**
Financial assets measured at amortised cost		
Interest income	(22.49)	(32.66)
Net gain on derecognition on financial instruments	(10.56)	(3.11)
Service fee on pool loans	(0.14)	(0.01)
Processing Fee	(1.73)	(3.18)
Net gain on sale of units of mutual fund(s)	(0.36)	(0.02)
Income on lease modification as per IndAS 116	(0.02)	(0.01)
Allowance for financial assets		
-Loans	0.30	0.15
Financial assets measured at fair value through profit or loss		
Dividend Income on units of mutual fund(s)	-	(0.11)
Financial liabilities measured at amortised cost		
Interest on borrowings	5.93	10.40
Interest on lease liabilities	0.33	0.27
Net gain recognised in the Consolidated Statement of Profit and Loss	**(28.74)**	**(28.28)**

Note - 36

Transfer of financial assets

Assignement Deals

During the period ended 31 March 2021, the Company has sold some loans and adavances measured at amortised cost as per assignement deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transfered to the buyer being met, the assets have been derecognised.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition on financial assets.

Loans and advances measured at amortised cost	**Year ended**	
	31 March 2021	**31 March 2020**
Carrying value of derecognised financial assets	67.72	36.56
Gain on derecognition on financial assets	10.56	3.11

Note - 37

Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI) of India. The adequacy of the company capital in monitored using, among other measures, the regulations issued by RBI.

Company has complied in full with all its externally imposed capital requirements over the reported period

Capital Management

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

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

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

The table below summarises the capital, net debt and net debt to equity ratio of the Company:

Particulars	As at	
	31 March 2021	**31 March 2020**
Gross Debt	49.56	83.30
Less: Cash and cash equivalents	(13.60)	(4.03)
Net debt	**35.96**	**79.27**
Total equity	135.93	123.96
Net debt to equity ratio	**0.26**	**0.64**

Note - 38

Regulatory Capital

Particulars	As at	
	31 March 2021	**31 March 2020**
Tier 1 - Capital	102.36	122.40
Tier 2 - Capital	3.98	1.66
	106.34	**124.06**
Risk weightage assets	175.09	207.18
Tier 1 capital adequacy ratio (%)	58.46%	59.08%
Tier 2 capital adequacy ratio (%)	2.27%	0.80%

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings, including current year Loss. Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments, which includes reserve fund u/s 45 IC of RBI Act. and impairment reserve.

Note - 39

Financial risk management

The Companies financial risk management is an integral part of how to plan and execute its business strategies. The Companies risk management policy is set by the Board to achieve robust risk management framework to identify, monitor, mitigate and minimise risks arising from financial instruments. The Companies primary focus is to forsee the unpredictability of financial markets and seek to minimise the potential adverse effects on its financial performance. A summary of the risks have been given below:

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

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

a) Liquidity risk

Liquidity risk is the potential for loss to an entity arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable cost or losses.

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

Maturities analyses of assets and liabilities

The tables below analyze the Company's assets and liabilities into relevant maturity groupings based on their contractual maturities.

31 March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Contractual maturities of financial liability					
Debt securities	-	-	-	49.56	49.56
Trade payable	0.17	-	-	-	0.17
Other financial liabilities	10.07	0.62	0.39	3.14	14.22
Total	**10.24**	**0.62**	**0.39**	**52.70**	**63.95**

31 March 2020	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Contractual maturities of financial liability					
Borrowings (other than debt securities)	-	-	-	83.30	83.30
Trade payable	0.54	-	-	-	0.54
Other financial liabilities	3.46	0.22	0.32	2.43	6.43
Total	**4.00**	**0.22**	**0.32**	**85.73**	**90.27**

b) 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. Company's Credit Risk Management framework is categorized into following main components:

- Board and senior management oversight
- Organization structure
- Systems and procedures for identification, acceptance, measurement, monitoring and controlling risks.

It is the overall responsibility of the board appointed Risk Management Committee to approve the Company's credit risk strategy and lending policies relating to credit risk and its management. The policies are based on the Company's overall business strategy and the same is reviewed periodically.

The Board of Directors constituted Risk Management Committee keeps an active watch on emerging risks the Company is exposed to. The Risk Management Committee defines loan sanctioning authorities, including process of vetting by credit committees for various types/values of loans. The RMC approves credit policies, reviews regulatory requirements, and also periodically reviews large ticket loans and overdue accounts from this pool.

The Risk Management Committee approves the 'Credit Authority Matrix' that defines the credit approval hierarchy and the approving authority for each group of approving managers/ committees in the hierarchy.

To maintain credit discipline and to enunciate credit risk management and control process there is a separate Risk Management department independent of loan origination function. The Risk Management department performs the function of Credit policy formulation, credit limit setting, monitoring of credit exceptions / exposures and review /monitoring of documentation.

Particulars	31 March 2021	31 March 2020
Housing loan	27.51	99.97
Loan against property	141.75	99.43
	169.26	**199.40**

The following table shows the risk concentration of financial assets:

31 March 2021

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of expected credit loss
Cash and cash equivalents	13.60	-	**13.60**
Receivables	0.05	-	**0.05**
Loans	169.26	0.80	**168.46**
Security deposit	0.09	-	**0.09**
Other financial assets	11.97	-	**11.97**

31 March 2020

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of expected credit loss
Cash and cash equivalents	4.03	-	**4.03**
Receivables	0.01	-	**0.01**
Loans	199.40	0.50	**198.90**
Security deposit	0.27	-	**0.27**
Other financial assets	4.92	-	**4.92**

(c) Market Risk

Market Risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to Market Risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Company's exposure to market risk is primarily on account of interest rate risk.

Interest Risk

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. The Company's lending & funding activities give rise to interest rate risk. The immediate impact of variation in interest rate is on the Company's net interest income, while a long term impact is on the Company's net worth since the economic value of the assets, liabilities and off-balance sheet exposures are affected. While assessing interest rate risks, signals given to the market by RBI and government departments from time to time and the financial industry's reaction to them shall be continuously monitored.

Interest Rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

Particulars	Basis Points	Effect on Profit/loss and Equity for the year 2020-21	Effect on Profit/loss and Equity for the year 2019-20
Borrowings			
Increase in basis points	+0.25%	0.12	0.21
Decrease in basis points	-0.25%	(0.12)	(0.21)
Advances			
Increase in basis points	+0.25%	0.42	0.50
Decrease in basis points	-0.25%	(0.42)	(0.50)
Investments			
Increase in basis points	+0.25%	-	-
Decrease in basis points	-0.25%	-	-

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities.

Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Foreign Currency Risk

The Company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the company.

Impact of COVID

The pandemic of Corona Virus (COVID-19) has caused unprecedented havoc to the economic activity all around the Globe. The complete lock down announced on 24 March 2020 by the Government of India brought the wheels of economic activity to a grinding halt. The operations are slowly and gradually resuming and expected to reach pre – COVID 19 level in due course of time. The Company is continuously and closely observing the unfolding situation and will continue to do so. The Company has considered the possible impact of COVID-19 in preparing the financial results including the recoverable value of its assets and its liquidity position based on internal and external information upto the date of approval of these financial results.

All amount in Cr

Note - 40

Commitments and Contingent liabilities

Commitments

a) Estimated amount of Loans (Assets) undrawn as at year end is ₹ Nil. (Previous year: ₹ 1.58 Cr).

b) Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 0.00 Cr. (31 March 2020: ₹ 0.02 Cr.) .

Contingent liabilities:

a) Contingent liabilities is ₹ Nil as at balance sheet date (Previous year: ₹ Nil).

b) Company did not have any long term contracts including derivative contracts at the end of reporting date.

Note - 41

Asset liability management

Maturity pattern of certain items of asset & liabilities

For the financial year 2020-2021

Particulars	Liabilities	Assets
	Market Borrowings	Advances*
1 day 30 to 31 days (One month)**	0	1.21
Over One months to 2 months	0	1.19
Over 2 months upto 3 months	0	1.17
Over 3 months to 6 months	0	3.38
Over 6 months to 1 year	0	108.65
Over 1 year to 3 year	49.56	18.62
Over 3 year to 5 year	0	12.81
Over 5 year	0	22.23
Total	**49.56**	**169.26**

* Advances does not include cash & bank balances and other receivables

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Additional disclosures required in the annual financial statements as per the RBI Master Direction DNBR. PD. 007/03.10. 11 9/2016-17 dated 01 September 2016.

(i) **The Company has following registrations effective as on 31 March 2021:**

Issuing Authority	Registration No. If any	Date of Registration	Valid upto	Registered as
Reserve bank of India	**B-13.01706**	**05.02.2004**	**NA**	**NBFC**

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(ii) **Template for Disclosure in notes to financial statements as per circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20:**

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
-1	-2	-3	-4	(5)=(3)-(4)	-6	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	165.91	0.52	165.39	0.42	0.10
	Stage 2	2.54	0.02	2.52	0.01	0.01
Subtotal		**168.45**	**0.54**	**167.91**	**0.43**	**0.11**
Non-Performing Assets (NPA)						
Substandard	Stage 3	0.81	0.26	0.55	0.05	0.21
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**0.81**	**0.26**	**0.55**	**0.05**	**0.21**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**-**	**-**	**-**	**-**	**-**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	Stage 1	165.91	0.52	165.39	0.42	0.10
	Stage 2	2.54	0.02	2.52	0.01	0.01
	Stage 3	0.81	0.26	0.55	0.05	0.21
	Total	**169.26**	**0.80**	**168.46**	**0.48**	**0.32**

(iii) No drawdown of reserves made during current year (Previous year ₹ Nil)

(iv) The disclosure of the Concentration of Deposits taken is not applicable since the Company is not in the business of accepting deposits being a Systematically Important Non Deposit Accepting NBFC.

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Note in accordance with RBI circular no. RBI/2019-20/88 DOR. NBFC (PD) CC No. 102/03.10.001/2019-20 dated 04 November 2019 on liquidity risk management framework for Non-Banking financial companies.

(i) Funding concentration based on significant counterparty - borrowing

Significant Counterparties	31 March 2021	% of Total Liabilities	31 March 2020	% of Total Liabilities
SORIL Infra Resources Limited (holding Company)	-	100%	83.30	100%

(ii) Top 10 borrowings (amount in ₹ crore and % of total borrowings)

Significant Counterparties	31 March 2021	% of Total Liabilities	31 March 2020	% of Total Liabilities
SORIL Infra Resources Limited (holding Company)	-	100%	83.30	100%

(iii) Funding concentration based on significant instrument/product

Name of the instrument/product	31 March 2021	% of Total Loans	31 March 2020	% of Total Loans
Unsecured loan from holding company	-	100%	83.30	100%

(iv) Institutional set-up for liquidity risk management

The Company's board of directors has overall responsibility of management of liquidity risk.

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Disclosure on moratorium – COVID 19 regulatory package – asset classification and provisioning for the year ended 31 March 21 and 31 March 2020 pursuant to the notification vide:DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020:

	Particulars	31 March 2021	31 March 2020
(i)	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the above mentioned RBI circular.*	0.17	0.73
(ii)	Respective amount where asset classification benefits is extended*	-	-
(iii)	Provisions made during the during the financial year 31 March 2021 and year ended 31 March 2020 in terms of paragraph 5 of the above circular	(0.02)	0.04
(iv)	Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6	-	-

INDIABULLS RURAL FINANCE PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2021

All amount in Cr

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Information as required in terms of Paragraph 13 of the RBI Master Direction - Non-Banking financial company - Non-systemically Important Non - deposit taking company and Deposit taking company (Reserve Bank) Directions, 2016.

Particulars	31 March 2021		31 March 2020	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side :				
1. Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:				
(a) Debentures :				
Secured (including interest accrued but not due)	53.56	Nil	Nil	Nil
Unsecured (other than falling within the meaning of public deposits)	Nil	Nil	Nil	Nil
(b) Deferred credits	Nil	Nil	Nil	Nil
(c) Term loans	Nil	Nil	Nil	Nil
(d) Inter-corporate loans and borrowing	Nil	Nil	83.30	Nil
(e) Commercial paper	Nil	Nil	Nil	Nil
(f) Public deposits	Nil	Nil	Nil	Nil
(f) Other loans	Nil	Nil	Nil	Nil

Particulars	31 March 2021	31 March 2020
	Amount outstanding	Amount outstanding
Assets side :		
2. Break-up of loans and advances including bills receivables [other than those included in (3) below] :		
(a) Secured	152.19	179.49
(b) Unsecured	17.07	19.91
3. Break up of leased assets and stock on hire and other assets counting towards AFC activities :		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	NIL	NIL
(b) Operating lease	NIL	NIL
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire	NIL	NIL
(b) Repossessed assets	NIL	NIL
(iii) Other loans counting towards AFC activities:		
(a) Loans where assets have been repossessed	NIL	NIL
(b) Loans other than (a) above	NIL	NIL

4. Break -up of Investments :		
Current Investments :		
1. Quoted :		
(i) Shares :		
(a) Equity	NIL	NIL
(b) Preference	NIL	NIL
(ii) Debentures and Bonds	NIL	NIL
(iii) Units of Mutual Funds	NIL	NIL
(iv) Government Securities	NIL	NIL
(v) Others	NIL	NIL
2. Unquoted :		
(i) Shares :		
(a) Equity	NIL	NIL
(b) Preference	NIL	NIL
(ii) Debentures and Bonds	NIL	NIL
(iii) Units of Mutual Funds	NIL	NIL
(iv) Government Securities	NIL	NIL
(v) Others	NIL	NIL

Non current Investment :		
1. Quoted :		
(i) Shares :		
(a) Equity	NIL	NIL
(b) Preference	NIL	NIL
(ii) Debentures and Bonds	NIL	NIL
(iii) Units of Mutual Funds	NIL	NIL
(iv) Government Securities	NIL	NIL
(v) Others	NIL	NIL
2. Unquoted :		
(i) Shares :		
(a) Equity		
(b) Preference	NIL	NIL
(ii) Debentures and Bonds	NIL	NIL
(iii) Units of Mutual Funds	NIL	NIL
(iv) Government Securities	NIL	NIL
(v) Others	NIL	NIL

5. Borrower group-wise classification of assets financed as in (2) and (3) above :

Category	31 March 2021			31 March 2020		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties:						
(a) Subsidiaries	NIL	NIL	NIL	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL	NIL	NIL	NIL
2. Other than related parties	151.49	16.97	**168.46**	179.05	19.85	**198.90**
Total	**151.49**	**Nil**	**168.46**	**179.05**	**19.85**	**198.90**

6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):				
	31 March 2021		31 March 2020	
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties:				
(a) Subsidiaries	NIL	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL	NIL
2. Other than related parties	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL

7. Other Information		
Particulars	31 March 2021 Amount outstanding	31 March 2020 Amount outstanding
(i) Gross Non-performing assets		
(a) Related parties	-	-
(b) Other than related parties	0.39	-
(ii) Net Non-performing Assets		
(a) Related parties	-	-
(b) Other than related parties	0.35	-
(iii) Assets acquired in satisfaction of debts	-	-

(This space has been intentionally left blank)

All amount in Cr

Note - 46

Other Information

a) There are no dues payable under section 125 of Companies Act, 2013, as at 31 March 2021 & as at 31 March 2020.

b) The Company have not entered into any derivative instruments during the year. There are no outstanding derivatives contracts as at 31 March 2021 & as at 31 March 2020.

c) In the opinion of the Board of Directors, all current assets and long term loans and advances, appearing in the balance sheet as at 31 March 2021, 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.

d) Previous year figures have been regrouped / reclassified wherever applicable.

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

For Agarwal Prakash & Co.
Chartered Accountants
Firm's Registration Number : 005975N

For and on behalf of the Board of Directors

Vikas Aggarwal
Partner
Membership Number: 097848

Sunil Kumar Gupta
Whole Time Director
(DIN : 06797017)

Vijay Kumar Agrawal
Whole Time Director
(DIN : 08329352)

Place : Gurugram
Date : 08 May 2021

Manish Khandelwal
Chief Financial Officer

Chandra Shekher Joshi
Company Secretary