

Independent Auditor's Report

To the Trustee of
ICCL Lender Repayment Trust

Report on the Audit of Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **ICCL Lender Repayment Trust** (hereinafter referred to as "the trust") which comprise the Balance Sheet as at March 31, 2021, the Revenue account (including Other Comprehensive Income) and the Statement of Receipts & Payment for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations give to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ,Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principal generally accepted in India, of the state of affairs of the company as at March 31, 2021, the surplus and total comprehensive income and its Receipts & Payment for the year ended on that date.

Basis for opinion

We conduct our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditors Responsibilities for the Audit of Standalone Financial Statements* section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other Ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

The Trustees of the trust are responsible for the preparation of the other information. The other information comprise the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board Report's, Business Responsibility Report, Corporate Governance and shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, is doing so, consider whenever the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Trustee's Responsibility for the Financial Statements

The Trustees of the trust are responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Trust in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control, 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.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other matters - restriction of use

This report is made solely to the Trustees of IBHFL Lender Repayment Trust. Our audit work has been undertaken so that we might state to the Trustees, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees of IBHFL Lender Repayment Trust for our audit work, for this report, or for the opinions we have formed.

For Sumit Mohit & Company

Chartered Accountants

FRN: 021502N

Sd/-

Sumit Garg

(Partner)

M. No.: 506945

Place: New Delhi

Date: May 18, 2021

UDIN: 20506945AAAAHJ7289

ICCL LENDER REPAYMENT TRUST**Statement of Aafairs as at March 31, 2021**

(All Amount Rs. In Thousands, except for share data unless state otherwise)

| | Notes | As at March 31, 2021 Amount (Rs.) | As at March 31, 2020 Amount (Rs.) |
|-------------------------------------|-------|---|---|
| ASSETS | | | |
| Non-current assets | | - | - |
| | | - | - |
| Current assets | | | |
| -Investments | 3 | - | - |
| -Cash and cash equivalents | 4 | - | 31,744.64 |
| | | - | 31,744.64 |
| TOTAL ASSETS | | - | 31,744.64 |
| EQUITY AND LIABILITIES | | | |
| Corpus fund | | | |
| IBHFL | 5 | - | 31,744.64 |
| Total Corpus | | - | 31,744.64 |
| Liabilities | | | |
| Non-current liabilities | | - | - |
| | | - | - |
| Current liabilities | | | |
| Reserves | 6 | - | - |
| Other current liabilities | 7 | - | - |
| | | - | - |
| TOTAL EQUITY AND LIABILITIES | | - | 31,744.64 |
| | | - | - |

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statement

As per our report of even date

For Sumit Mohit & Company
Chartered Accountants
FRN: 021502N

For and on behalf of the ICCL Lender Repayment Trust

Sd/-
Sumit Garg
Partner
M. No. 506945

Sd/-
Axis Trustee Services Limited
Anil Grover
(Authorised Signatory)

Sd/-
Mangalagawri Bhat
(Authorised Signatory)

Place: New Delhi
Date: May 18, 2021

Place: Mumbai
Date: May 18, 2021

ICCL LENDER REPAYMENT TRUST**Statement of Income and Expenditure for the year ended March 31, 2021**

(All Amount Rs. In Thousands, except for share data unless state otherwise)

| | Notes | For the year ended March 31, 2021 Amount (Rs.) | For the year ended March 31, 2020 Amount (Rs.) |
|--------------------------------------|-------|--|--|
| Income | | | |
| Revenue from operations | 8 | - | 26,737.99 |
| Total Revenue | | <u>-</u> | <u>26,737.99</u> |
| Expenses | | | |
| Other expenses | | - | - |
| Total Expenses | | <u>-</u> | <u>-</u> |
| Income over expenditure | | - | 26,737.99 |
| Appropriation: | | | |
| Indiabulls Commercial Credit Limited | | - | 26,737.99 |
| Balance C/f | | <u>-</u> | <u>-</u> |

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statement

As per our report of even date

For Sumit Mohit & Company
Chartered Accountants
FRN: 021502N

For and on behalf of the ICCL Lender Repayment Trust

Sd/-
Sumit Garg
Partner
M. No. 506945Sd/-
Axis Trustee Services Limited
Anil Grover
(Authorised Signatory)Sd/-
Mangalagawri Bhat
(Authorised Signatory)Place: New Delhi
Date: May 18, 2021Place: Mumbai
Date: May 18, 2021

ICCL LENDER REPAYMENT TRUST**Receipts & Payments Accounts for the year ended March 31, 2021**

(All Amount Rs. In Thousands, except for share data unless state otherwise)

| | for the year ended March 31, 2021 Amount (Rs.) | | for the year ended March 31, 2020 Amount (Rs.) | |
|--|--|-------------------------|--|------------------------------|
| Receipts | | | | |
| Opening Balances | | | | |
| - Bank | 31,744.64 | <u>31,744.64</u> | 0.10 | <u>0.10</u> |
| Funds received from ICCL | - | | 19,525,749.72 | |
| Redemption of Investments | - | <u>-</u> | 117,651,343.89 | <u>137,177,093.61</u> |
| Total | | <u>31,744.64</u> | | <u>137,177,093.71</u> |
| Payments | | | | |
| Paid towards Investments | - | | 117,624,051.71 | |
| Repayment to ICCL Lenders | 31,743.16 | | 19,493,679.43 | |
| Amount transfer to ICCL | 1.48 | | 27,615.20 | |
| Amount transfer to Indiabulls Foundation | - | <u>31,744.64</u> | 2.73 | <u>137,145,349.08</u> |
| Closing Balance | | | | |
| - Bank | - | <u>-</u> | 31,744.64 | <u>31,744.64</u> |
| Total | | <u>31,744.64</u> | | <u>137,177,093.71</u> |
| | | - | | - |

The accompanying notes are an integral part of the financial statement

As per our report of even date

For Sumit Mohit & Company
Chartered Accountants
FRN: 021502N

For and on behalf of the ICCL Lender Repayment Trust

Sd/-
Sumit Garg
Partner
M. No. 506945Sd/-
Axis Trustee Services Limited
Anil Grover
(Authorised Signatory)Sd/-
Mangalagawri Bhat
(Authorised Signatory)Place: New Delhi
Date: May 18, 2021Place: Mumbai
Date: May 18, 2021

ICCL LENDER REPAYMENT TRUST
Notes to financial statements for the year ended March 31, 2021

Note : 1

Corporate information:

ICCL Lender Repayment Trust ("the Trust") was incorporated on April 02, 2018 by Indiabulls Commercial Credit Limited ("ICCL") in favor of Axis Trustee Services Limited ("the Trustee") in order to manage its payment obligations towards Lenders and facilitate such payments and repayments to its Lenders in a streamlined manner and for ensuring that such payments or prepayments do not get impacted, in any manner, on accounts of any operational constraint at the end of ICCL.

Note : 2

Summary of significant accounting policies:

i) General information and statement of compliance with Ind AS

These financial statements ('financial statements') of the Trust have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')). The Company has uniformly applied the accounting policies during the periods presented.

The financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Authorised Persons on 18 May 2021.

ii) Basis of preparation

These financial statements have been prepared in Indian Rupee which is the functional currency of the Company.

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

iii) Use of estimates and judgements

In preparing these Ind AS financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on its business operations and financial position, based on its review of current indicators of future economic conditions. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

iv) Revenue recognition:

Revenue is recognized upon transfer of control of services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers.

The Company has adopted Ind AS – 115 Revenue from contracts with customers, with effect from 1st April, 2018. Ind AS – 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Company has adopted Ind AS – 115 using the cumulative effect method whereby the effect of applying this standard is recognized at the date of initial application (i.e. 1st April, 2018). Accordingly, the comparative information in the Standalone Statement of Profit and Loss is not restated. Impact on adoption of Ind AS – 115 is not material.

v) Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their nature.

vi) Income taxes

Being Trust is works on behalf of IBHFL hence all the Income earned appropriated to IBHFL.

ICCL LENDER REPAYMENT TRUST
Notes to financial statements for the year ended March 31, 2021

vii) Financial instruments

I. Financial assets

Initial Recognition and Measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Subsequent Measurement

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Equity instruments

An equity instrument is a contract that evidences 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 cost.

Impairment of Financial Asset

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

II. Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included in finance costs in the profit or loss. This category generally applies to trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

ICCL LENDER REPAYMENT TRUST**Notes to financial statements for the year ended March 31, 2021****Derecognition**

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

viii) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

ix) 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 April 1, 2020.

ICCL LENDER REPAYMENT TRUST**Notes to the financial statements as at March 31, 2021**

(All Amount Rs. In Thousands, except for share data unless state otherwise)

| | <u>As at March 31, 2021 Amount (Rs.)</u> | <u>As at March 31, 2020 Amount (Rs.)</u> |
|---|--|--|
| 3 Financial assets - Current | <u>-</u> | <u>-</u> |
| 4 Cash and cash equivalents | | |
| Balances with banks - in current accounts | - | 31,744.64 |
| | <u>-</u> | <u>31,744.64</u> |
| 5 Corpus Fund | | |
| Indiabulls Commercial Credit Limited | - | 31,744.64 |
| | <u>-</u> | <u>31,744.64</u> |
| 6 Resevers | | |
| Reserves on account of changes in cost & fair value of financial Instruments | - | - |
| | <u>-</u> | <u>-</u> |
| 7 Other current liabilities | | |
| Sundry Creditors | | |
| Indiabulls Foundation | - | - |
| | <u>-</u> | <u>-</u> |

ICCL LENDER REPAYMENT TRUST
Notes to the financial statements as at March 31, 2021

| | <u>For the year ended March 31, 2021</u> | <u>For the year ended March 31, 2020</u> |
|----------------------------------|--|--|
| | <u>Amount (Rs.)</u> | <u>Amount (Rs.)</u> |
| 8 Revenue from operations | | |
| Income from Investment | - | 26,737.99 |
| | <u>-</u> | <u>26,737.99</u> |

ICCL LENDER REPAYMENT TRUST
Notes to financial statements for the year ended March 31, 2021

Note : 9

There are no contingent liabilities to be reported as at March 31, 2021 (Previous year: Rs. Nil).

Note : 10

There are no capital and other commitments to be reported as at March 31, 2021 (Previous year: Rs. Nil).

Note : 11

Financial instruments

A. Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

(Amount Rs. In Thousands)

| Particulars | Note No. | As at March 31, 2021 | As at March 31, 2020 |
|--|----------|----------------------|----------------------|
| Financial assets measured at amortised cost | | | |
| Investments | 3 | - | - |
| Cash and cash equivalents | 4 | - | 31,744.64 |
| Other financial assets | | | |
| Total | | - | 31,744.64 |
| Financial liabilities measured at amortised cost | | | |
| Reserves | 6 | - | - |
| Other current liabilities | 7 | - | - |
| Total | | - | - |

B. Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the consolidated financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

| As at March 31, 2021 | Period | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|---------|---------|---------|-------|
| Assets | | | | | |
| Investments at fair value through Profit and Loss | March 31, 2021 | - | - | - | - |
| Quoted equity investments | March 31, 2020 | - | - | - | - |

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

(Amount Rs. In Thousands)

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|------------------------------|----------------------|------------|----------------------|------------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Financial assets | | | | |
| Investments | - | - | - | - |
| Cash and cash equivalents | - | - | 31,744.64 | 31,744.64 |
| Total | - | - | 31,744.64 | 31,744.64 |
| Financial liabilities | | | | |
| Reserves | - | - | - | - |
| Other current liabilities | - | - | - | - |
| Total | - | - | - | - |

The management assessed that fair values of cash and cash equivalents approximate their respective carrying amounts, largely due to the short-term maturities of these instruments.

Note : 12

i) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company's risk are managed by a treasury department under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

| Risk | Exposure arising from | Measurement | Management |
|--------------------------------|--|-----------------------|---|
| Credit risk | Cash and cash equivalents, investments, loans, trade | Ageing analysis | Highly rated bank deposits and diversification of |
| Liquidity risk | Borrowings, trade payables and other financial liabilities | Cash flow forecasts | Committed borrowing and other credit facilities and sale of loan assets (whenever required) |
| Market risk - foreign exchange | Financial assets and liabilities not denominated in Indian rupee (INR) | Cash flow forecasting | Forward contract/hedging, if required |
| Market risk - interest rate | Variable rates borrowings and debt securities | Sensitivity analysis | Negotiation of terms that reflect the market factors |
| Market risk - security price | Investments in equity securities | Sensitivity analysis | Diversification of portfolio, with focus on strategic investments |

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

ICCL LENDER REPAYMENT TRUST**Notes to financial statements for the year ended March 31, 2021****A) 'Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, investments, loan assets, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) 'Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

The Company provides for expected credit loss based on the following:

| Nature | Assets covered | Basis of expected credit loss |
|------------------|---|--|
| Low credit risk | Cash and cash equivalents, other bank balances, investments, loans, trade | 12 month expected credit loss |
| High credit risk | Trade receivables and security deposits | Life time expected credit loss or fully provided for |

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Financial assets that expose the entity to credit risk***(Amount Rs. In Thousands)**

| Particulars | (Amount Rs. In Thousands) | |
|----------------------------------|---------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| (i) Low credit risk | | |
| Investments | - | - |
| Cash and cash equivalents | - | 31,744.64 |
| Other financial assets | - | - |
| (ii) Moderate credit risk | - | - |
| (iii) High credit risk | - | - |

* These represent gross carrying values of financial assets, without deduction for expected credit losses

Cash and cash equivalents

Credit risk related to cash and cash equivalents is managed by only accepting highly rated banks and diversifying accounts in different banks across the country.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits, insurance claim receivables and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

b) Credit risk exposure**i) Expected credit losses for financial assets****(Amount Rs. In Thousands)**

| As at March 31, 2021 | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---------------------------|--|------------------------|---|
| Investment | - | - | - |
| Cash and cash equivalents | - | - | - |

(Amount Rs. In Thousands)

| As at March 31, 2020 | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---------------------------|--|------------------------|---|
| Investment | - | - | - |
| Cash and cash equivalents | 31,744.64 | - | 31,744.64 |

B) 'Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

ICCL LENDER REPAYMENT TRUST
Notes to financial statements for the year ended March 31, 2021

(i) **Financing arrangements:** The Company did not have any borrowings/financing arrangements as at March 31, 2021 and March 31, 2020.

(ii) **Maturities of financial assets and liabilities**

The tables below analyse the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

| (Amount Rs. In Thousands) | | | | | |
|--|------------------|----------|----------|-------------------|-------|
| As at March 31, 2021 | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | Total |
| Non-derivatives | | | | | |
| Investment | - | - | - | - | - |
| Cash and cash equivalents and other bank balances | - | - | - | - | - |
| Total undiscounted financial assets | - | - | - | - | - |
| Non-derivatives | | | | | |
| Total undiscounted financial liabilities | - | - | - | - | - |
| Net undiscounted financial assets/(liabilities) | - | - | - | - | - |

| (Amount Rs. In Thousands) | | | | | |
|--|------------------|----------|----------|-------------------|------------------|
| As at March 31, 2020 | Less than 1 year | 1-2 year | 2-3 year | More than 3 years | Total |
| Non-derivatives | | | | | |
| Investment | - | - | - | - | - |
| Cash and cash equivalents and other bank balances | 31,744.64 | - | - | - | 31,744.64 |
| Total undiscounted financial assets | 31,744.64 | - | - | - | 31,744.64 |
| Non-derivatives | | | | | |
| Total undiscounted financial liabilities | - | - | - | - | - |
| Net undiscounted financial assets/(liabilities) | 31,744.64 | - | - | - | 31,744.64 |

C) Market risk

a) Foreign currency risk

The Company has not entered into any foreign currency transactions and is not exposed to foreign exchange risk arising from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. The Company did not have any foreign currency receivables and payables as at March 31, 2021 and March 31, 2020.

b) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2021 & March 31, 2020 the Company did not have any financial liabilities. As such, interest rate risk exposure and interest sensitivity is not applicable to the Company.

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

i) Exposure

As at March 31, 2021 and March 31, 2020 the Company did not have financial assets subject to price risk.

Note : 13

Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings, if applicable
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

| (Amount Rs. In Thousands) | | |
|---------------------------|----------------------|----------------------|
| Particulars | As at March 31, 2021 | As at March 31, 2020 |
| Net debt* | - | - |
| Total equity | - | 31,744.64 |
| Net debt to equity ratio | - | - |

* Net debt includes debt securities + borrowings other than debt securities + interest accrued - cash and cash equivalents.

The Company does not have any borrowings/debt as at March 31, 2021 and March 31, 2020.

ICCL LENDER REPAYMENT TRUST
Notes to financial statements for the year ended March 31, 2021

Note : 14

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

Note : 15

The Trust is following all the accounting standards as notified the Central Government to extend applicable to it.

As per our report of even date

For Sumit Mohit & Company
Chartered Accountants
FRN: 021502N

For and on behalf of the IBHFL Lender Repayment Trust

Sd/-
Sumit Garg
Partner
M. No. 506945

Sd/-
Axis Trustee Services Limited
Anil Grover
(Authorised Signatory)

Sd/-
Mangalagawri Bhat
(Authorised Signatory)

Place: New Delhi
Date: May 18, 2021

Place: Mumbai
Date: May 18, 2021