

Independent Auditor's Report

To the Members of
Indiabulls Capital Services Limited

Report on the Audit of Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Indiabulls Capital Services Limited** ("the company") which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows 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 profit and total comprehensive income, change in equity and its cash flows 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 Company's Board of Directors is 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.

Management’s Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act’ 2013 (“the Act”) with respect to the preparation of these standalone financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Company in accordance with Ind AS and other accounting principles generally accepted in India. 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 estimate that are reasonable and prudent, and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so.

The board of directors are responsible for overseeing the Company’s financial process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms Section 143(11) of the Companies Act, 2013, we give in the “**Annexure A**” statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), the statement of change in equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken by Board of Directors, none of the director is disqualified as on March 31, 2021 from being appointed as directors in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure-B**”. Our report express an unmodified opinion on the adequacy and operative effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statement.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company.

For Sumit Mohit & Company

Chartered Accountants

FRN: 021502N

Sd/-

Sumit Garg

(Partner)

M. No.: 506945

Place: New Delhi

Date: May 18, 2021

UDIN: 21506945AAAAHC9938

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Indiabulls Capital Services Limited of even date)

- (i) The Company does not have any fixed assets; accordingly, the provisions of clause 3(i) of the Order are not applicable to the Company.
- (ii) The Company does not have any inventories; accordingly, the provisions of clause 3(ii) of the Order are not applicable to the Company.
- (iii) As informed, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of clause (iii)(a), (iii)(b) and (iii)(c) of the other are not applicable to the company.
- (iv) The Company has been complied all the provisions of Section 185 and 186 in respect of loans, investments, guarantees, and security.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of directives issues by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. No order has been passed by the Company Law Board of National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for the products of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, duty of Customs, duty of Excise, value added tax and cess and any other statutory dues to appropriate authority have generally been regularly deposited during the year by the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess and other statutory dues were in arrears, as at March 31, 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, as at March 31, 2021, there are no dues of sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.

Details of dues of Income Tax which has not been deposited as on March 31, 2021 on accounts of disputes are given below:

Name of Statute	Nature of Dues	From where dispute is pending remain	Period is to which the amount	Amount involve (Rs)
The Income Tax Act' 1961	Income Tax	CIT (A)	F.Y. 2007-08	11,670,874/-

- (viii) The Company has no dues in respect of a financial institution, bank, Government or debenture holder.
- (ix) The Company has not raised any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans.
- (x) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year nor have we been informed of such case by the management.
- (xi) The Company has not paid any managerial remuneration therefore the provision of Section 197 of Companies Act 2013 has not been applicable.
- (xii) The company is not a Nidhi company, therefore the provisions of paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of books of accounts, the company has not granted any loans secured or unsecured, to companies, firms and other parties listed in the register maintained section 177 and 188 of companies Act 2013. Consequently, the provisions of the order are not applicable to the company.
- (xiv) Company has not made any preferential allotment or private placement of Shares or fully or partly convertible debentures and hence reporting under clause (xiv) of order is not applicable to the Company.
- (xv) Company has not entered into any non-cash transaction with directors or person connected with him and therefore the provisions of section 192 of the Companies Act' 2013 has been complied with.
- (xvi) Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Sumit Mohit & Company

Chartered Accountants

FRN: 021502N

Sd/-

Sumit Garg

(Partner)

M. No.: 506945

Place: New Delhi

Date: May 18, 2021

UDIN: 21506945AAAAHC9938

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on other Legal and regulatory requirements' section of our report to the members of Indiabulls Capital Services Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Indiabulls Capital Services Limited, ("the Company")** as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 its 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to financial reporting were operating effectively as at 31 March 2021, based on the 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 issued by the Institute of Chartered Accountants of India.

For Sumit Mohit & Company

Chartered Accountants

FRN: 021502N

Sd/-

Sumit Garg

(Partner)

M. No.: 506945

Place: New Delhi

Date: May 18, 2021

UDIN: 21506945AAAAHC9938

Indiabulls Capital Services Limited

Balance sheet as at March 31, 2021

Particulars	Note No.	Amount (Rs. in thousands)	
		As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
(a) Deferred tax assets (net)	3	309.82	-
		309.82	-
Current assets			
(a) Financial assets			
(i) Investments	4	-	57,177.06
(ii) Cash and cash equivalents	5	1,21,278.28	69,796.29
(iii) Other financial assets	6	76.53	41.68
(b) Current tax assets (net)	7	11,679.88	11,680.00
(c) Other current assets	8	124.44	101.71
		1,33,159.13	1,38,796.74
Total assets		1,33,468.95	1,38,796.74
Equity and Liabilities			
Equity			
(a) Equity share capital	9	50,000.00	50,000.00
(b) Other equity	10	(1,16,825.00)	(1,17,022.83)
Total Equity		(66,825.00)	(67,022.83)
Liabilities			
Non-current liabilities			
(a) Long term provisions	11	1,231.02	1,304.73
(b) Deferred tax liabilities	12	-	43.96
		1,231.02	1,348.69
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	1,34,203.00	1,34,203.00
(ii) Other financial liabilities	14	64,001.90	64,001.90
(b) Other current liabilities	15	234.58	233.61
(c) Current tax liabilities (net)	16	623.45	6,032.37
		1,99,062.93	2,04,470.88
Total Equity and Liabilities		1,33,468.95	1,38,796.74

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Sumit Mohit & Company
Chartered Accountants
Firm Registration No. 021502N

For and on behalf of the Board of Directors of
Indiabulls Capital Services Limited

Sd/-
Sumit Garg
Partner
M. No. 506945

Sd/-
Sachin Chaudhary
Director
DIN: 02016992

Sd/-
Ravi Dutt Sharma
Director
DIN: 07162530

New Delhi, May 18, 2021

New Delhi, May 18, 2021

Indiabulls Capital Services Limited

Statement of profit and loss for the year ended March 31, 2021

Amount (Rs. in thousands)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Other income	17	3,901.20	28,558.59
Total Revenue		3,901.20	28,558.59
Expenses			
Employee benefit expenses	18	2,684.22	3,131.11
Finance costs	19	705.67	64.71
Other expenses	20	53.06	111.27
Total Expenses		3,442.95	3,307.09
Profit before tax		458.25	25,251.50
Tax expense			
(1) Current tax		647.00	6,037.00
(2) Tax expenses in respect of earlier years		(32.79)	(676.21)
Net Current tax		614.21	5,360.79
(3) Deferred tax		(353.79)	344.10
Income tax expense		260.42	5,704.89
Profit for the year		197.83	19,546.61
Other Comprehensive Income			
A. Items that will not to be reclassified to profit or loss:		-	-
B. Items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income for the year		197.83	19,546.61
Earnings per equity share			
(1) Basic (in INR)	36	0.04	3.91
(2) Diluted (in INR)		0.04	3.91

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Sumit Mohit & Company
Chartered Accountants
Firm Registration No. 021502N

For and on behalf of the Board of Directors of
Indiabulls Capital Services Limited

Sd/-
Sumit Garg
Partner
M. No. 506945

Sd/-
Sachin Chaudhary
Director
DIN: 02016992

Sd/-
Ravi Dutt Sharma
Director
DIN: 07162530

New Delhi, May 18, 2021

New Delhi, May 18, 2021

Indiabulls Capital Services Limited
Cash flow statement for the year ended March 31, 2021

	Amount (Rs. in thousands)	
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A Cash flow from operating activities :		
Net Profit before tax	458.25	25,251.50
Adjustments for :		
Provision for gratuity	(23.93)	102.02
Provision for compensated absences	(49.77)	26.87
Interest income on fixed deposits	(399.43)	(73.57)
Unrealised Income/ Gain on Current Investments	-	(1,457.95)
Profit on redemption of units of Mutual Funds	(3,439.43)	(4,117.66)
Interest on Taxes	705.67	64.71
Operating Profit before working capital changes	(2,748.64)	19,795.92
Changes in working capital:		
Other Current Assets	(22.74)	130.89
Other current liabilities	0.97	0.38
Cash used in operating activities	(2,770.41)	19,927.19
Direct taxes paid	(6,728.68)	13,973.44
Net cash used in operating activities	(9,499.09)	33,900.63
B Cash flow from investing activities		
Interest received on fixed deposit	364.58	93.20
Proceeds from redemption of units of mutual funds (net)	60,616.49	(51,080.00)
Net cash generated from investing activities	60,981.07	(50,986.80)
C Cash flow from financing activities		
Net cash generated from/ (used in) financing activities	-	-
D Net increase in cash and cash equivalents (A+B+C)	51,481.99	(17,086.16)
E Cash and cash equivalents at the beginning of the year	69,796.29	86,882.45
F Cash and cash equivalents at the close of the year (D+E) ^[Refer Note :5]	1,21,278.28	69,796.29

Summary of significant accounting policies ^[Refer note: 2]

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Sumit Mohit & Company
Chartered Accountants
Firm Registration No. 021502N

For and on behalf of the Board of Directors of
Indiabulls Capital Services Limited

Sd/-
Sumit Garg
Partner
M. No. 506945

Sd/-
Sachin Chaudhary
Director
DIN: 02016992

Sd/-
Ravi Dutt Sharma
Director
DIN: 07162530

New Delhi, May 18, 2021

New Delhi, May 18, 2021

Indiabulls Capital Services Limited

Statement of Changes in Equity for the year ended March 31, 2021

(A) Equity share capital*

Particulars	Equity Shares	
	Number	Amount (Rs. in thousands)
As at April 01, 2019	50,00,000	50,000.00
Changes in equity share capital during the year	-	-
As at March 31, 2020	50,00,000	50,000.00
Changes in equity share capital during the year	-	-
As at March 31, 2021	50,00,000	50,000.00

*Refer note : 9

(B) Other equity*

Description	Amount (Rs. in thousands)		
	Reserves and Surplus Retained earnings	Other comprehensive income	Total
Balance as at April 01, 2019	(1,36,569.44)	-	(1,36,569.44)
Profit for the year	19,546.61	-	19,546.61
Other comprehensive income	-	-	-
Balance as at March 31, 2020	(1,17,022.83)	-	(1,17,022.83)
Profit for the year	197.83	-	197.83
Other comprehensive income	-	-	-
Balance as at March 31, 2021	(1,16,825.00)	-	(1,16,825.00)

*Refer note : 10

Summary of significant accounting policies ^[Refer note: 2]

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Sumit Mohit & Company
Chartered Accountants
Firm Registration No. 021502N

For and on behalf of the Board of Directors of
Indiabulls Capital Services Limited

Sd/-
Sumit Garg
Partner
M. No. 506945

Sd/-
Sachin Chaudhary
Director
DIN: 02016992

Sd/-
Ravi Dutt Sharma
Director
DIN: 07162530

New Delhi, May 18, 2021

New Delhi, May 18, 2021

Indiabulls Capital Services Limited
Notes to financial statements for the year ended March 31, 2021

Note - 1

Corporate information:

Indiabulls Capital Services Limited ("the Company") was incorporated on April 13, 2005 as a wholly owned subsidiary of Indiabulls Housing Finance Limited (IHFL).

Note - 2

Summary of significant accounting policies:

i) General information and statement of compliance with Ind AS

These financial statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')). 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 Board of Directors on May 18, 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 amortized 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.

The statement of cash flows have been prepared under indirect method.

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.

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

v) Leases

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

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use Assets (ROU Assets)

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

vi) Cost recognition

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

vii) Foreign currency

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

viii) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

ix) 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 measured at amortized 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 measured 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 measures 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.

ix) Financial instruments

II Financial Liabilities (continued)

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.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

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.

x) 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.

xi) Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment loss, if any.

xii) Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets held under finance lease are depreciated over the shorter of the lease term and their useful lives.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

xiii) Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over license period which equates the useful life ranging between 2-5 years on a straight line basis over the period of its economic useful life.

xiv) Impairment of Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

xv) Employee benefits

(i) Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

(ii) Defined contribution plans

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

(iii) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iv) Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

xvi) Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

xvii) Segment reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

xviii) Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013.

The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or noncurrent.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters.

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Indiabulls Capital Services Limited
Notes to the financial statements as at March 31, 2021

	<u>As at</u> <u>March 31, 2021</u> <u>Amount (Rs. in thousands)</u>	<u>As at</u> <u>March 31, 2020</u> <u>Amount (Rs. in thousands)</u>
Note:3		
Deferred tax Assets (net)		
Deferred tax Assets		
Arising on account of temporary differences due to:		
Disallowance under section 40A(7) of the Income-Tax Act, 1961	260	-
Disallowance under section 43B of the Income-Tax Act, 1961	50	-
As per Balance Sheet	<u>309.82</u>	<u>-</u>
	<u>As at</u> <u>March 31, 2021</u> <u>Amount (Rs. in thousands)</u>	<u>As at</u> <u>March 31, 2020</u> <u>Amount (Rs. in thousands)</u>
Note:4		
Investments		
Current (Unquoted, Non trade)		
Investments at fair value through Profit and Loss		
Investments in Mutual Funds		
Indiabulls Liquid Fund- Direct Plan-Growth	-	16,976.39
[No. of Units: Nil (March 31, 2020: 8.75 thousands)] NAV: Rs. Nil (March 31, 2020: Rs. 1939.345)]		
Indiabulls Overnight Fund - Direct Plan - Growth	-	39,642.97
[No. of Units: Nil (March 31, 2020: 38.24 thousands)] NAV: Rs. Nil (March 31, 2020: Rs. 1,036.618)]		
Indiabulls Savings Fund- Direct Plan-Growth	-	557.70
[No. of Units: Nil (March 31, 2020: 0.50 thousands)] NAV: Rs. Nil (March 31, 2020: Rs. 1116.0449)]		
As per Balance Sheet	<u>-</u>	<u>57,177.06</u>
Aggregate amount of unquoted investments	-	57,177.06

Indiabulls Capital Services Limited
Notes to the financial statements as at March 31, 2021

	<u>As at March 31, 2021 Amount (Rs. in thousands)</u>	<u>As at March 31, 2020 Amount (Rs. in thousands)</u>
Note:5		
Cash and cash equivalents		
Cash on hand	2.62	3.27
Balances with banks		
- in current accounts	875.66	793.02
- in demand deposits accounts(less than three months maturity)	1,20,400.00	69,000.00
As per Balance Sheet	<u>1,21,278.28</u>	<u>69,796.29</u>
	<u>As at March 31, 2021 Amount (Rs. in thousands)</u>	<u>As at March 31, 2020 Amount (Rs. in thousands)</u>
Note:6		
Other Financial Assets		
Interest accrued on deposit accounts	76.53	41.68
As per Balance Sheet	<u>76.53</u>	<u>41.68</u>
	<u>As at March 31, 2021 Amount (Rs. in thousands)</u>	<u>As at March 31, 2020 Amount (Rs. in thousands)</u>
Note:7		
Current Tax Assets(net)		
Advance tax / Tax deducted at source	11,679.88	11,680.00
As per Balance Sheet	<u>11,679.88</u>	<u>11,680.00</u>
	<u>As at March 31, 2021 Amount (Rs. in thousands)</u>	<u>As at March 31, 2020 Amount (Rs. in thousands)</u>
Note:8		
Other current assets		
Advances recoverable in cash or in kind or for value to be received	124.44	101.71
As per Balance Sheet	<u>124.44</u>	<u>101.71</u>

Indiabulls Capital Services Limited
Notes to the financial statements as at March 31, 2021

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount (Rs. In thousands)	No. of shares	Amount (Rs. In thousands)
Note:9				
Equity share capital				
Authorised:				
Equity Shares of face value Rs. 10 each	60,00,000	60,000	60,00,000	60,000
Issued, subscribed and paid up:				
Equity Shares of face value Rs. 10 each fully paid up	50,00,000	50,000	50,00,000	50,000
As per Balance Sheet		50,000		50,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

Equity shares	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount (Rs. In thousands)	No. of shares	Amount (Rs. In thousands)
Shares outstanding at the beginning of the reporting year	50,00,000	50,000	50,00,000	50,000
Shares issued during the Year	-	-	-	-
Shares bought back during the Year	-	-	-	-
Shares outstanding at the end of the reporting year	50,00,000	50,000	50,00,000	50,000

b. Terms/ rights attached to equity shares:

The company has only one class of equity shares of Rs. 10 each fully paid up. Each holder of equity shares is entitled to 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.

c. Detail of Shareholders holding 5% or more shares

Name of the Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of face value of Rs 10 each fully paid up				
The entire share capital is held by Indiabulls Housing Finance Limited ("the holding Company") and its nominees	50,00,000	100%	50,00,000	100%

	As at March 31, 2021 Amount (Rs. In thousands)	As at March 31, 2020 Amount (Rs. In thousands)
Note:10		
Other equity		
Surplus in Statement of Profit and Loss:		
Opening Balance	(1,17,022.83)	(1,36,569.44)
Add: Profit for the year	197.83	19,546.61
Amount available for appropriation	(1,16,825.00)	(1,17,022.83)
Other Comprehensive Income	-	-
As per Balance Sheet	(1,16,825.00)	(1,17,022.83)

Indiabulls Capital Services Limited
Notes to the financial statements as at March 31, 2021

	<u>As at March 31, 2021 Amount (Rs. in thousands)</u>	<u>As at March 31, 2020 Amount (Rs. in thousands)</u>
Note:11		
Long-term provisions		
Provision for gratuity	1,033.82	1,057.76
Provision for compensated absences	197.20	246.97
As per Balance Sheet	<u>1,231.02</u>	<u>1,304.73</u>
	<u>As at March 31, 2021 Amount (Rs. in thousands)</u>	<u>As at March 31, 2020 Amount (Rs. in thousands)</u>
Note:12		
Deferred tax Liabilities (net)		
Deferred tax liabilities		
Deferred tax Assets		
Arising on account of temporary differences due to:		
Disallowance under section 40A(7) of the Income-Tax Act, 1961	-	266.22
Disallowance under section 43B of the Income-Tax Act, 1961	-	62.16
	<u>-</u>	<u>328.38</u>
Deferred tax liabilities		
Arising on account of temporary differences due to:		
Fair valuation of financial instruments	-	372.34
	<u>-</u>	<u>372.34</u>
As per Balance Sheet	<u>-</u>	<u>43.96</u>
	<u>As at March 31, 2021 Amount (Rs. in thousands)</u>	<u>As at March 31, 2020 Amount (Rs. in thousands)</u>
Note:13		
Short term borrowings at amortised cost		
Unsecured		
Loans and advances from related parties;- Indiabulls Housing Finance Limited	1,34,203.00	1,34,203.00
As per Balance Sheet	<u>1,34,203.00</u>	<u>1,34,203.00</u>
	<u>As at March 31, 2021 Amount (Rs. in thousands)</u>	<u>As at March 31, 2020 Amount (Rs. in thousands)</u>
Note:14		
Other financial liabilities		
Interest accrued and due on above	64,001.90	64,001.90
As per Balance Sheet	<u>64,001.90</u>	<u>64,001.90</u>

Indiabulls Capital Services Limited
Notes to the financial statements as at March 31, 2021

	<u>As at</u> <u>March 31, 2021</u> <u>Amount (Rs. in thousands)</u>	<u>As at</u> <u>March 31, 2020</u> <u>Amount (Rs. in thousands)</u>
Note:15		
Other current liabilities		
Other Current Liabilities for Statutory Dues and Expense Provisions	234.58	233.61
As per Balance Sheet	<u><u>234.58</u></u>	<u><u>233.61</u></u>
	<u>As at</u> <u>March 31, 2021</u> <u>Amount (Rs. in thousands)</u>	<u>As at</u> <u>March 31, 2020</u> <u>Amount (Rs. in thousands)</u>
Note:16		
Current tax Liabilities		
Provision for Taxation	623.45	6,032.37
As per Balance Sheet	<u><u>623.45</u></u>	<u><u>6,032.37</u></u>

Indiabulls Capital Services Limited
Notes to the financial statements as at March 31, 2021

	<u>For the year ended March 31, 2021 Amount (Rs. in thousands)</u>	<u>For the year ended March 31, 2020 Amount (Rs. in thousands)</u>
Note:17		
Other Income		
Interest On Income tax Refund	-	22,909.41
Interest on deposit accounts	399.43	73.57
Unrealised income / gain on current investments	-	1,457.95
Profit on sale of investments	3,439.43	4,117.66
Provision for compensated absences written back	49.77	-
Bank charges reversal	12.57	-
As per Statement of Profit and Loss	<u>3,901.20</u>	<u>28,558.59</u>
	<u>For the year ended March 31, 2021 Amount (Rs. in thousands)</u>	<u>For the year ended March 31, 2020 Amount (Rs. in thousands)</u>
Note:18		
Employee benefits expense		
Salaries	2,586.39	3,002.04
Contribution to provident fund and other funds	0.32	0.18
Provision for gratuity, compensated absences	97.51	128.89
As per Statement of Profit and Loss	<u>2,684.22</u>	<u>3,131.11</u>
	<u>For the year ended March 31, 2021 Amount (Rs. in thousands)</u>	<u>For the year ended March 31, 2020 Amount (Rs. in thousands)</u>
Note:19		
Finance costs		
Interest on taxes	705.67	64.71
As per Statement of Profit and Loss	<u>705.67</u>	<u>64.71</u>
	<u>For the year ended March 31, 2021 Amount (Rs. in thousands)</u>	<u>For the year ended March 31, 2020 Amount (Rs. in thousands)</u>
Note:20		
Other expenses		
Rates & Taxes	3.06	5.35
Audit Fees	50.00	50.00
Bank charges	-	55.92
As per Statement of Profit and Loss	<u>53.06</u>	<u>111.27</u>

Indiabulls Capital Services Limited
Notes to the financial statements as at March 31, 2021

	<u>For the year ended</u> <u>March 31, 2021</u> <u>Amount (Rs. in thousands)</u>	<u>For the year ended</u> <u>March 31, 2020</u> <u>Amount (Rs. in thousands)</u>
Note:21		
Income tax expenses		
Tax expense recognised in the Statement of Profit and Loss		
Tax expense comprises of:		
Current tax	647.00	6,037.00
Deferred tax charge/(credit)	(353.79)	344.10
Income tax expense reported in the statement of profit and loss	293.21	6,381.10
Reconciliation of tax expense and the accounting profit		
Accounting profit before tax from continuing operations	458.25	25,251.50
Accounting profit before income tax	458.25	25,251.50
At India's statutory income tax rate	25.168%	25.168%
Computed expected tax expense	115.33	6,355.30
Tax effect of amounts which are not deductible (taxable) in		
Income not subject to tax :		
Tax impact of expense which will never be allowed :		
Interest on taxes	177.60	16.29
Provision for Gratuity & Compensated Absences	-	9.78
Tax impact on income taxable at the time of its realisation		
Others	0.28	(0.27)
Income tax expense	293.21	6,381.10

Indiabulls Capital Services Limited
Notes to financial statements for the year ended March 31, 2021

Note - 22

As per the best estimate of the management, no provision is required to be made as per Indian Accounting Standard 37- Provisions, Contingent Liabilities and Contingent Assets as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

Note - 23

In the opinion of the Board of Directors, all current assets, loans and advances appearing in the balance sheet as at March 31, 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 balance sheet and no provision is required to be made against the recoverability of these balances.

Note - 24

The Company has not entered into any derivative instruments during the year. The Company does not have any foreign currency exposures as at March 31, 2021 (Previous year: Rs. Nil).

Note - 25

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	As at March 31, 2021	As at March 31, 2020
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note - 26

There are no borrowing costs to be capitalised as at March 31, 2021 (Previous year: Rs. Nil).

Note - 27

Contingent Liability not provided for in respect of Income Tax for Rs. 11,670,874/- with respect to FY 2007-08 (Previous Year Rs. 11,670,874/-) against disallowance U/s 14A of the Income Tax Act, 1961 against which appeal is pending before CIT(A).

Note - 28

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

Note - 29

In respect of amounts as mentioned under Section 124 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2021 (Previous year: Rs. Nil).

Note - 30

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.	Amount (Rs. in thousands)	
		As at March 31, 2021	As at March 31, 2020
Financial assets			
Investments measured at Fair value through profit and loss	4	-	57,177.06
Financial assets measured at amortised cost:			
Cash and cash equivalents	5	1,21,278.28	69,796.29
Other financial assets	6	76.53	41.68
Total		1,21,354.81	1,27,015.03
Financial liabilities measured at amortised cost:			
Borrowings (other than debt securities)	13	1,34,203.00	1,34,203.00
Other financial liabilities	14	64,001.90	64,001.90
Total		1,98,204.90	1,98,204.90

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 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				
Cash and cash equivalents	1,21,278.28	1,21,278.28	69,796.29	69,796.29
Other financial assets	76.53	76.53	41.68	41.68
Total	1,21,354.81	1,21,354.81	69,837.97	69,837.97
Financial liabilities				
Borrowings (other than debt securities)	1,34,203.00	1,34,203.00	1,34,203.00	1,34,203.00
Other financial liabilities	64,001.90	64,001.90	64,001.90	64,001.90
Total	1,98,204.90	1,98,204.90	1,98,204.90	1,98,204.90

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 - 31

i) (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 receivables and other financial assets	Ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
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 forecasts	Forward contract/hedging, if required
Market risk - interest rate	Variable rates borrowings and debt securities	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

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

A) Credit risk

Credit risk 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 receivables and other financial assets	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*

Particulars	Amount (Rs. in thousands)	
	As at March 31, 2021	As at March 31, 2020
(i) Low credit risk		
Cash and cash equivalents	1,21,278.28	69,796.29
Investments	-	57,177.06
Other financial assets	76.53	41.68
(ii) Moderate credit risk	-	-
(iii) High credit risk	-	-

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

Note - 31

A) Credit risk (continued)

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
Cash and cash equivalents	1,21,278.28	-	1,21,278.28
Investments	-	-	-
Other financial assets	76.53	-	76.53

	Amount (Rs. in thousands)		
As at March 31, 2020	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	69,796.29	-	69,796.29
Investments	57,177.06	-	57,177.06
Other financial assets	41.68	-	41.68

B) Liquidity risk

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

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

(i) Financing arrangements: The Company did not have any borrowings/financing arrangements as at March 31, 2021 (Previous year Rs. Nil).

(ii) Maturities of financial assets and liabilities

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

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

As at March 31, 2021	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Cash and cash equivalent and other bank balances	1,21,278.28	-	-	-	1,21,278.28
Investments	-	-	-	-	-
Other financial assets	76.53	-	-	-	76.53
Total undiscounted financial assets	1,21,354.81	-	-	-	1,21,354.81
Non-derivatives					
Borrowings other than debt securities	1,34,203.00	-	-	-	1,34,203.00
Other financial liabilities	64,001.90	-	-	-	64,001.90
Total undiscounted financial liabilities	1,98,204.90	-	-	-	1,98,204.90
Net undiscounted financial assets/(liabilities)	(76,850.09)	-	-	-	(76,850.09)

As at March 31, 2020	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Cash and cash equivalent and other bank balances	69,796.29	-	-	-	69,796.29
Investments	57,177.06	-	-	-	57,177.06
Other financial assets	41.68	-	-	-	41.68
Total undiscounted financial assets	1,27,015.03	-	-	-	1,27,015.03
Non-derivatives					
Borrowings other than debt securities	1,34,203.00	-	-	-	1,34,203.00
Other financial liabilities	64,001.90	-	-	-	64,001.90
Total undiscounted financial liabilities	1,98,204.90	-	-	-	1,98,204.90
Net undiscounted financial assets/(liabilities)	(71,189.87)	-	-	-	(71,189.87)

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 (Previous year Rs. Nil).

b) Interest rate risk

(i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As 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 - 32

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.

Particulars	As at March 31, 2021	As at March 31, 2020
Net debt*	76,927	1,28,409
Total equity	(66,825)	(67,023)
Net debt to equity ratio	(1.15)	(1.92)

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

Note - 33

Segment reporting:

Considering the nature of the Company's business and operations and based on the information available with the management, there are no reportable segments (business and/or geographical) as per Ind AS 108 on 'Segment Reporting'. Hence, no further disclosures are required in respect of reportable segments, other than those already provided in the financial statements.

Note - 34

Related party disclosure

(a) Names of related parties identified in accordance with IND AS -24 "Related Party Disclosures" (with whom there were transactions during the year)

The Company's principal related parties consist of its holding company, Indiabulls Housing Finance Limited and its subsidiaries, affiliates and key managerial personnel. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

Description of relationship	Names of related parties
(i) Where control exists	
Holding Company	Indiabulls Housing Finance Limited
Fellow Subsidiary Companies (including step down subsidiaries)/ Entities under common control	Indiabulls Insurance Advisors Limited
	Nilgiri Financial Consultants Limited (Subsidiary of Indiabulls Insurance Advisors Limited)
	Indiabulls Advisory Services Limited
	Indiabulls Asset Holding Company Limited
	Indiabulls Collection Agency Limited
	Indiabulls Commercial Credit Limited (Formerly known as Indiabulls Infrastructure credit Limited)
	Indiabulls Asset Management Mauritius (Subsidiary of Indiabulls Commercial Credit Limited)
	Indiabulls Sales Limited
	Indiabulls Trustee Company Limited
	Indiabulls Asset Management Company Limited
	Indiabulls Holdings Limited
	Indiabulls Venture Capital Management Company Limited (Subsidiary of Indiabulls Holdings Limited)
	IBHFL Lender Repayment Trust
	ICCL Lender Repayment Trust
Praqati – Employees Welfare Trust (w.e.f. December 03, 2019)	
ii) Other related parties	
Associate of Holding Company	Acorn OakNorth Holdings Limited (Previously known as OakNorth Holdings Limited) (till March 30, 2020)
Key Management Personnel	Mr. Sachin Chaudhary, Director
	Mr. Ajay Siwach, Director
	Mr. Ravi Dutt Sharma, Director

(b) The nature and volume of transactions carried out with the above related parties in the ordinary course of business are as follows :

(b) Significant transactions with related parties: Rs. Nil (March 31, 2020: Rs. Nil)

(c) Statement of material transactions: Rs. Nil (March 31, 2020: Rs. Nil)

(d) Outstanding at year ended March 31, 2021 :

Nature of Transaction	Amount (Rs. in thousands)			
	As at March 31, 2021		As at March 31, 2020	
	Holding Company	Total	Holding Company	Total
Loan	1,34,203.00	1,34,203.00	1,34,203.00	1,34,203.00
Interest Payable	64,001.90	64,001.90	64,001.90	64,001.90

In accordance with IND AS 24, disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed. Related Party relationships are given above are as identified by the Company and relied upon by the Auditors.

Indiabulls Capital Services Limited
Notes to financial statements for the year ended March 31, 2021

Note - 35
Employees Stock Options Schemes:

(i) Grants During the Year:

The Compensation Committee constituted by the Board of Directors of the Holding Company has, at its meeting held on October 4, 2020, granted, 12,500,000 Stock Options representing an equal number of equity shares of face value of Rs. 2 each at an exercise price of Rs. 200, which is at a premium of approx. 28% on the latest available closing market price on the National Stock Exchange of India Limited, as on October 1, 2020. These options vest with effect from the first vesting date i.e. October 4, 2021, and thereafter on each vesting date as per the vesting schedule provided in the Scheme.

(ii) Employee Stock Benefit Scheme 2019 ("Scheme")

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of INDIABULLS HOUSING FINANCE LIMITED at its meeting held on November 6, 2019; and (b) a special resolution of the shareholders of the Company passed through postal ballot on December 23, 2019, result of which were declared on December 24, 2019.

This Scheme comprises:

- a. INDIABULLS HOUSING FINANCE LIMITED Employees Stock Option Plan 2019 ("ESOP Plan 2019")
- b. INDIABULLS HOUSING FINANCE LIMITED Employees Stock Purchase Plan 2019 ("ESP Plan 2019")
- c. INDIABULLS HOUSING FINANCE LIMITED Stock Appreciation Rights Plan 2019 ("SARs Plan 2019")

In accordance with the ESOP Regulations, Indiabulls Housing Finance Limited had set up Indiabulls Housing Finance Limited Employee Welfare Trust (Trust) for the purpose of implementation of ESOP Scheme. The Scheme is administered through ESOP Trust, whereby shares held by the ESOP Trust are transferred to the employees, upon exercise of stock options as per the terms of the Scheme

(iii) (a) The other disclosures in respect of the ESOS / ESOP Schemes are as under:-

Particulars	IHFL-IBFSL Employees Stock Option Plan II - 2006	IHFL-IBFSL Employees Stock Option - 2008	IHFL ESOS - 2013	IHFL-IBFSL Employees Stock Option - 2008 - Re-grant	IHFL-IBFSL Employees Stock Option - 2008 - Re-grant	IHFL-IBFSL Employees Stock Option - 2006 - Re-grant	IHFL-IBFSL Employees Stock Option - 2008 - Re-grant	IHFL-IBFSL Employees Stock Option - 2006 - Re-grant			
Total Options under the Scheme	7,20,000	75,00,000	3,90,00,000	3,90,00,000	3,90,00,000	3,90,00,000	N.A.	N.A.	N.A.	N.A.	N.A.
Total Options issued under the Scheme	7,20,000	75,00,000	1,05,00,000	1,05,00,000	1,25,00,000	1,00,00,000	N.A.	N.A.	N.A.	N.A.	N.A.
Vesting Period and Percentage	Four years, 25% each year	Ten years, 15% First year, 10% for next eight years and 5% in last year	Five years, 20% each year	Five years, 20% each year	Three years, 33.33% each year	Five years, 20% each year	N.A.	N.A.	N.A.	N.A.	N.A.
First Vesting Date	1st November 2008	8th December, 2009	12th October, 2015	12th August, 2015	5th October, 2021	10th March, 2020	31st December, 2010	16th July, 2011	27th August, 2010	11th January, 2012	27th August, 2010
Revised Vesting Period & Percentage	Nine years, 11% each year for 8 years and 12% during the 9th year	N.A.	N.A.	N.A.	N.A.	N.A.	Ten years, 10% for every year				
Exercise Price (Rs.)	100.00	95.95	394.75	1,156.50	200.00	702.00	125.90	158.50	95.95	153.65	100.00
Exercisable Period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Outstanding at the beginning of the year (Nos.)	1,152	15,864	37,89,756	77,24,000	1,25,00,000	68,82,400	10,890	38,880	39,500	3,000	21,900
Regrant Addition	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Regrant Date	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	December 31, 2009	July 16, 2010	August 27, 2009	January 11, 2011	August 27, 2009
Options vested during the year (Nos.)	-	-	-	-	-	-	-	19,440	-	1,500	-
Exercised during the year (Nos.)	-	-	-	-	-	-	-	-	-	-	-
Expired during the year (Nos.)	-	-	-	-	-	-	-	-	-	-	-
Cancelled during the year	-	-	-	-	-	-	-	-	-	-	-
Lapsed during the year	-	267	93,000	22,70,900	4,12,642	19,96,600	-	-	-	-	-
Re-granted during the year	-	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Outstanding at the end of the year (Nos.)	1,152	15,597	36,96,756	54,53,100	1,20,87,358	48,85,800	10,890	38,880	39,500	3,000	21,900
Exercisable at the end of the year (Nos.)	1,152	15,597	36,96,756	18,17,700	-	-	10,890	38,880	39,500	3,000	21,900
Remaining contractual Life (Weighted Months)	7	27	34	56	78	83	38	45	41	51	41

N.A. - Not Applicable

The details of the Fair value of the options as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-

Particulars	IHFL - IBFSL Employees Stock Option - 2008 Re-grant	IHFL - IBFSL Employees Stock Option - 2008 Re-grant	IHFL - IBFSL Employees Stock Option - 2006 - Re-grant	IHFL - IBFSL Employees Stock Option Plan II - 2006 - Re-grant	IHFL - IBFSL Employees Stock Option - 2008 Re-grant	IHFL - IBFSL Employees Stock Option - 2008 Re-grant	IHFL ESOS - 2013 (Grant 1)	IHFL ESOS - 2013 (Grant 2)	IHFL ESOS - 2013 (Grant 3)	IHFL ESOS - 2013 (Grant 4)	IHFL - IBFSL Employees Stock Option - 2013
Exercise price (Rs.)	125.90	158.50	95.95	100.00	153.65	95.95	394.75	1,156.50	1,200.40	702.00	200.00
Expected volatility*	99.61%	99.60%	75.57%	75.57%	99.60%	97.00%	46.30%	27.50%	27.70%	33.90%	39.95%
Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Option Life (Weighted Average)	9.80 Years	9.80 Years	9.80 Years	9.80 Years	9.80 Years	11 Years	5 Years	3 Years	3 Years	3 Years	2 Years
Expected Dividends yield	3.19%	2.89%	4.69%	4.50%	2.98%	4.62%	10.00%	5.28%	5.08%	7.65%	0.00%
Weighted Average Fair Value (Rs.)	83.48	90.24	108.3	108.06	84.93	52.02	89.76	200.42	229.22	129.96	27.4
Risk Free Interest rate	7.59%	7.63%	7.50%	7.50%	7.63%	6.50%	8.57%	6.81%	7.56%	7.37%	5.92%

*The expected volatility was determined based on historical volatility data.

(b) The Holding Company has established the "Pragati Employee Welfare Trust" ("Pragati - EWT") (earlier known as Indiabulls Housing Finance Limited - Employees Welfare Trust) (IBH - EWT) ("Trust") for the implementation and management of its employees benefit scheme viz. the "Indiabulls Housing Finance Limited - Employee Stock Benefit Scheme - 2019" ("Scheme"), for the benefit of the employees of the Holding Company and its subsidiaries. Pursuant to Regulation 3(12) of the SEBI (Share Based Employee Benefits) Regulations, 2014, the shares in Trust have been appropriated towards the Scheme for grant of Share Appreciations Rights (SARs) to the employees of the Holding Company and its subsidiaries as permitted by SEBI. The company will treat these SARs as equity and therefore they will be treated as equity settled SARs and accounting has been done accordingly. The other disclosures in respect of the SARs are as under:

Particulars	IHFL ESOS - 2019
Total Options under the Scheme	1,70,00,000
Total Options issued under the Scheme	1,70,00,000
Vesting Period and Percentage	Three years, 33.33%
First Vesting Date	10th October, 2021
Exercise Price (Rs.)	Rs. 225 First Year, Rs. 275 Second Year, Rs. 300 Third Year
Exercisable Period	5 years from each vesting date
Outstanding at the beginning of the year (Nos.)	1,70,00,000
Regrant Addition	N.A.
Regrant Date	N.A.
Options vested during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Cancelled during the year	-
Lapsed during the year	-
Re-granted during the year	-
Outstanding at the end of the year (Nos.)	1,70,00,000
Exercisable at the end of the year (Nos.)	-
Remaining contractual Life (Weighted Months)	78

The details of the Fair value of the options as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-

Particulars	IHFL ESOS - 2019
Exercise price (Rs.)	Rs. 225 First Year, Rs. 275 Second Year, Rs. 300 Third Year
Expected volatility*	39.95%
Expected forfeiture percentage on each vesting date	Nil
Option Life (Weighted Average)	1 Year for 1st Vesting, 2 years for 2nd Vesting and 3 years for 3rd Vesting
Expected Dividends yield	0.00%
Weighted Average Fair Value (Rs.)	9.25 for First Year, 13.20 for Second Year and 19.40 for third year
Risk Free Interest rate	5.92%

*The expected volatility was determined based on historical volatility data.

(iv) 26,253,933 Equity Shares of Rs. 26,253,933 Equity Shares of Rs. 2 each (Previous Year : 18,527,342) are reserved for issuance towards Employees Stock options as granted.

(v) The weighted average share price The weighted average share price at the date of exercise of these options was N.A per share (Previous Year Rs. 682.59 per share).

Note - 36
Earnings per share:

Basic earnings per share is computed by dividing the net profit/(loss) attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for stock split and bonus shares as appropriate.

	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Continuing operations		
Net Profit/(loss) for the year from continuing operations	197.83	19,546.61
Weighted average number of equity shares for computation of Basic EPS	5,000.00	5,000.00
Basic earnings per share (In Rs.)	0.04	3.91
Weighted average number of equity shares for computation of Diluted EPS	5,000.00	5,000.00
Diluted earnings per share (In Rs.)	0.04	3.91
b) Discontinuing operations		
Net Profit/(loss) for the year from discontinuing operations	-	-
Weighted average number of equity shares for computation of Basic EPS	5,000.00	5,000.00
Basic earnings per share (In Rs.)	-	-
Weighted average number of equity shares for computation of Diluted EPS	5,000.00	5,000.00
Diluted earnings per share (In Rs.)	-	-

Note - 37

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

As per our report of even date

For Sumit Mohit & Company
Chartered Accountants
Firm Registration No. 021502N

For and on behalf of the Board of Directors of
Indiabulls Capital Services Limited

Sd/-
Sumit Garg
Partner
M. No. 506945

New Delhi, May 18, 2021

Sd/-
Sachin Chaudhary
Director
DIN: 02016992

New Delhi, May 18, 2021

Sd/-
Ravi Dutt Sharma
Director
DIN: 07162530