

INDEPENDENT AUDITOR'S REPORT

To the Members of
Indiabulls Distribution Services Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Indiabulls Distribution Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Emphasis of matter

We draw attention to Note 45 to the Financial Statements, which describes the effects of uncertainties relating to COVID – 19 pandemic outbreak on the Company's operations, that are dependent upon future developments, and the impact thereof on the Company's estimates of impairment of certain financial assets as at March 31, 2021, and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Directors' report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the 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 estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
- (d) In our opinion, the aforesaid 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 on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provided any remuneration to its directors during the year ended March 31, 2021;
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) the Company, as detailed in note 41 to the Financial Statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2021.
 - 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 Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

Rahul Mukhi
Partner
Membership No.099719
New Delhi, June 17, 2021
UDIN: 21099719AAAADH6817

Annexure A to the Independent Auditor’s Report of even date on the Financial Statements of Indiabulls Distribution Services Limited for the year ended March 31, 2021.

Report on the statement of matters specified in paragraphs 3 and 4 of the Order.

- (i) In respect of its Fixed Assets:
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) These fixed assets have been physically verified by the management at reasonable intervals in accordance with a regular programme of verification. According to the information and explanation given to us, no material discrepancies were noticed on such verification;
 - (c) The Company does not own immovable properties.
- (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) According to information and explanations given to us, the Company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans and investments, to the extent applicable to it. The Company has not entered into any transactions in respect of security and guarantees covered under section 185 and 186 of the Companies Act, 2013.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. Accordingly, the provisions of clause 3 (v) are not applicable to the Company.
- (vi) Having regard to the nature of the Company’s business / activities, reporting under 3 (vi) pertaining to the maintenance of cost records is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities, to the extent applicable to it, *except for slight delay in a few cases relating to income tax and goods and service tax which has been deposited by the Company along with interest.* There are no arrears of outstanding statutory dues 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, the Company did not have any dues of income tax or sales tax or goods and service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute, except as follows:

Name of the statute	Nature of	Amount	Financial year	Forum where dispute
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	the dues	(Rs)	to which the amount relates	is pending
The Income Tax Act, 1961	Income tax	Rs. 56.72 lakhs	2017-18	Commissioner of Income-tax (Appeals)

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or debenture holders. The Company did not have any dues in respect of loans or borrowing to financial institution or government.
- (ix) According to the information and explanations given to us, the Company has not raised moneys raised by way of public issue, follow-on offer (including debt instruments) and term loans, during the year under audit.
- (x) Based upon the audit procedures performed for the purpose of reporting on the true and fair view of the financial statements and according to the information and explanations given to us by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 to the extent applicable and the details have been disclosed in Note 46 to the Financial Statements as required by the accounting standards and Companies Act, 2013.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act.
- (xvi) As detailed in Note 48 to the financial statements, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

Rahul Mukhi
Partner
Membership No.099719
New Delhi, June 17, 2021
UDIN: 21099719AAAADH6817

Annexure B to the Independent Auditor's Report of even date on the Financial Statements of Indiabulls Distribution Services Limited for the year ended March 31, 2021

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 Distribution Services Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Financial Statements 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") issued by the ICAI and the Standards on Auditing, as prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Financial Statements and such internal financial controls over financial reporting with reference to these Financial Statements were operating effectively as at March 31, 2021, 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.

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

Rahul Mukhi
Partner
Membership No.099719
New Delhi, June 17, 2021
UDIN: 21099719AAAADH6817

Indiabulls Distribution Services Limited
Balance Sheet as at 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

	Note	As at 31 March 2021	As at 31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	4(a)	133.45	250.60
Intangible assets	4(b)	2.20	10.65
Right of use Assets	5	-	174.57
Financial assets			
Investments	6	505.00	505.00
Loans	7	5,132.97	8,113.21
Trade receivables	8	2,160.75	4,831.01
Other financial assets	9	202.07	203.08
Deferred tax assets(net)	10	1,301.74	1,970.91
Total non-current assets		9,438.18	16,059.03
Current assets			
Financial assets			
Trade receivables	11	2,873.25	3,442.32
Cash and cash equivalents	12	463.59	15.65
Loans	13	57,498.16	85,032.02
Current tax assets (net)	14	2,807.53	3,914.46
Other current assets	15	2,242.49	2,049.94
Total current assets		65,885.02	94,454.39
Total assets		75,323.20	110,513.42
Equity and liabilities			
Equity			
Equity share capital	16	35.82	35.82
Other equity	17	46,176.66	49,343.71
Total equity		46,212.48	49,379.53
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	-	50,124.32
Total non-current liabilities		-	50,124.32
Current liabilities			
Financial liabilities			
Borrowings	19	17,235.00	8,581.09
Trade payables	20		
-Total outstanding due to micro enterprises and small enterprises		-	-
-Total outstanding due to creditors other than micro enterprises and small enterprises		5.48	6.69
Other financial liabilities	21	10,009.22	16.00
Other current liabilities	22	1,861.02	2,395.88
Provisions	23	-	9.91
Total current liabilities		29,110.72	11,009.57
Total equity and liabilities		75,323.20	110,513.42

The accompanying notes are an integral part of these financial statements.
This is the Balance Sheet referred to in our report of even date.

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

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

Rahul Mukhi
Partner
Membership No. 099719
New Delhi, June 17,2021

Naveen
Director
DIN: 07145185
New Delhi, June 17,2021

Usha Devi
Director
DIN: 03498022

Indiabulls Distribution Services Limited
Statement of profit and loss for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
I Revenue from operations	24	929.56	590.21
II Net gain on de-recognition of financial assets at amortized cost		4.45	-
III Other income	25	8,490.15	11,487.26
IV Total revenue (I+II+III)		9,424.16	12,077.47
V Expenses			
Employee benefits expenses	26	1,734.34	18.78
Finance costs	27	6,308.28	13,131.19
Depreciation and amortization		103.08	372.81
Impairment losses	28	2,718.18	2,401.57
Other expenses	29	1,053.49	867.47
Total expenses (V)		11,917.37	16,791.82
VI Loss before exceptional items and tax (IV-V)		(2,493.21)	(4,714.35)
VII Exceptional items		-	-
VIII Loss before tax (VI-VII)		(2,493.21)	(4,714.35)
IX Tax expense	30		
Current tax		-	(28.22)
Tax expenses related to earlier years		2.87	-
Deferred tax		669.16	171.99
Total tax expenses		672.03	143.77
X Loss for the year (VIII-IX)		(3,165.24)	(4,858.12)
XI Other comprehensive income		-	-
XII Total comprehensive loss for the year (X+XI)		(3,165.24)	(4,858.12)
XIII Earnings per equity share (Rs. 10 per share)	31		
(1) Basic (Rs)		(883.60)	(8,824.44)
(2) Diluted (Rs)		(883.60)	(8,824.44)
Face value per equity share		10	10

The accompanying notes are an integral part of these financial statements.
This is the Statement of Profit and Loss referred to in our report of even date.

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

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

Rahul Mukhi
Partner
Membership No. 099719
New Delhi, June 17,2021

Naveen
Director
DIN: 07145185
New Delhi, June 17,2021

Usha Devi
Director
DIN: 03498022

Indiabulls Distribution Services Limited
Statement of Cash flows for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020
A Cash flow from operating activities		
Net profit/(loss) before tax	(2,493.21)	(4,714.35)
Adjustments for :		
Gain on redemption of mutual fund investments	-	(2.87)
Interest income	(8,267.37)	(9,864.52)
Excess provisions/Balances written back	(33.98)	(102.41)
Effect of reversal of financing component from revenue	-	5.60
Loss on modification of financial assets	821.55	769.34
Gain on modification/derecognition of leases	(8.30)	(2.60)
Net gain on de-recognition of financial assets at amortized cost	(4.45)	-
Profit on sale of long term investments	-	(1,514.52)
Interest expense	6,292.07	13,091.41
Interest on lease liabilities	3.08	38.89
Depreciation and amortization	103.08	372.81
Employee share-based payment (reversal)/expense	(1.81)	(0.69)
Impairment loss recognized / (reversed) under expected credit loss model (net)	-	2,400.00
Bad debts written off/ credit notes issued	2,718.18	1.57
Loss on disposal of property, plant and equipment (net)	28.03	0.65
Operating profit before working capital changes	(843.13)	478.31
Adjustments for:		
Decrease in loans	6,128.21	56,085.56
Decrease in trade receivables	522.97	1,521.03
Decrease/(Increase) in other financial assets	-	(0.12)
(Increase)/Decrease in other non-current and current assets	(192.55)	57.63
(Decrease) in trade payables	(1.21)	(13.59)
(Decrease)/Increase in other current liabilities	(500.88)	161.81
(Decrease) in other financial liabilities	-	(1,581.45)
(Decrease) in provisions	(9.91)	(1,584.45)
Cash (used in)/flows from operating activities	5,103.50	55,124.73
Income tax paid (net)	1,104.06	(789.44)
Net cash (used in)/flows from operating activities	6,207.56	54,335.29
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital advances)	(2.00)	-
Proceeds from sale of property, plant and equipment	8.16	1.31
Proceeds from sale of investment in equity shares of subsidiary company	-	2,120.52
Proceeds from sale of mutual funds (net)	-	2.87
Loans given /(repayment received) (net)	25,037.10	(37,438.86)
Interest received	6,798.24	9,316.18
Net cash flows from/(used in) investing activities	31,841.50	(25,997.98)
C Cash flow from financing activities		
Repayment of long term borrowings	(16.00)	(15.59)
Payment of Lease liabilities (including interest on lease liabilities)	(13.77)	(151.04)
Proceeds from issue of equity Shares	-	45,000.12
(Repayment due to redemption of)/Proceeds from issue of optionally/compulsory convertible debentures	(40,000.28)	50,000.06
Proceeds from/(Repayment of) short term borrowings (net)	8,721.00	(28,436.00)
Interest paid	(6,292.07)	(13,091.41)
Net cash flows from/(used in) financing activities	(37,601.12)	53,306.14
D Net decrease in cash and cash equivalents (A+B+C)	447.94	81,643.45
E Cash and cash equivalents at the beginning of the year	15.65	(81,627.80)
F Cash and cash equivalents at the end of the year (D + E)	463.59	15.65

Indiabulls Distribution Services Limited
Cash flow statement for the year ended 31 March 2021 (continued)
(All amounts in Rs Lakhs unless stated otherwise)

Notes to the Statement of Cash flows for the year ended 31 March 2021:

- i. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 on 'Statement of Cash Flows' as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts)

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

This is the Statement of Cash Flows referred to in our report of even date

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

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

Rahul Mukhi
Partner
Membership No. 099719
New Delhi, June 17,2021

Naveen
Director
DIN: 07145185
New Delhi, June 17,2021

Usha Devi
Director
DIN: 03498022

Indiabulls Distribution Services Limited
Statement of Changes in Equity for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

(A) Share capital

Particulars	Equity Shares	
	Number	Amount
As at 1 April 2019	50,000	5.00
Changes in equity share capital during the year	308,220	30.82
As at 31 March 2020	358,220	35.82
Changes in equity share capital during the year	-	-
As at 31 March 2021	358,220	35.82

Other equity

Particulars	Reserves and surplus					Total
	General Reserve	Share options outstanding account	Other component of equity	Securities Premium	Retained earnings	
As at 1 April 2019	815.77	40.40	-	-	8,377.05	9,233.22
Loss for the year	-	-	-	-	(4,858.12)	(4,858.12)
Transferred from share options outstanding account	-	-	28.35	-	0.51	28.86
Transferred to other component of equity	-	(28.35)	-	-	-	(28.35)
Transferred to retained earnings	-	(0.51)	-	-	-	(0.51)
Securities premium received during the year	-	-	-	44,969.30	-	44,969.30
Employee share-based payment (credit)	-	(0.69)	-	-	-	(0.69)
Balance as at 31 March 2020	815.77	10.85	28.35	44,969.30	3,519.44	49,343.71
Loss for the year	-	-	-	-	(3,165.24)	(3,165.24)
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	-
Transferred from share options outstanding account	-	-	-	-	0.92	0.92
Transferred to retained earnings	-	(0.92)	-	-	-	(0.92)
Share based payment expense	-	-	-	-	-	-
Employee share-based payment (credit)	-	(1.81)	-	-	-	(1.81)
Balance as at 31 March 2021	815.77	8.12	28.35	44,969.30	355.12	46,176.66

The accompanying notes are an integral part of these financial statements.
This is the Statement of Changes in Equity referred in our report of even date.

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

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

Rahul Mukhi
Partner
Membership No. 099719
New Delhi, June 17,2021

Naveen
Director
DIN: 07145185
New Delhi, June 17,2021

Usha Devi
Director
DIN: 03498022

Indiabulls Distribution Services Limited

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

(All amounts in Rs Lakhs unless stated otherwise)

Note - 1

Company Overview:

Indiabulls Distribution Services Limited ("IBDSL" or "the Company") (CIN: U74999DL2009PLC191143) was incorporated on June 11, 2009. The Company is engaged primarily in the business of underwriting/distribution of real estate projects on behalf of developers, and related services.

Note - 2

2.1 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 June 17, 2021.

2.2 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.

2.3 - Current versus Non Current Classifications

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset as current when it is :

- (i). Expected to be realized or intended to sold or consumed in normal operating cycle
- (ii). Held primarily for the purpose of trading
- (iii). Expected to be realized within twelve months after the reporting period, or
- (iv). Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

- (i). It is expected to be settled in normal operating cycle
- (ii). It is held primarily for the purpose of trading
- (iii). It is due to be settled within twelve months after the reporting period, or
- (iv). There is no unconditional right to defer the settlement of liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Note - 3

Significant Accounting Policies:

a) 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.

b) 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.

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note 3 (continued):

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. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

The Company presents revenues net of indirect taxes in its statement of profit and loss.

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.

- Income from Brokerage and commission is recognized on accrual basis, generally as set out under the terms of contracts/agreements with respective customers.
- Income from fee based consultancy is recognized on an accrual basis in terms of the contracts/agreements with respective customers.
- Interest income is recognized using the effective interest method as set out in Ind AS 109 – Financial Instruments: Recognition and Measurement, when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period..

c) Taxes on Income:

Current tax

Current Tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Entity's current tax is calculated using tax rate that has been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

d) Property, plant and equipment

All property, plant and equipment are initially recognized at cost. Cost comprises the purchase price and any directly attributable cost to bring the asset to its working condition for its intended use. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Depreciation on Property, plant and equipment is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Indiabulls Distribution Services Limited**Notes to the financial statements for the year ended 31 March 2021**

(All amounts in Rs Lakhs unless stated otherwise)

Note 3 (continued):**e) Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured at the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

f) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

g) Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. All other borrowing costs are charged to revenue.

h) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (1) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

i) Financial instruments

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

I. Financial assets**Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement**Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate ('EIR') method. 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 income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI (Fair Value through OCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value.

Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note 3 (continued):

Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity Investments

All equity investments in entities other than tax free bonds and fixed deposits are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss. Investments in tax free bonds and fixed deposits are measured at amortized cost.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Trade receivables under Ind AS 18.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then

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.

Indiabulls Distribution Services Limited**Notes to the financial statements for the year ended 31 March 2021**

(All amounts in Rs Lakhs unless stated otherwise)

Note 3 (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.

j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

k) 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.

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note 3 (continued):

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.

1) 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.

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Indiabulls Distribution Services Limited

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

(All amounts in Rs Lakhs unless stated otherwise)

Note - 4**Fixed Assets:**

Particulars	Gross Block (At Cost)			Accumulated Depreciation/Amortization				Net Block		
	As at 1 April 2020 Rs.	Additions during the year Rs.	Adjustments/ Sales during year Rs.	As at 31 March 2021 Rs.	As at 1 April 2020 Rs.	Additions during the year Rs.	Adjustments during the year Rs.	As at 31 March 2021 Rs.	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.
a. Tangible Assets										
Office Equipment	58.53	2.00	19.15	41.38	47.35	7.50	18.62	36.23	5.15	11.18
Vehicles	291.49	-	26.70	264.79	163.08	51.45	21.88	192.65	72.14	128.41
Furniture and fixtures	141.47	-	80.32	61.15	48.62	12.16	49.63	11.15	50.00	92.85
Computers	276.41	-	38.38	238.03	258.25	11.86	38.24	231.87	6.16	18.16
TOTAL (a)	767.90	2.00	164.55	605.35	517.30	82.97	128.37	471.90	133.45	250.60
b. Intangible Assets										
Software	506.56	-	-	506.56	495.91	8.45	-	504.36	2.20	10.65
TOTAL (b)	506.56	-	-	506.56	495.91	8.45	-	504.36	2.20	10.65

Note - 5**Right of use Assets**

Particulars	Gross Block (At Cost)			Accumulated Depreciation/Amortization				Net Block		
	As at 1 April 2020 Rs.	Additions during the year Rs.	Adjustments/ Sales during year Rs.	As at 31 March 2021 Rs.	As at 1 April 2020 Rs.	Additions during the year Rs.	Adjustments during the year Rs.	As at 31 March 2021 Rs.	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.
Right of use Assets	312.50	-	162.91	149.59	137.93	11.66	-	149.59	-	174.57
TOTAL	312.50	-	162.91	149.59	137.93	11.66	-	149.59	-	174.57

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note - 6

	As at 31 March 2021			As at 31 March 2020	
	Face value per	Number of shares	Amount	Number of shares	Amount
Investments-Non current					
Non-Trade Investments					
Investment in equity shares (at cost)					
(i) in subsidiary companies					
Indiabulls Alternate Investments Limited	10	5,050,000	505.00	5,050,000	505.00
			<u>505.00</u>		<u>505.00</u>
Aggregate book value of unquoted investments			505.00		505.00

Name of subsidiaries	Principal place of business	Ownership interest	
		As at 31 March 2021	As at 31 March 2020
Indiabulls Alternate Investments Limited	India	100%	100%

Note - 7

	As at 31 March 2021	As at 31 March 2020
Loans-Non current		
at amortized cost		
a) Deposits for Underwriting/distribution of real estate projects		
Considered good-Unsecured	5,127.09	8,085.69
b) Rental deposits		
Unsecured, considered good	5.88	27.52
Unsecured, having significant increase in credit risk	20.10	20.10
Less: Provision for impairment loss due to expected credit loss	(20.10)	(20.10)
	<u>5,132.97</u>	<u>8,113.21</u>

Note - 8

	As at 31 March 2021	As at 31 March 2020
Trade receivables-Non current		
Unsecured, considered good	2,160.75	4,831.01
Unsecured, which have significant increase in credit risk	621.35	2,268.01
	2,782.10	7,099.02
Less: Provision for impairment loss due to expected credit loss	(621.35)	(2,268.01)
	<u>2,160.75</u>	<u>4,831.01</u>

Note - 9

	As at 31 March 2021	As at 31 March 2020
Other financial assets-Non current		
In fixed deposit accounts with banks having maturity of more than twelve months	200.00	200.00
Interest accrued on fixed deposits	2.07	3.08
	<u>202.07</u>	<u>203.08</u>

Note - 10

	As at 31 March 2021	As at 31 March 2020
Deferred tax assets		
Arising on account of temporary differences due to:		
Provision for impairment loss on security deposits	5.85	5.85
Provision for contingencies	-	2.89
Property, plant and equipment and other intangible assets	58.45	46.12
Share options outstanding reserve	2.29	3.16
Provision impairment loss due to expected credit losses	288.27	1,130.50
Effect of reversal of financing component from revenue	1.10	1.63
Underwriting deposits measured at amortized cost	316.51	149.36
Right of use assets	-	2.13
MAT credit entitlement	629.27	629.27
	<u>1,301.74</u>	<u>1,970.91</u>

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note - 9

Deferred tax assets (continued)

Movement in deferred tax balances for the year ended 31 March 2021

	As at 31 March 2020	Recognized in statement of profit and loss	Recognized in other comprehensive income	As at 31 March 2021
Provision for impairment loss on security deposits	5.85	-	-	5.85
Provision for contingencies	2.89	2.89	-	-
Property, plant and equipment and other intangible assets	46.12	(12.33)	-	58.45
Share options outstanding reserve	3.16	0.87	-	2.29
Provision impairment loss due to expected credit losses	1,130.50	842.22	-	288.27
Effect of reversal of financing component from revenue	1.63	0.53	-	1.10
Underwriting deposits measured at amortized cost	149.36	(167.15)	-	316.51
Right of use assets	2.13	2.13	-	-
MAT credit entitlement	629.27	-	-	629.27
	1,970.91	669.16	-	1,301.74

Movement in deferred tax balances for the year ended 31 March 2020

	As at 31 March 2019	Recognized in statement of profit and loss	Recognized in other comprehensive income	As at 31 March 2020
Provision for impairment loss on security deposits	6.70	0.85	-	5.85
Provision for contingencies	187.80	184.91	-	2.89
Tax losses carried forward	480.80	480.80	-	-
Property, plant and equipment and other intangible assets	9.72	(36.40)	-	46.12
Share options outstanding reserve	11.76	8.60	-	3.16
Provision impairment loss due to expected credit losses	708.07	(422.43)	-	1,130.50
Effect of reversal of financing component from revenue	-	(1.63)	-	1.63
Security deposits measured at amortized cost	0.90	0.90	-	-
Right of use assets	-	(2.13)	-	2.13
Underwriting deposits measured at amortized cost	79.66	(69.70)	-	149.36
MAT credit entitlement	657.49	28.22	-	629.27
Deferred tax assets (net)	2,142.90	171.99	-	1,970.91

*** Expiry date of minimum alternative tax credit**

Expiry financial year (as per Income tax Act)

1 April 2031 - 31 March 2032*	531.59	531.59
1 April 2032 - 31 March 2033	97.68	97.68
	629.27	629.27

* From financial year ended 31 March 2018, section 115JAA has been amended to provide tax credit determined under this section can be carried forward up to the 15th assessment year, immediately succeeding the assessment years in which such tax credit becomes allowable.

Tax losses for which no deferred tax assets has been recognized:

Expiry financial year (as per Income tax Act)

	As at 31 March 2021	As at 31 March 2020
Unused tax business losses		
1 April 2024 - 31 March 2025	1,267.71	1,267.71
1 April 2026 - 31 March 2027	1,774.38	1,774.38
1 April 2027 - 31 March 2028	1,048.86	1,048.86
1 April 2028 - 31 March 2029	4,407.02	4,407.02
1 April 2029 - 31 March 2030	4,711.39	-
	13,209.36	8,497.97

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note - 9

Deferred tax assets (continued)

	As at 31 March 2021	As at 31 March 2020
Unused tax long-term capital losses		
1 April 2027 - 31 March 2028	17.82	17.82
	17.82	17.82
Unused tax Unabsorbed depreciation		
Unabsorbed depreciation for indefinite period	931.54	854.44
	931.54	854.44
Total	14,158.72	9,370.23

Note - 11

Trade receivables-Current

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good	2,873.25	3,442.32
Unsecured, which have significant increase in credit risk	368.60	1,614.19
	3,241.85	5,056.51
Less: Provision for impairment loss due to expected credit loss	(368.60)	(1,614.19)
	2,873.25	3,442.32

Note - 12

Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Cash on hand	0.06	0.07
Balance with banks		
- in current accounts	463.53	15.58
	463.59	15.65

Note - 13

Loans-Current

at amortized cost

a) Deposits for Underwriting/distribution of real estate projects/Inter-corporate deposits

Underwriting/distribution of real estate projects:

Secured*	10,490.71	15,984.71
Interest accrued thereon	2,047.49	822.27
Unsecured	8,093.86	6,306.15
Inter-corporate deposits:		
Unsecured to related parties (fellow subsidiary companies)**	36,864.90	61,902.00
b) Rental deposits (unsecured)	0.50	16.19
c) Other deposits (unsecured)	0.70	0.70
	57,498.16	85,032.02

* Secured by way of mortgage/pledge/hypothecation of residential real estate properties of the respective parties in favour of the Company.

** Includes unsecured, short term loans granted to fellow subsidiary companies, intended to be utilized for their respective business activities. The loans are unsecured and repayable in full on or before the expiry of the term at loans, the option of the respective borrower. Interest is charged at the rates ranging from 8.25 percent per annum to 10 percent per annum. The loan has been utilized for the purpose it was granted.

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note - 14

Current tax assets (net)	As at 31 March 2021	As at 31 March 2020
- Advance income tax/tax deducted at source (net)	2,807.53	3,914.46
[Net of provision for taxation 31 March 2021: Rs. 10,254.74 lakhs (Previous year: Rs. 10,254.45 lakhs)]		
	2,807.53	3,914.46

Note - 15

Other current assets	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	0.33	-
Balance with government authorities	1,420.66	1,225.50
Advance to employees	3.76	10.94
Advances recoverable	817.74	813.50
	2,242.49	2,049.94

Note - 16

Equity share capital

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
i. Authorized				
Equity shares of face value of Rs. 10 each	2,000,000	200.00	2,000,000	200.00
		200.00		200.00
ii Issued and subscribed and paid up				
Equity shares of face value of Rs. 10 each fully paid up	358,200	35.82	358,200	35.82
		35.82		35.82

iii. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Equity shares, fully paid-up				
Balance at the beginning of the year	358,200	35.82	50,000	5.00
Add: Issued during the year	-	-	308,200	30.82
Balance at the end of the period/year	358,200	35.82	358,200	35.82

In pursuance of Sections 39, 42, 62 and other applicable provisions, if any, of the Companies Act, 2013, Board of Directors of the Company, at their meeting held on 19 March 2020 granted their approval and upon receipt, in cash, of consideration of Rs. 450,00,12,000, the Company issued and allotted 308,220 equity shares respectively of face value Rs. 10 per share, at an issue price of Rs. 14,600 per share (including a premium of Rs. 14,590 per share) to Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) ("DLSL"). As a result, the paid up equity share capital of the Company increased to Rs. 3,582,200 divided into 358,220 equity share of Rs. 10 each fully paid up ranking pari passu with existing shares. As a result of the aforesaid allotment, Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) became the Holding Company of the Company and Dhani Services Limited (formerly Indiabulls Ventures Limited) became the Ultimate Holding Company with effect from March 26, 2020.

iv. Rights, preferences and restrictions attached to the equity shares:

The Company has only one class of equity shares having a face value of Rs. 10 per share. 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.

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note - 15

Equity share capital (continued)

v. Shares held by shareholders holding more than 5% shares:

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% of Holding	No. of shares	% of Holding
Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) and its nominees*	308,220	86.05%	308,220	86.05%
Dhani Services Limited (formerly Indiabulls Ventures Limited) and its nominees**	50,000	13.96%	50,000	13.96%

* Holding Company with effect from March 26, 2020

** Holding Company upto March 25, 2020

- vi.** The Company has not issued any bonus shares during the current year and five years immediately preceding current year.
- vii.** There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue. The Company has not bought back shares during the last five years.
- viii.** For employee stock option scheme, Refer Note: 36

Note - 17

Other equity

	As at 31 March 2021	As at 31 March 2020
General reserve	815.77	815.77
Share options outstanding account	8.12	10.85
Other component of equity	28.35	28.35
Securities premium	44,969.30	44,969.30
Retained earnings	355.12	3,519.44
	46,176.66	49,343.71

Nature and purpose of other reserve:

General reserve

The general reserve is a free reserve which is used from time to time to transfer profits from / to retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss

Share based payment reserve

The reserve is used to recognize the fair value of the options issued to employees of the Company under the Ultimate Holding Company's ESOP's plans (Refer Note 36).

Securities premium

The amount received in excess of the par value of equity shares has been classified as securities premium.

Other component of equity

Other component of equity represents amounts transferred from share based payments reserve upon exercise of stock options by employees during the year.

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Company

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note - 18

Borrowings-Non current

	As at 31 March 2021	As at 31 March 2020
Lease Liabilities	-	114.82
Vehicle loans from banks (secured) (Refer footnotes (a), (b) and (c) below)	9.44	25.44
Less: Current maturity of long-term borrowings (Refer Note: 21)	(9.44)	(16.00)
Compulsory/ Optionally convertible debentures (unsecured) (Refer Note (d) below)	9,999.78	50,000.06
Less: Current maturity of Debt securities (Refer Note: 21)	(9,999.78)	-
	-	50,124.32

(a) The above term loans are secured against hypothecation of respective vehicles. The rate of interest of such loans ranges from 9% per annum to 10.30% per annum.

(b) The above term loans are repayable in equated monthly instalments for a period upto five years.

(c) There is no continuing default as on the Balance Sheet date in repayment of the loans or interest amounts.

(d) On September 30, 2019, the Board of Directors of the Company, pursuant to the applicable provisions of Companies Act, 2013, authorized the issue of 344,828 non-marketable, compulsorily convertible debentures ("Debentures") aggregating to Rs. 5,000,006,000, at a nominal value of Rs. 14,500 per debenture, to Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited), its fellow subsidiary company (Holding Company with effect from March 26, 2020), for consideration received in cash. In accordance with the terms of the issue of the Debentures, interest is payable at the coupon rate of 10% per annum, payable at the end of each financial year. The Debenture Holder, at its sole option, can request the Company to convert the Debentures into fully paid up equity shares of the Company at any time, on or before 24 months from the date of issue, at the value per equity share of the Company on such date of conversion.

The Board of Directors of the Company, on 31 March 2021, at the request of Dhani Loans and Services Limited, approved the modification of terms of conversion of 1,37,932, Compulsorily Convertible Debentures (CCDs) convertible into Optionally Convertible Debentures of Rs. 14,500 each (fully or partly) at the sole option of DLSL. Further, on March 31, 2021, at the request of DLSL, the Company redeemed 137,932 CCDs in full. There is no continuing default as on the Balance Sheet date in the repayment of the loans or interest amounts.

Note - 19

Borrowings-Current

	As at 31 March 2021	As at 31 March 2020
Unsecured		
a) Lease Liabilities	-	67.09
b) Inter corporate deposits		
From Ultimate Holding Company	-	7,930.00
From Fellow Subsidiary Companies	17,235.00	584.00
	17,235.00	8,581.09

(a) The unsecured loans/inter-corporate deposits from related parties have been taken for a term upto two years and are repayable at the option of the Company, on or before the expiration of the tenure of the said loans. These unsecured loans carry interest rate ranging from 8.25% per annum to 10% per annum, which may be revised based upon mutual agreement of the parties.

(b) There is no default as on the Balance Sheet date in repayment of the respective loan or interest amounts.

Reconciliation of liabilities arising from financing activities

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

Particulars	Non-current borrowings	Current borrowings	Total
1 April 2019	41.03	118,637.66	118,678.69
Cash flows:	-	-	-
Repayment	(15.59)	(1,207,055.84)	(1,207,071.43)
Proceeds	50,000.06	1,096,932.18	1,146,932.24
31 March 2020	50,025.50	8,514.00	58,539.50
Cash flows:			
Repayment	(40,016.28)	(133,240.50)	(173,256.78)
Proceeds	-	141,961.50	141,961.50
31 March 2021	10,009.22	17,235.00	27,244.22

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note - 20

Trade payables

	As at 31 March 2021	As at 31 March 2020
Total outstanding due to micro enterprises and small enterprises (i)	-	-
Total outstanding due to creditors other than micro enterprises and small enterprises	5.48	6.69
	5.48	6.69

(i) On the basis of confirmations obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Particulars	As at 31 March 2021	As at 31 March 2020
Principal amount remaining unpaid	-	-
Interest due thereon	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the period / year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period / year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period / year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid as at end of the period / year	-	-

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

Note - 21

Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Current maturity of long-term borrowings	9.44	16.00
Current maturity of Debt securities	9,999.78	-
	10,009.22	16.00

Note - 22

Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Statutory dues payables	343.49	864.47
Employee related payables	132.61	136.69
Expenses and other payables	1,384.92	1,394.72
	1,861.02	2,395.88

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note - 23

Current provisions

Other provisions

Provision for contingencies

	As at 31 March 2021	As at 31 March 2020
	-	9.91
	-	9.91

Disclosure under Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets": Movements in each class of provision during the financial year, are set out below:

Particulars	Provision for contingencies
1 April 2019	1,594.36
Additional provision recognized	-
Amounts used during the year	(1,584.45)
31 March 2020	9.91
Additional provision recognized	-
Amounts used during the year	(9.91)
31 March 2021	-

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Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note - 24

Revenue from operations

Sale of services

Commission, brokerage and service charges
 Consultancy fees

	For the year ended 31 March 2021	For the year ended 31 March 2020
	554.69	515.11
	374.87	75.10
	929.56	590.21

Reconciliation of revenue from contracts with customers:

	31 March 2021	31 March 2020
Revenue from contracts as per contract price:	554.69	521.11
Adjustments made to contract price on account of:		
a) Financing component included in revenue	-	(6.00)
Revenue from contracts with customers as per Statement of Profit and Loss	554.69	515.11

Note - 25

Other income

Interest income from inter-corporate deposits
 Interest on earnest money deposit
 Interest on investment in commercial papers
 Interest on fixed deposits
 Excess provisions written back
 Balances written back
 Unwinding of interest income
 Gain on modification/derecognition of leases
 Profit on sale of investments in subsidiary companies
 Profit on redemption of Mutual Funds
 Interest income from Income Tax Refund
 Miscellaneous Income

	For the year ended 31 March 2021	For the year ended 31 March 2020
	7,996.59	9,168.02
	15.19	3.70
	-	129.86
	10.67	14.60
	11.18	102.41
	22.80	-
	244.92	548.34
	8.30	2.60
	-	1,514.52
	-	2.87
	180.41	-
	0.09	0.34
	8,490.15	11,487.26

Note - 26

Employee benefits expense

Salaries
 Contribution to provident fund and other funds (Refer Note 44)
 Staff welfare expenses
 Employee share-based payment expense/(credit)

	For the year ended 31 March 2021	For the year ended 31 March 2020
	1,735.97	18.43
	0.01	0.02
	0.17	1.02
	(1.81)	(0.69)
	1,734.34	18.78

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note - 27

Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
Bank Charges	0.37	0.34
Interest on Inter Corporate Deposits	2,297.50	10,529.51
Interest on compulsorily/optionally convertible debentures	3,991.78	2,520.55
Interest on bank overdraft	1.04	38.40
Interest on lease liabilities (Refer Note: 47)	3.08	38.89
Interest on vehicle loans	1.75	2.95
Interest on taxes	12.76	0.55
	6,308.28	13,131.19

Note - 28

Impairment losses

	For the year ended 31 March 2021	For the year ended 31 March 2020
(Also refer Note 33 and Note 45)		
Provision for impairment loss due to expected credit loss (net)	-	2,400.00
Bad debts written off/ credit notes issued	5,620.34	1,586.01
Less: Adjusted against provisions	(2,902.16)	1.57
	2,718.18	2,401.57

Note - 29

Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Stamp duty	0.18	0.40
Commission	6.50	3.15
Lease rent (Refer Note 47)	110.83	7.43
Rates and taxes	1.42	2.56
Electricity	5.56	21.21
Insurance	0.61	0.91
Communication	3.72	7.76
Legal and professional	53.04	42.33
Travelling and conveyance	1.01	0.99
Printing and stationery	0.01	0.07
Office maintenance	5.21	4.30
Repairs and maintenance - others	3.06	1.12
Loss on modification of financial assets	821.55	769.34
Business promotion	7.51	-
Payment to Statutory Auditors (excluding goods and service tax)		
- For statutory audit	5.25	5.25
Loss on sale/ scrapping of fixed assets (net)	28.03	0.65
	1,053.49	867.47

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
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Note - 30

Tax expenses	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax	-	(28.22)
Earlier year tax expenses	2.87	-
Deferred tax charge	669.16	171.99
Income tax expense reported in the statement of profit and loss	672.03	143.77
Accounting profit / (loss) before tax expense	(2,493.21)	(4,714.35)
Income tax rate	29.12%	29.12%
Expected tax expense	(726.02)	(1,372.82)
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Tax effect of expenses which are not deductible	(3.26)	(16.14)
Tax losses for which no deferred tax was recognized	1,394.41	1,097.65
Tax effect of earlier year items	2.87	-
Others	4.03	435.08
Income tax expense	672.03	143.77

Note - 31

Earnings per equity share	For the year ended 31 March 2021	For the year ended 31 March 2020
Net (loss)/profit for the year	(3,165.24)	(4,858.12)
Nominal value of equity share (Rs.)	10	10
Weighted average number of Equity Shares used for computing Basic and Diluted earnings per share	358,220	55,053
Basic earnings per share (Rs.)	(883.60)	(8,824.44)
Diluted earnings per share (Rs.)	(883.60)	(8,824.44)

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Note - 32

Financial instruments

A Financial assets and liabilities

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

Particulars	Note	As at 31 March 2021	As at 31 March 2020
Financial assets measured at amortized cost			
Cash and cash equivalents	Note - 12	463.59	15.65
Trade receivables	Note - 8 & 11	5,034.00	8,273.33
Loans	Note - 7 & 13	62,631.13	93,145.23
Other financial assets	Note - 9	202.07	203.08
Total		68,330.79	101,637.29
Financial liabilities measured at amortized cost			
Trade payables	Note - 20	5.48	6.69
Borrowings (including interest accrued)	Note - 18 & 19	17,244.44	8,721.35
Other financial liabilities	Note - 21	9,999.78	-
Total		27,249.70	8,728.04

* Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented above.

B Fair values hierarchy

As per Ind AS 107, 'Financial Instruments: Disclosures', the fair values of the financial assets or financial liabilities are defined as the price that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs. 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.2 Fair value of instruments measured at amortized cost

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	463.59	463.59	15.65	15.65
Trade receivables	5,034.00	5,034.00	8,273.33	8,273.33
Loans	62,631.13	62,631.13	93,145.23	93,145.23
Other financial assets	202.07	202.07	203.08	203.08
Total	68,330.79	68,330.79	101,637.29	101,637.29
Financial liabilities				
Trade payables	5.48	5.48	6.69	6.69
Borrowings	17,244.44	17,244.44	8,721.35	8,721.35
Other financial liabilities	9,999.78	9,999.78	-	-
Total	27,249.70	27,249.70	8,728.04	8,728.04

Fair value of cash and cash equivalents, trade receivables, loans and other financial assets approximate their carrying amounts largely due to current maturities of these instruments. Accordingly, fair value hierarchy for these financial instruments have not been presented above. Fair value measurement of lease liabilities is not required. Valuation techniques used to determine fair values are given below:

(i) The fair values of the Company's fixed interest bearing loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2021 was assessed to be insignificant.

(ii) The fair values of the Company fixed rate interest-bearing debt securities and borrowings are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The Company did not have any variable rate interest-bearing debt securities / borrowings.

Note - 33

Financial risk management

i) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. 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
Credit risk	Cash and cash equivalents, investments, loans, trade receivables and other financial assets
Liquidity risk	Borrowings, trade payables and other financial liabilities
Market risk - interest rate	Borrowings and debt securities
Market risk - security price	Investments in equity securities

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.

Financial assets that expose the entity to credit risk: The carrying amount of financial assets represents maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of cash and cash equivalents, trade receivables and other financial assets measured at amortised cost.

Particulars	As at 31 March 2021	As at 31 March 2020
(i) Low credit risk		
Cash and cash equivalents	463.59	15.65
Trade receivables	5,034.00	8,273.33
Loans	62,631.13	93,145.23
Other financial assets	202.07	203.08
(ii) High credit risk		
Trade receivables	989.95	3,882.20
Loans	20.10	20.10

* These represent maximum exposure to credit risk in terms of gross carrying values of financial assets, without deduction for expected credit losses

'Expected Credit Loss (ECL) on Financial Assets

The Company continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument is subject to 12 month ECL (12mECL) or life time ECL (LTECL), the Company assesses whether there has been a significant increase in credit risk or the asset has become credit impaired since initial recognition. The Company applies following quantitative and qualitative criteria to assess whether there is significant increase in credit risk or the asset has been credit impaired:

- Historical trend of collection from counterparty
- Company's contractual rights with respect to recovery of dues from counterparty
- Credit rating of counterparty and any relevant information available in public domain

Trade and other receivables:

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. As the Company has a contractual right to such receivables as well as the control over such funds due from customers, the Company does not estimate any credit risk in relation to such receivables. Further, management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour.

Cash and cash equivalents

The credit worthiness of such banks and financial institutions with whom cash and cash equivalents are held is evaluated by the management on an ongoing basis and is considered to be high.

Loans

Loans measured at amortized cost primarily comprise security deposits given for underwriting projects. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Other financial assets

Other financial assets measured at amortized cost includes interest receivable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Indiabulls Distribution Services Limited**Notes to the financial statements for the year ended 31 March 2021***(All amounts in Rs Lakhs unless stated otherwise)***Note - 33 (continued):****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, Loans 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.

b) Credit risk exposure**i) Expected credit losses for financial assets**

As at 31 March 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	463.59	-	463.59
Trade receivables	6,023.95	989.95	5,034.00
Loans	62,651.23	20.10	62,631.13
Other financial assets	202.07	-	202.07

As at 31 March 2020	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	15.65	-	15.65
Trade receivables	12,155.53	3,882.20	8,273.33
Loans	93,165.33	20.10	93,145.23
Other financial assets	203.08	-	203.08

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables	Loans
Loss allowance on 1 April 2019	1,482.20	23.00
Impairment loss recognised during the year	2,508.62	-
Loss allowance utilised during the year	(108.62)	(2.90)
Loss allowance on 31 March 2020	3,882.20	20.10
Impairment loss recognised during the year	-	-
Loss allowance utilised during the year	(2,892.25)	-
Loss allowance on 31 March 2021	989.95	20.10

* Also refer note 45

The expected credit loss allowance above is calculated based on assumptions about the risk of default and expected loss rates. The Company uses judgement in making those assumptions and selecting inputs to the loss allowance calculation, based on past history, existing conditions, as well as forward looking estimates at the end of each reporting period.

c) Concentration of trade receivables

The Company's outstanding receivables are on account of commission receivable from underwriting/distribution of real estate projects on behalf of developers and related services. Loans and other financial assets majorly represents loans to related parties and deposits given for business purposes.

B) Liquidity risk

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

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

Note 33 (continued):

(i) Financing arrangements

The Company had access to the following funding facilities:

As at 31 March 2021	Total facility	Drawn	Undrawn
- Expiring within one year	180.00	-	180.00
- Expiring beyond one year	743,500.06	27,233.78	716,266.28
Total	743,680.06	27,233.78	716,446.28

As at 31 March 2020	Total facility	Drawn	Undrawn
- Expiring within one year	180.00	180.00	-
- Expiring beyond one year	670,000.06	58,514.06	611,486.00
Total	670,180.06	58,694.06	611,486.00

(ii) Maturities of financial assets and liabilities

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

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

As at 31 March 2021	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Cash and cash equivalent	463.59	-	-	-	463.59
Trade receivables	3,241.85	2,274.39	437.72	73.77	6,027.73
Loans	57,538.34	2,739.63	1,290.81	2,169.37	63,738.15
Investments	-	-	-	505.00	505.00
Other financial assets	202.07	-	-	-	202.07
Total undiscounted financial assets	61,445.85	5,014.02	1,728.53	2,748.14	70,936.54
Non-derivatives					
Borrowings	17,244.44	-	-	-	17,244.44
Trade payables	5.48	-	-	-	5.48
Other financial liabilities	9,999.78	-	-	-	9,999.78
Total undiscounted financial liabilities	27,249.70	-	-	-	27,249.70
Net undiscounted financial assets/(liabilities)	34,196.15	5,014.02	1,728.53	2,748.14	43,686.84

As at 31 March 2020	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Cash and cash equivalent	15.65	-	-	-	15.65
Trade receivables	5,056.51	4,878.64	130.93	2,095.04	12,161.12
Loans	85,032.02	8,042.83	595.55	7.86	93,678.26
Investments	-	-	-	505.00	505.00
Other financial assets	203.08	-	-	-	203.08
Total undiscounted financial assets	90,307.26	12,921.47	726.48	2,607.90	106,563.11
Non-derivatives					
Borrowings	8,597.09	50,084.02	40.30	-	58,721.41
Trade payables	6.69	-	-	-	6.69
Total undiscounted financial liabilities	8,603.78	50,084.02	40.30	-	58,728.10
Net undiscounted financial assets/(liabilities)	81,703.48	(37,162.55)	686.18	2,607.90	47,835.01

C) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to interest rate risk and price risk.

a) Foreign currency risk

The Company does not have into any foreign currency denominated assets or liabilities as at 31 March 2021 and 31 March 2020. Accordingly, the Company is not exposed to foreign currency risk.

Indiabulls Distribution Services Limited**Notes to the financial statements for the year ended 31 March 2021***(All amounts in Rs Lakhs unless stated otherwise)***b) Interest rate risk****i) Liabilities**

Interest rate risk is the risk where the Company is exposed to the risk that fair value or future cash flows of its financial instruments will fluctuate as a result of change in market interest rates. The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. At 31 March 2021 & 31 March 2020, the Company is exposed to changes in market interest rates through debt securities and other borrowings.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate liabilities		
Borrowings	-	-
Fixed rate liabilities		
Borrowings	17,244.44	8,539.44
Debt securities	9,999.78	50,000.06
Total	27,244.22	58,539.50

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	As at 31 March 2021	As at 31 March 2020
Interest sensitivity*		
Interest rates – increase by 50 basis points (50 bps)	326.50	717.66
Interest rates – decrease by 50 basis points (50 bps)	(326.50)	(717.66)

* Holding all other variables constant

ii) Assets

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

c) Price risk**i) Exposure**

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets. The Company does not have any financial assets as at 31 March 2021 and 31 March 2020 that expose it to price risk.

Note - 34**Capital management****The Company's capital management objectives are**

- to ensure the Company's ability to continue as a going concern
- to maintain an optimal capital structure to reduce cost of capital
- 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. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The funding requirements are met through operating cash flows and other equity. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Particulars	As at 31 March 2021	As at 31 March 2020
Net debt*	26,780.63	58,705.76
Total equity	46,212.48	49,379.53
Net debt to equity ratio	0.58	1.19

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

Indiabulls Distribution Services Limited**Notes to the financial statements for the year ended 31 March 2021***(All amounts in Rs Lakhs unless stated otherwise)***Note - 35****Maturity analysis of assets and liabilities**

The table shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

	As at 31 March 2021		As at 31 March 2020	
	Within 12 months	After 12 months	Within 12 months	After 12 months
Assets				
Property, plant and equipment	-	133.45	-	250.60
Intangible assets	-	2.20	-	10.65
Right of use Asset	-	-	-	174.57
Financial assets				
Investments	-	505.00	-	505.00
Loans	-	5,132.97	-	8,113.21
Trade receivables	-	2,160.75	-	4,831.01
Other financial assets	-	202.07	-	203.08
Deferred tax assets(net)	-	1,301.74	-	1,970.91
Total non-current assets	-	9,438.18	-	16,059.03
Current assets				
Financial assets				
Trade receivables	2,873.25	-	3,442.32	-
Cash and cash equivalents	463.59	-	15.65	-
Loans	57,498.16	-	85,032.02	-
Current tax assets (net)	2,807.53	-	3,914.46	-
Other current assets	2,242.49	-	2,049.94	-
Total current assets	65,885.02	-	94,454.39	-
Total Assets	65,885.02	9,438.18	94,454.39	16,059.03
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	-	-	-	50,124.32
Total non-current liabilities	-	-	-	50,124.32
Current liabilities				
Financial liabilities				
Borrowings	17,235.00	-	8,581.09	-
Trade payables	5.48	-	6.69	-
Other financial liabilities	10,009.22	-	16.00	-
Other current liabilities	1,861.02	-	2,395.88	-
Provisions	-	-	9.91	-
Total current liabilities	29,110.72	-	11,009.57	-
Total Liabilities	29,110.72	-	11,009.57	50,124.32
Net	36,774.30	9,438.18	83,444.82	(34,065.29)

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note - 36
Employee stock option schemes:

The employees of the Company have been granted option as per the existing schemes of Dhani Services Limited ('Ultimate Holding Company') Formerly known as Indiabulls Ventures Limited). On exercise, the employees will be allotted shares of the Ultimate Holding Company.

A. Grants during the year:

The Ultimate Holding Company has established the "Udaan Employee Welfare Trust" ("Udaan – EWT") (earlier known as Indiabulls Ventures Limited - Employees Welfare Trust" ("Trust") for the implementation and management of its employees benefit scheme viz. the "Dhani Services Limited - Employee Stock Benefit Scheme – 2019" (Scheme), for the benefit of the employees of the Ultimate Holding Company and its subsidiaries. Pursuant to Regulation 3(12) of the SEBI (Share Based Employee Benefits) Regulations, 2014, fully paid up equity shares of 10,400,000 lying in Trust have been appropriated towards the Scheme for grant of Share Appreciations Rights (SARs) to the employees of the Ultimate Holding Company and its subsidiaries as permitted by SEBI. The Ultimate Holding Company will treat these SARs as equity and therefore these will be treated as equity settled SARs and have been appropriately accounted for in these financial statements.

B. Employees Stock Options Schemes:

(i) Employees Stock Option Scheme - 2008 (DSL ESOP - 2008)

	DSL ESOP - 2008			
	20,000,000			
	20,000,000	9,700,000	500,000	880,600
		(Regrant)	(Regrant)	(Regrant)
Total options under the scheme (Nos.)				
Options granted (Nos.)				
Vesting period and percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	25 th January each year, commencing 25 January 2010	2 nd July each year, commencing 2 July 2017	2 nd September each year, commencing 2 September 2018	25 th March each year, commencing 25 March 2019
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (Rs.)	17.40	24.15	219.65	254.85
Outstanding at the beginning of 1 April 2019 (Nos.)	870,916	9,700,000	500,000	693,600
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	10,000	500,000	152,000
Exercised during the year (Nos.)	870,916	5,050,800	-	25,800
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2020 (Nos.)	-	4,639,200	-	515,800
Vested and exercisable as at 31 March 2020 (Nos.)	-	769,200	-	192,640
Remaining contractual life (weighted months)	-	66	-	73
Outstanding at the beginning of 1 April 2020 (Nos.)	-	4,639,200	-	515,800
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	14,400	-	429,000
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2021 (Nos.)	-	4,639,200	-	515,800
Vested and exercisable as at 31 March 2021 (Nos.)	-	2,697,000	-	-
Remaining contractual life (weighted months)	-	54	-	73

Weighted average exercise price of share during the year ended 31 March 2021: Not applicable (31 March 2020: Rs. 198.22).

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note - 36
Employee Stock Option Schemes *(continued)*

(ii) Employees Stock Option Scheme - 2009 (DSL - ESOP 2009)

	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009
Total options under the Scheme (Nos.)	20,000,000	20,000,000	20,000,000	20,000,000
Options granted (Nos.)	2,050,000	9,500,000 (Regrant)	10,000,000 (Regrant)	669,400 (Regrant)
Vesting date	13 th April each year, commencing 13 April 2011	13 th May each year, commencing 13 May 2017	2 nd September each year, commencing 2 September 2018	25 th March each year, commencing 25 March 2019
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (Rs.)	31.35	16.00	219.65	254.85
Outstanding at the beginning of 1 April 2019 (Nos.)	150,000	6,487,700	9,880,000	219,400
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	165,000	195,500	-
Exercised during the year (Nos.)	100,000	3,225,100	852,600	40,000
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2020 (Nos.)	50,000	3,097,600	8,831,900	179,400
Vested and exercisable as at 31 March 2020 (Nos.)	50,000	-	3,034,400	47,760
Remaining contractual life (Weighted Months)	60	67	67	77
Outstanding at the beginning of 1 April 2020 (Nos.)	50,000	3,097,600	8,831,900	179,400
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	572,000	6,146,300	179,400
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2021 (Nos.)	50,000	2,525,600	2,685,600	-
Vested and exercisable as at 31 March 2021 (Nos.)	50,000	1,262,800	-	-
Remaining contractual life (Weighted Months)	48	55	71	-

Weighted average exercise price of share during the year ended 31 March 2021: Nil (31 March 2020: Rs. 187.29)

(iii) Dhani Services Limited - Employee Stock Benefit Scheme 2019 ("Scheme") ("DSL-ESBS 2019").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Ultimate Holding Company at its meeting held on 22 October 2019; and (b) a special resolution of the shareholders' of the Ultimate Holding Company passed through postal ballot on 4 December 2019, result of which were declared on 5 December 2019.

This Scheme comprises:

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the Ultimate Holding Company has set up "Udaan - Employee Welfare Trust" ("Trust") for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 10,500,000 (One Crore Five lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Ultimate Holding Company as on the date of approval of shareholders, from the secondary market. The Ultimate Holding Company has appropriated its 10,400,000 fully paid up equity shares purchased by the Trust under the Scheme.

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note - 36
Employee Stock Option Schemes *(continued)*

	DSL-ESBS 2019
Total options under the Scheme (Nos.)	10,500,000
Options granted (Nos.)	10,400,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	17 th August each year, commencing 17 August 2021
Exercisable period	5 years from each vesting date
Exercise price (Rs.)	250.00
Outstanding at the beginning of 1 April 2020 (Nos.)	-
Granted during the year (Nos.)	10,400,000
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Outstanding as at 31 March 2021 (Nos.)	10,400,000
Vested and exercisable as at 31 March 2021 (Nos.)	-
Remaining contractual life (Weighted Months)	77

(iv) Dhani Services Limited - Employee Stock Benefit Scheme 2020 ("Scheme") ("DSL-ESBS 2020").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Ultimate Holding Company at its meeting held on 23 January 2020; and (b) a special resolution of the shareholders' of the Ultimate Holding Company passed through postal ballot on 20 March 2020, result of which were declared on 21 March 2020.

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2020 ("ESOP Plan 2020")
- Dhani Services Limited Employees Stock Purchase Plan 2020 ("ESP Plan 2020")
- Dhani Services Limited Stock Appreciation Rights Plan 2020 ("SARs Plan 2020")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the Ultimate Holding Company has set up "Udaan - Employees Welfare Trust" (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 9,300,000 (Ninety Three lakh) fully paid-up equity shares, being not more than 2% (Two percent) of its fully paid-up equity share capital as on the date of approval of shareholders, from the secondary market. The Ultimate Holding Company has not granted any options/ SARs under the said scheme as at 31 March 2021.

C. Fair Valuation:

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

	DSL ESOP - 2008			
	20,000,000	9,700,000	500,000	880,600
	Options	Options Regranted	Options Regranted	Options Regranted
1. Exercise price (Rs.)	17.40	24.15	219.65	254.85
2. Expected volatility *	79.00%	42.97%	46.70%	47.15%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
4. Option Life (Weighted Average) (in years)	11	6	6	6
5. Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
6. Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
7. Fair value of the options (Rs.)	0.84	4.31	106.31	130.05

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note - 36
Employee Stock Option Schemes *(continued)*

	DSL-ESBS 2019	DSL ESOP – 2009			
	10,400,000	2,050,000	9,500,000	10,000,000	669,400
	SARs	Options	Options	Options Regranted	Options Regranted
1. Exercise price (Rs.)	250.00	31.35	16.00	219.65	254.85
2. Expected volatility *	68.45%	48.96%	40.74%	46.70%	47.15%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil
4. Option Life (Weighted Average) (in years)	4 Years	10 Years	6 Years	6 Years	6 Years
5. Expected dividends yield	1.71%	6.86%	16.33%	1.27%	1.10%
6. Risk free interest rate	4.17%	8.05%	7.45%	6.54%	7.56%
7. Fair value of the options (Rs.)	55.49	9.39	1.38	106.31	130.05

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

D. Share based payment expense:

The Company has recognised reversal of Share based payments expense to employees of Rs. 1.81 lakh (31 March 2020: Rs. 0.69 lakh) in the Statement of Profit and loss for the year ended 31 March 2021.

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Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note - 37

In respect of the Company's outstanding balances of trade receivables and loans, the Company follows a routine process of obtaining account statements/confirmations from various counterparties and subsequent resolution of discrepancies, if any due to reconciliations performed. Certain balances outstanding in respect of trade receivables and loans as at March 31, 2021 are subject to confirmation and are taken as shown by the books of accounts. In the opinion of the Board of Directors, adjustments, if required, through the above process of reconciliations, will not have any material impact on the financial statements of the Company.

Note - 38

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

Note - 39

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

Note - 40

a) Expenses apportioned by the Holding Company to the Company (excluding goods and services tax) include:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
- Salaries	1,728.70	-
- Lease rent and office maintenance	93.16	-

b) Expenses apportioned by the Company to its Fellow Subsidiary Company (excluding goods and services tax) include:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
- Lease rent and office maintenance	32.20	23.28

c) Expenses apportioned by the Company to its Ultimate Holding Company (Previous year Holding Company) [excluding goods and services tax] include:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
- Lease rent and office maintenance	-	125.79
- Advertisement	-	134.05

Note - 41

a) Contingent liabilities not provided in respect of:

The Government of India had introduced the Direct Tax Vivad Se Vishwas Act, 2020 (3 Of 2020) and the Direct Tax Vivad Se Vishwas Rules, 2020 ("the Scheme") for settlement of pending income tax disputes. The Company has declared all its income tax disputes of Rs. 1.70 lakhs in respect of FY 14-15 and of Rs. 1.88 lakhs in respect of FY 15-16 under the Scheme. During the year ended March 31, 2021, the Company received orders for full and final settlement of tax arrears under the Scheme. As a result, an adjustment of Rs. 2.87 lakhs in respect of current tax in respect of earlier years has been recorded in the Statement of Profit and Loss for the year ended 31 March 2021.

Income tax Demand of Rs. Rs. 56.72 lakhs with respect to FY 2017-18 in respect of certain disallowances under the Income Tax Act, 1961 as determined in terms of assessment completed u/s 143(3) of the Income Tax Act, 1961, against which the company has preferred an appeal before CIT (Appeals).

b) Commitments:

Capital commitments outstanding as at 31 March 2021 Rs. Nil (Previous year Rs. Nil).

Note - 42

Segment reporting

The Company operates in a single reportable segment i.e. "Underwriting/distribution of real estate projects on behalf of developers and related services", which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", is considered to be the only reportable business segment. The Company derives its revenues primarily from underwriting/distribution of real estate projects on behalf of developers and its customers are widespread within India. Further, the Company is operating in India which is considered as a single geographical segment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM's function is to allocate the resources of the entity and assess the performance of the operating segment of the Company. All assets of the Company are domiciled in India.

Note - 43

Assets pledged as security

The carrying amounts of assets pledged/hypothecated as security are:

Particulars	As at 31 March 2021	As at 31 March 2020
Vehicles	33.36	49.02
Fixed deposits	200.00	200.00
Total assets pledged as security	233.36	249.02

Note - 44

Employee benefits

Defined contribution plans
 Provident fund

The Company has certain defined contribution plans such as provident fund for benefits of its employees. Contributions are made to provident fund in India for employees as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the year towards defined contribution plan is Rs.0.01 lakh (Previous year Rs.0.02 lakhs).

Indiabulls Distribution Services Limited**Notes to the financial statements for the year ended 31 March 2021***(All amounts in Rs Lakhs unless stated otherwise)***Note - 45**

The outbreak of COVID-19 virus, and more specifically the ongoing current wave of infections and resultant lockdowns continue to cause significant disruptions and dislocations for individuals and businesses. While the lockdown restrictions introduced by the government at the beginning of the year were lifted in a phased manner and was followed by a period of increased economic activity, with the onset of a very severe second wave of infections, state governments have reintroduced lockdowns and have imposed restrictions on movement of people and goods. The Company's performance continues to be dependent on future developments, which are uncertain, including, among other things, including the current wave that has significantly increased the number of cases in India and any action to contain its spread or mitigate its impact. There has been no material change in the controls or processes followed in the closing of these financial statements of the Company.

The Company has assessed the impact of the Covid-19 pandemic on its business operations and financial position and has reviewed current indicators of future economic conditions. During the year ended March 31, 2020, the Company had recorded Rs. 2400.00 lakhs (net) towards provision for expected credit loss on certain financial assets. During the year ended March 31, 2021, the Company has fully utilised the provision for expected credit loss, on account of effect of the global health pandemic.

The Company believes it has considered all possible impact of known events arising out of COVID-19 pandemic in the preparation of these financial statements. 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. However, since the situation is rapidly evolving, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor material changes in markets and future economic conditions.

Note - 46

Disclosures in respect of Ind AS - 24 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013 ("the Act") read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended):

(A) Details of related parties:

Description of relationship	Names of related parties
(a) Related parties where control exists:	
(i) Ultimate Holding company	Dhani Services Limited (formerly Indiabulls Ventures Limited) (w.e.f. 26 March 2020) Dhani Services Limited (formerly Indiabulls Ventures Limited) (upto 25 March 2020)
(i) Holding company	Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) (w.e.f. 26 March 2020)
(ii) Subsidiary companies	Pushpanjli Finsolutions Limited (upto 16 March 2020)
	Indiabulls Alternate Investments Limited
	Auxesia Soft Solutions Limited (upto 15 March 2020)
	Evinos Buildwell Limited (upto 15 March 2020)
	Evinos Developers Limited (upto 15 March 2020)
	Savren Medicare Limited (formerly Savren Buildwell Limited) (upto 15 March 2020)
	Krathis Buildcon Limited (upto 15 March 2020) Krathis Developers Limited (upto 15 March 2020)
(iii) Fellow Subsidiary Companies (with whom transactions have been entered into)	Pushpanjli Finsolutions Limited (w.e.f 17 March 2020)
	Auxesia Soft Solutions Limited (w.e.f 16 March 2020)
	Evinos Buildwell Limited (w.e.f 16 March 2020)
	Gyansagar Buildtech Limited
	Indiabulls Infra Resources Limited
	Indiabulls Investment Advisors Limited Dhani Healthcare Limited (formerly known as Pushpanjli Fincon Limited)

Note - 46 (Continued):-

(B) Significant Transactions with Related Parties during the year ended 31 March 2021:

Nature of transactions	Ultimate Holding company	Holding company	Subsidiary companies	Fellow subsidiary companies	Total
Investments					
Investment in equity shares	-	-	-	-	-
	-	-	25.00	-	25.00
Sale of investment in equity shares	-	-	-	-	-
	2,150.52	-	-	-	2,150.52
Finance					
Inter corporate loans taken	11,893.00	5,000.00	-	17,605.60	34,498.60
(Maximum balance outstanding during the year)	147,927.00	58,500.00	1,041.40	1,468.00	208,936.40
Inter corporate loans given	-	-	-	65,204.00	65,204.00
(Maximum balance outstanding during the year)	-	-	17,691.00	99,074.74	116,765.74
Issue of Compulsory Convertible Debentures (CCD)(Maximum balance outstanding during the year)	-	50,000.06	-	-	50,000.06
	-	50,000.06	-	-	50,000.06
Repayment of Optionally Convertible Debentures (OCDs)	-	40,000.28	-	-	40,000.28
	-	-	-	-	-
Issue of Equity Share Capital (including Securities Premium)	-	-	-	-	-
	-	45,000.12	-	-	45,000.12
Income					
Interest income on inter corporate loans	-	-	-	5,296.96	5,296.96
	-	-	762.68	1,065.51	1,828.19
Expenses/appropriations					
Interest expense on inter corporate loans	544.90	232.88	-	605.75	1,383.53
	6,111.65	1,223.34	16.77	51.76	7,403.52
Interest expense on CCD	-	3,991.78	-	-	3,991.78
	-	2,520.55	-	-	2,520.55
Reimbursement of expenses (paid)	-	1,821.86	-	-	1,821.86
	-	-	-	-	-
Reimbursement of expenses (received)	-	-	-	32.20	32.20
	259.84	-	-	23.28	283.12

Note: Figures in italics relate to the previous year

(c) Balance outstanding as at 31 March 2021:

Nature of transaction	Ultimate Holding company	Holding company	Subsidiary companies	Fellow subsidiary companies	Total
Finance					
Inter corporate loans taken	-	-	-	17,235.00	17,235.00
	7,930.00	-	-	584.00	8,514.00
Inter corporate loans given	-	-	-	36,864.90	36,864.90
	-	-	-	61,902.00	61,902.00
Investments in Equity Shares	-	-	505.00	-	505.00
	-	-	505.00	-	505.00
Compulsory/Optionally convertible debentures	-	9,999.78	-	-	9,999.78
	-	50,000.06	-	-	50,000.06

Note: Figures in italics relate to the previous year

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 as identified by the Company and relied upon by the Auditors. All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note - 47

Leases:

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases", applied to all contracts having lease components existing on 1 April 2019 using the modified retrospective method. Accordingly, the Company has not restated comparative information. The Company has measured the lease liability at present value of remaining lease payments discounted using the incremental borrowing rate as the date of initial application and Right of Use asset is measured at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. On date of initial application, the adoption of new standard resulted in recognition of right of use Rs. 577.27 lakhs and a lease liability of Rs. 561.42 lakhs.

The following is the summary of practical expedients elected on initial application:

- (i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- (ii) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- (iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- (iv) Applied the practical expedient to grandfather the assessment of which transactions are leases.

Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 10.50%

Following are the changes in the carrying value of right of use assets ("RoU Asset") for the year ended March 31, 2021:

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	174.57	-
Additions on account of adoption of Ind AS 116	-	577.27
Additions	-	-
Deletion	(162.91)	(264.77)
Depreciation*	(11.66)	(137.93)
Balance as at March 31, 2021	-	174.57

*The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	181.90	-
Additions on account of adoption of Ind AS 116	-	561.42
Additions	-	-
Deletion	(171.21)	(267.36)
Finance cost accrued during the year	3.08	38.89
Payment of lease liabilities	(13.77)	(151.05)
Balance as at March 31, 2020	-	181.90

The following is the income from subleasing right-of-use assets during the year ended March 31, 2021:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Income from subleasing right-of-use assets	32.20	149.07
Total	32.20	149.07

The following is the Gain/(Loss) on termination of leases during the year ended March 31, 2021:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Gain on modification/derecognition of leases	8.30	2.60
Total	8.30	2.60

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

Particulars	As at 31 March 2021	As at 31 March 2020
Within One year	-	67.09
One to Five years	-	114.81
More than Five years	-	-

Rental expense recorded for short-term leases is Rs 110.83 lakhs (Previous year Rs. 7.43 lakhs) for the year ended March 31, 2021.

Note - 48

As at 31 March 2021, the financial assets of the Company are more than fifty percent of its total assets (netted off by intangible assets) and income from financial assets was more than fifty percent of the gross income of the Company. The Company was incorporated with the objective of carrying on the business of underwriting/distribution of real estate projects on behalf of developers, and related services and has been carrying on the above business in accordance with the objects clause as stated in its Memorandum and Articles of Association. Accordingly, the Management of the Company, on the basis of their internal evaluation supported by a legal opinion obtained from an independent legal expert, believes that the principal business activities of the Company are not that of a Non-Banking Financial Company and hence, the Company is not required to obtain certificate of registration as a Non-Banking Financial Company under Section 45-IA of the Reserve Bank of India Act, 1934.

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rs Lakhs unless stated otherwise)

Note - 49

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

For Ajay Sardana Associates
Chartered Accountants
Firm Registration No. 016827N

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

Rahul Mukhi
Partner
Membership No. 099719
New Delhi, June 17, 2021

Naveen
Director
DIN: 07145185
New Delhi, June 17, 2021

Usha Devi
Director
DIN: 03498022