

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, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("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, 2022, 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.

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.

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

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 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 scepticism 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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, 2020 ("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 Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

Report on Other Legal and Regulatory Requirements (continued)

- (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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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, 2022.
- (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 35 to the Financial Statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2022.
 - 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.
 - iv)
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

Report on Other Legal and Regulatory Requirements (continued)

- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v) The Company has not declared/paid any dividend during the year and subsequent to the year-end.

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

Rahul Mukhi
Partner
Membership No.099719
New Delhi, May 28, 2022
UDIN: 22099719AMNSAY7089

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, 2022

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended 31 March 2022, we report the following:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties. Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a service company and accordingly, it does not hold any inventories. Thus, clause 3 (ii) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) The Company has not made investments in and provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties. However, the Company has granted secured and unsecured loans to companies, firms, Limited Liability Partnerships and to other parties during the year in respect of which:

(a) During the year the Company has provided loans to companies as follows:

	Loans (Amount in Rs. lakhs)
Aggregate amount granted /provided during the year	
- Others	3,064.60
Balance outstanding as at balance sheet date in respect of above cases	
- Others	38,898.20

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, 2022 (continued)

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided security to or provided guarantees to companies, firms, limited liability partnerships or any other parties during the year. According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not extended / granted fresh loans during the year to the respective parties to settle the dues of the existing loans.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(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) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into Goods and Services Tax ("GST").

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

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, 2022 (continued)

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax or Cess or other statutory dues which have not been deposited on account of any dispute, except as below:

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	Rs. 56.72 lakhs	Financial year 2017-2018	Commissioner of Income-tax (Appeals)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loan during the year. In respect of the outstanding term loans at the beginning of the year, such loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The Company does not have any investments in associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company does not have any investments in associates or joint ventures.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

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, 2022 (continued)

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(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, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the provisions related to internal audit are not applicable to the Company. Accordingly, clauses 3(xiv) (a) and 3(xiv) (b) of the Order is not applicable.

(xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) As detailed in Note 39 to the Financial Statements, as at March 31, 2021 the financial assets of the Company constitute more than fifty percent of its total assets (netted off by intangible assets) and income from financial assets constitutes more than fifty percent of the gross income of the Company for the year ended March 31, 2021. In terms of the Reserve Bank of India Act, 1934 read with Reserve Bank of India's Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and RBI's press release 1998-99/1269 dated April 8, 1999 in relation to determination of 'Principal business' for Non-Banking Financial Companies (NBFCs), in our opinion, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as a non-banking financial company.

(b) In our opinion, the Company is carrying on Non-Banking Financial activities without a valid Certificate of Registration from the Reserve Bank of India. As explained to us, the Company is in the process of obtaining a legal opinion on whether the requirements to obtain registration as a NBFC are applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC as part of the Group.

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, 2022 (continued)

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

Firm Registration No. 016827N

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

Rahul Mukhi
Partner
Membership No.099719
New Delhi, May 28, 2022
UDIN: 22099719AMNSAY7089

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, 2022

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, 2022 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 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:

Meaning of Internal Financial Controls Over Financial Reporting (continued)

(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, 2022, 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, May 28, 2022
UDIN: 22099719AMNSAY7089

Indiabulls Distribution Services Limited**Balance Sheet as at 31 March 2022***(All amounts in Rs Lakhs unless stated otherwise)*

	Note	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	4(a)	77.53	133.45
Intangible assets	4(b)	0.79	2.20
Financial assets			
Investments	5	505.00	505.00
Loans	6	3,545.12	5,132.97
Trade receivables	7	337.60	2,160.75
Other financial assets	8	201.40	202.07
Deferred tax assets(net)	9	1,311.60	1,301.74
Other non-current assets	10	0.66	-
Total non-current assets		5,979.70	9,438.18
Current assets			
Financial assets			
Trade receivables	11	3,011.05	2,873.25
Cash and cash equivalents	12	17.67	463.59
Loans	13	62,137.23	57,498.16
Current tax assets (net)	14	2,160.37	2,807.53
Other current assets	15	945.05	2,242.49
Total current assets		68,271.37	65,885.02
Total assets		74,251.07	75,323.20
Equity and liabilities			
Equity			
Equity share capital	16	35.82	35.82
Other equity	17	45,137.77	46,176.66
Total equity		45,173.59	46,212.48
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	-	-
Total non-current liabilities		-	-
Current liabilities			
Financial liabilities			
Borrowings	19	18,256.20	17,235.00
Trade payables	20		
-Total outstanding due to micro enterprises and small enterprises		-	-
-Total outstanding due to creditors other than micro enterprises and small enterprises		3.29	5.48
Other financial liabilities	21	9,999.78	10,009.22
Other current liabilities	22	818.21	1,861.02
Total current liabilities		29,077.48	29,110.72
Total equity and liabilities		74,251.07	75,323.20

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

Rahul Mukhi

Partner

Membership No. 099719

New Delhi, 28 May 2022

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

Vipin Chaudhary

Director

DIN: 09588893

New Delhi, 28 May 2022

Usha Devi

Director

DIN: 03498022

Indiabulls Distribution Services Limited
Statement of profit and loss for the year ended 31 March 2022
(All amounts in Rs Lakhs unless stated otherwise)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
I Revenue from operations	23	76.11	929.56
II Net gain on de-recognition of financial assets at amortized cost		2.29	4.45
III Other income	24	5,808.91	8,490.15
IV Total revenue (I+II+III)		5,887.31	9,424.16
V Expenses			
Employee benefits expenses	25	49.80	1,734.34
Finance costs	26	2,335.09	6,308.28
Depreciation and amortization	4	51.12	103.08
Impairment losses	27	4,229.07	2,718.18
Other expenses	28	270.96	1,053.49
Total expenses (V)		6,936.04	11,917.37
VI Loss before exceptional items and tax (IV-V)		(1,048.73)	(2,493.21)
VII Exceptional items		-	-
VIII Loss before tax (VI-VII)		(1,048.73)	(2,493.21)
IX Tax expense	29		
Current tax		-	-
Tax expenses related to earlier years		-	2.87
Deferred tax		(9.84)	669.16
Total tax expenses		(9.84)	672.03
X Loss for the year from continuing operations (VIII-IX)		(1,038.89)	(3,165.24)
XI Other comprehensive income		-	-
XII Total comprehensive loss for the year (X+XI)		(1,038.89)	(3,165.24)
XIII Earnings per equity share (Rs. 10 per share)	30		
(1) Basic (Rs)		(290.01)	(883.60)
(2) Diluted (Rs)		(290.01)	(883.60)
Face value per equity share		10.00	10.00

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, 28 May 2022

Vipin Chaudhary
Director
DIN: 09588893
New Delhi, 28 May 2022

Usha Devi
Director
DIN: 03498022

Indiabulls Distribution Services Limited
Statement of Cash flows for the year ended 31 March 2022
(All amounts in Rs Lakhs unless stated otherwise)

	For the year ended 31 March 2022	For the year ended 31 March 2021
A Cash flow from operating activities		
Net profit/(loss) before tax	(1,048.73)	(2,493.21)
Adjustments for :		
Gain on redemption of mutual fund investments	(0.27)	-
Interest income	(5,670.57)	(8,267.37)
Excess provisions/Balances written back	(83.43)	(33.98)
Loss on modification of financial assets	81.16	821.55
Gain on modification/derecognition of leases	-	(8.30)
Net gain on de-recognition of financial assets at amortized cost	(2.29)	(4.45)
Interest expense	2,334.92	6,292.07
Interest on lease liabilities	-	3.08
Depreciation and amortization	51.12	103.08
Employee share-based payment (reversal)/expense	-	(1.81)
Impairment loss recognized / (reversed) under expected credit loss model	1,430.00	-
Bad debts written off/ credit notes issued	2,799.07	2,718.18
Loss on disposal of property, plant and equipment (net)	6.19	28.03
Operating profit before working capital changes	(102.83)	(843.13)
Adjustments for:		
Decrease in loans	1,580.51	6,128.21
(Increase)/Decrease in trade receivables	(2,542.61)	522.97
Decrease/(Increase) in other non-current and current assets	1,296.78	(192.55)
(Decrease) in trade payables	(2.19)	(1.21)
(Decrease)/Increase in other current liabilities	(959.38)	(500.88)
(Decrease) in provisions	-	(9.91)
Cash (used in)/flows from operating activities	(729.72)	5,103.50
Income tax paid (net)	647.16	1,104.06
Net cash (used in)/flows from operating activities	(82.56)	6,207.56
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	0.02	8.16
Proceeds from sale of mutual funds (net)	0.27	-
Loans given (net of repayment received)	(2,033.31)	25,037.10
Interest received	2,992.82	6,798.24
Net cash flows from/(used in) investing activities	959.80	31,841.50
C Cash flow from financing activities		
Repayment of long term borrowings	(9.44)	(16.00)
Payment of Lease liabilities (including interest on lease liabilities)	-	(13.77)
(Repayment due to redemption of)/Proceeds from issue of optionally/compulsory convertible debentures	-	(40,000.28)
Proceeds from short term borrowings (net)	1,021.20	8,721.00
Interest paid	(2,334.92)	(6,292.07)
Net cash flows from/(used in) financing activities	(1,323.16)	(37,601.12)
D Net decrease in cash and cash equivalents (A+B+C)	(445.92)	447.94
E Cash and cash equivalents at the beginning of the year (refer note ii. below)	463.59	15.65
F Cash and cash equivalents at the end of the year (D + E)	17.67	463.59

Indiabulls Distribution Services Limited

Cash flow statement for the year ended 31 March 2022 (continued)

(All amounts in Rs Lakhs unless stated otherwise)

Notes to the Statement of Cash flows for the year ended 31 March 2022:

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) Rules, 2014.

ii. Cash and cash equivalents includes:

	As at	As at
	31 March 2022	31 March 2021
Cash and cash equivalents (Refer note 12)	17.67	463.59
	17.67	463.59

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

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

Chartered Accountants
Firm Registration No. 016827N

Rahul Mukhi
Partner
Membership No. 099719
New Delhi, 28 May 2022

Vipin Chaudhary
Director
DIN: 09588893
New Delhi, 28 May 2022

Usha Devi
Director
DIN: 03498022

Indiabulls Distribution Services Limited
Statement of Changes in Equity for the year ended 31 March 2022
(All amounts in Rs Lakhs unless stated otherwise)

A. Equity Share Capital

(i) Current reporting year

Balance as at 1 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2021	Changes in equity share capital during the current year	Balance as at 31 March 2022
35.82	-	35.82	-	35.82

(ii) Previous reporting year

Balance as at 1 April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2020	Changes in equity share capital during the current year	Balance as at 31 March 2021
35.82	-	35.82	-	35.82

B. Other Equity

(i) Current reporting year

Particulars	Reserves and surplus					Total
	General Reserve	Share options outstanding account	Other component of equity	Securities Premium	Retained earnings	
Balance as at 1 April 2021	815.77	8.12	28.35	44,969.30	355.12	46,176.66
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting year	815.77	8.12	28.35	44,969.30	355.12	46,176.66
Dividends	-	-	-	-	-	-
Loss for the year	-	-	-	-	(1,038.89)	(1,038.89)
Transferred from share options outstanding account	-	-	-	-	0.26	0.26
Transferred to retained earnings	-	(0.26)	-	-	-	(0.26)
Balance as at 31 March 2022	815.77	7.86	28.35	44,969.30	(683.51)	45,137.77

(ii) Previous reporting year

Particulars	Reserves and surplus					Total
	General Reserve	Share options outstanding account	Other component of equity	Securities Premium	Retained earnings	
Balance as at 1 April 2020	815.77	10.85	28.35	44,969.30	3,519.44	49,343.71
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting year	815.77	10.85	28.35	44,969.30	3,519.44	49,343.71
Dividends	-	-	-	-	-	-
Loss for the year	-	-	-	-	(3,165.24)	(3,165.24)
Transferred from share options outstanding account	-	-	-	-	0.92	0.92
Transferred to retained earnings	-	(0.92)	-	-	-	(0.92)
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, 28 May 2022

Vipin Chaudhary
Director
DIN: 09588893
New Delhi, 28 May 2022

Usha Devi
Director
DIN: 03498022

Indiabulls Distribution Services Limited

Notes to the financial statements for the year ended 31 March 2022

(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 2022 were authorized and approved for issue by the Board of Directors on 28 May 2022.

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.

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.

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs Lakhs unless stated otherwise)

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. Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalization.

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.

Indiabulls Distribution Services Limited

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs Lakhs unless stated otherwise)

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:

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

After initial measurement, such financial assets are subsequently measured at 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:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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.

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.

i) Financial instruments (continued)

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:

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- 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 the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Indiabulls Distribution Services Limited

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs Lakhs unless stated otherwise)

II. Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

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

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

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 2022**

(All amounts in Rs Lakhs unless stated otherwise)

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

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Indiabulls Distribution Services Limited

Notes to the financial statements for the year ended 31 March 2022

(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 2021 Rs.	Additions during the year Rs.	Adjustments/ Sales during year Rs.	As at 31 March 2022 Rs.	As at 1 April 2021 Rs.	Additions during the year Rs.	Adjustments during the year Rs.	As at 31 March 2022 Rs.	As at 31 March 2022 Rs.	As at 31 March 2021 Rs.
a. Tangible Assets										
Office Equipment	41.38	-	17.04	24.34	36.23	3.88	16.83	23.28	1.06	5.15
Vehicles	264.79	-	-	264.79	192.65	30.25	-	222.90	41.89	72.14
Furniture and fixtures	61.15	-	15.54	45.61	11.15	9.65	9.54	11.26	34.35	50.00
Computers	238.03	-	54.94	183.09	231.87	5.93	54.94	182.86	0.23	6.16
									-	
TOTAL (a)	605.35	-	87.52	517.83	471.90	49.71	81.31	440.30	77.53	133.45
b. Intangible Assets										
Software	506.56	-	-	506.56	504.36	1.41	-	505.77	0.79	2.20
									-	
TOTAL (b)	506.56	-	-	506.56	504.36	1.41	-	505.77	0.79	2.20

Indiabulls Distribution Services Limited

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs Lakhs unless stated otherwise)

Note - 5

Investments-Non current

Non-Trade Investments

Investment in equity shares (at cost)

(i) in subsidiary companies

	As at 31 March 2022			As at 31 March 2021	
	Face value per share	Number of shares	Amount	Number of shares	Amount
Indiabulls Alternate Investments Limited	10	50,50,000	505.00	50,50,000	505.00
			505.00		505.00
Aggregate book value of unquoted investments			505.00		505.00

Name of subsidiaries	Principal place of business	Ownership interest	
		As at	As at
		31 March 2022	31 March 2021
Indiabulls Alternate Investments Limited	India	100%	100%

Note - 6

Loans-Non current

at amortized cost

a) Deposits for Underwriting/distribution of real estate projects

	As at 31 March 2022	As at 31 March 2021
Considered good-Unsecured	3,545.12	5,127.09
b) Rental deposits		
Unsecured, considered good	-	5.88
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)
	3,545.12	5,132.97

Note - 7

Trade receivables-Non current

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good	337.60	2,160.75
Unsecured, which have significant increase in credit risk	904.27	621.35
	1,241.87	2,782.10
Less: Provision for impairment loss due to expected credit loss	(904.27)	(621.35)
	337.60	2,160.75

(i) Ageing schedule as at 31 March 2022

S no	Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	4.94	40.07	5.83	27.43	259.33	337.60
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	0.86	7.00	1.02	4.79	45.34	59.01
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv)	Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	12.38	100.33	14.59	68.67	649.29	845.26

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2022
(All amounts in Rs Lakhs unless stated otherwise)
(ii) Ageing schedule as at 31 March 2021

S no	Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	38.87	0.74	157.25	595.08	1,368.81	2,160.75
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	4.33	0.08	17.50	66.24	152.37	240.52
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv)	Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	6.85	0.13	27.72	104.88	241.25	380.83

Note - 8
Other financial assets-Non current

In fixed deposit accounts with banks having maturity of more than twelve months

Interest accrued on fixed deposits

	As at 31 March 2022	As at 31 March 2021
	200.00	200.00
	1.40	2.07
	201.40	202.07

Note - 9
Deferred tax assets
Arising on account of temporary differences due to:

Provision for impairment loss on security deposits
 Property, plant and equipment and other intangible assets
 Share options outstanding reserve
 Provision impairment loss due to expected credit losses
 Effect of reversal of financing component from revenue
 Underwriting deposits measured at amortized cost
 MAT credit entitlement

	As at 31 March 2022	As at 31 March 2021
	5.85	5.85
	58.27	58.45
	2.29	2.29
	416.42	288.27
	0.11	1.10
	199.39	316.51
	629.27	629.27
	1,311.60	1,301.74

Movement in deferred tax balances for the year ended 31 March 2022

	As at 31 March 2021	Recognized in statement of profit and loss	Recognized in other comprehensive income	As at 31 March 2022
Provision for impairment loss on security deposits	5.85	-	-	5.85
Provision for contingencies	-	-	-	-
Property, plant and equipment and other intangible assets	58.45	0.18	-	58.27
Share options outstanding reserve	2.29	-	-	2.29
Provision impairment loss due to expected credit losses	288.27	(128.13)	-	416.42
Effect of reversal of financing component from revenue	1.10	0.99	-	0.11
Underwriting deposits measured at amortized cost	316.51	117.12	-	199.39
Right of use assets	-	-	-	-
MAT credit entitlement	629.27	-	-	629.27
	1,301.74	(9.84)	-	1,311.60

Indiabulls Distribution Services Limited

Notes to the financial statements for the year ended 31 March 2022

(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
Right of use assets	2.13	2.13	-	-
Underwriting deposits measured at amortized cost	149.36	(167.15)	-	316.51
MAT credit entitlement	629.27	-	-	629.27
Deferred tax assets (net)	1,970.91	669.16	-	1,301.74

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

Expiry financial year (as per Income tax Act)	As at 31 March 2022	As at 31 March 2021
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)

Unused tax business losses	As at 31 March 2022	As at 31 March 2021
1 April 2023 - 31 March 2024	1,267.71	1,267.71
1 April 2025 - 31 March 2026	1,774.38	1,774.38
1 April 2026 - 31 March 2027	1,048.86	1,048.86
1 April 2027 - 31 March 2028	4,407.02	4,407.02
1 April 2028 - 31 March 2029	4,706.15	4,706.15
1 April 2029 - 31 March 2030	962.25	-
	14,166.37	13,204.12
Unused tax long-term capital losses	As at 31 March 2022	As at 31 March 2021
1 April 2027 - 31 March 2028	17.82	17.82
	17.82	17.82
Unused tax Unabsorbed depreciation		
Unabsorbed depreciation for indefinite period	989.48	931.54
	989.48	931.54
Total	15,173.67	14,153.48

Note - 10

Other non-current assets

	As at 31 March 2022	As at 31 March 2021
Capital advances	0.66	-
	0.66	-

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2022
(All amounts in Rs Lakhs unless stated otherwise)
Note - 11
Trade receivables-Current

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good	3,011.05	2,873.25
Unsecured, which have significant increase in credit risk	525.73	368.60
	3,536.78	3,241.85
Less: Provision for impairment loss due to expected credit loss	(525.73)	(368.60)
	3,011.05	2,873.25

(i) Ageing schedule as at 31 March 2022

S no	Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	44.10	357.40	51.99	244.61	2,312.95	3,011.05
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	7.70	62.40	9.08	42.71	403.84	525.73
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv)	Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

(ii) Ageing schedule as at 31 March 2021

S no	Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	51.68	0.99	209.11	791.30	1,820.17	2,873.25
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	6.63	0.13	26.83	101.51	233.50	368.60
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv)	Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Note - 12
Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Cash on hand	0.02	0.06
Balance with banks - in current accounts	17.65	463.53
	17.67	463.59

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	10,490.71
Interest accrued thereon	4,241.41	2,047.49
Unsecured	8,506.21	8,093.86

Inter-corporate deposits:

Unsecured to related parties (fellow subsidiary companies)**	38,898.20	36,864.90
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b) Rental deposits (unsecured)

	-	0.50
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c) Other deposits (unsecured)

	0.70	0.70
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	62,137.23	57,498.16
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Indiabulls Distribution Services Limited**Notes to the financial statements for the year ended 31 March 2022***(All amounts in Rs Lakhs unless stated otherwise)***Note - 13****Loans-Current (Continued)**

* 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.

Note - 14**Current tax assets (net)**

- Advance income tax/tax deducted at source (net)

[Net of provision for taxation 31 March 2022: Rs. 10,254.74 lakhs (Previous year: Rs. 10,254.74 lakhs)]

	As at 31 March 2022	As at 31 March 2021
	2,160.37	2,807.53
	2,160.37	2,807.53

Note - 15**Other current assets**

Prepaid expenses

Balance with government authorities

Advance to employees

Advances recoverable

	As at 31 March 2022	As at 31 March 2021
	0.31	0.33
	268.20	1,420.66
	3.39	3.76
	673.15	817.74
	945.05	2,242.49

Note - 16**Equity share capital****i. Authorized**

Equity shares of face value of Rs. 10 each

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
	20,00,000	200.00	20,00,000	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

	3,58,220	35.82	3,58,220	35.82
		35.82		36

iii. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:**Equity shares, fully paid-up**

Balance at the beginning of the year

Add: Issued during the year

Balance at the end of the period/year

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
	3,58,220	35.82	3,58,220	35.82
	-	-	-	-
	3,58,220	35.82	3,58,220	35.82

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.

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

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% of Holding	No. of shares	% of Holding
Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) and its nominees*	3,08,220	86.04%	3,08,220	86.04%
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

Indiabulls Distribution Services Limited

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs Lakhs unless stated otherwise)

Note - 16**Equity share capital (continued)****vi. Shares held by promoters at the end of the year****As at 31 March 2022**

Promoter name	No. of Shares	% of total shares	% Change during the year
Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) and its nominees	3,08,220.00	86.04%	Nil

As at 31 March 2021

Promoter name	No. of Shares	% of total shares	% Change during the year
Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) and its nominees	3,08,220.00	86.04%	Nil

vii. The Company has not issued any bonus shares during the current year and five years immediately preceding current year.

viii. 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.

ix. For employee stock option scheme, Refer Note: 34

Note - 17**Other equity**

	As at 31 March 2022	As at 31 March 2021
General reserve	815.77	815.77
Share options outstanding account	7.86	8.12
Other component of equity	28.35	28.35
Securities premium	44,969.30	44,969.30
Retained earnings	(683.51)	355.12
	<u>45,137.77</u>	<u>46,176.66</u>

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 options outstanding account

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 34).

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

Note - 18**Borrowings-Non current**

	As at 31 March 2022	As at 31 March 2021
Vehicle loans from banks (secured) (refer footnote (a), (b) and (c) below)	-	9.44
Less: Current maturity of long-term borrowings (refer note 21)	-	(9.44)
Compulsory/ Optionally convertible debentures (unsecured) (refer note (d) below)	9,999.78	9,999.78
Less: Current maturity of Debt securities (refer note 21)	(9,999.78)	(9,999.78)
	<u>-</u>	<u>-</u>

(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.

Indiabulls Distribution Services Limited**Notes to the financial statements for the year ended 31 March 2022***(All amounts in Rs Lakhs unless stated otherwise)***Note - 18****Borrowings-Non current (continued)**

(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.

During the year ended 31 March 2021, the Company on the request of Dhani Loans and Services Limited modified the terms of the Compulsorily Convertible Debentures ("CCDs") from being compulsorily convertible to optionally convertible. Thereafter, the Company has paid Rs. 40,000.28 lakh against redemption of these Optionally Convertible Debentures ("OCDs") to its Holding company Dhani Loans and Services Limited ('DLASL'), bearing coupon rate of 10% per annum.

Note - 19**Borrowings-Current****Unsecured**

Inter corporate deposits

From Fellow Subsidiary Companies

	As at 31 March 2022	As at 31 March 2021
	18,256.20	17,235.00
	18,256.20	17,235.00

(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	Long term borrowings	Short term borrowings	Total
1 April 2020	50,025.50	8,514.00	58,539.50
Cash flows:	-	-	-
Repayment	(40,016.28)	(1,33,240.50)	(1,73,256.78)
Proceeds	-	1,41,961.50	1,41,961.50
31 March 2021	10,009.22	17,235.00	27,244.22
Cash flows:	-	-	-
Repayment	(9.44)	(21,594.30)	(21,603.74)
Proceeds	-	22,615.50	22,615.50
31 March 2022	9,999.78	18,256.20	28,255.98

Note - 20**Trade payables**

Total outstanding due to micro enterprises and small enterprises (i)

Total outstanding due to creditors other than micro enterprises and small enterprises

	As at 31 March 2022	As at 31 March 2021
	-	-
	3.29	5.48
	3.29	5.48

Indiabulls Distribution Services Limited**Notes to the financial statements for the year ended 31 March 2022***(All amounts in Rs Lakhs unless stated otherwise)***Note - 20****Trade payables: (continued)**

(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 2022	As at 31 March 2021
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.

(ii) Ageing Schedule as at 31 March 2022 (Outstanding from due date of payment)

S no	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	-	-	-	-	-
(ii)	Others	-	-	-	3.29	3.29
(iii)	Disputed dues – MSME (iv) Disputed dues - Others	-	-	-	-	-

(iii) Ageing Schedule as at 31 March 2021 (Outstanding from due date of payment)

S no	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	-	-	-	-	-
(ii)	Others	-	1.48	-	4.01	5.48
(iii)	Disputed dues – MSME (iv) Disputed dues - Others	-	-	-	-	-

Note - 21**Other financial liabilities**

	As at 31 March 2022	As at 31 March 2021
Current maturity of long-term borrowings	-	9.44
Current maturity of Debt securities	9,999.78	9,999.78
	9,999.78	10,009.22

Note - 22**Other current liabilities**

	As at 31 March 2022	As at 31 March 2021
Statutory dues payables	236.90	343.49
Employee related payables	84.69	132.61
Expenses and other payables	496.62	1,384.92
	818.21	1,861.02

Indiabulls Distribution Services Limited**Notes to the financial statements for the year ended 31 March 2022***(All amounts in Rs Lakhs unless stated otherwise)***Note - 23****Revenue from operations****Sale of services**

	'For the year ended 31 March 2022	'For the year ended 31 March 2021
Commission, brokerage and service charges	46.38	554.69
Consultancy fees	29.73	374.87
	76.11	929.56

Note - 24**Other income**

	'For the year ended 31 March 2022	'For the year ended 31 March 2021
Interest income from inter-corporate deposits	5,178.39	7,996.59
Interest on earnest money deposit	-	15.19
Interest on fixed deposits	7.68	10.67
Excess provisions written back	5.25	11.18
Balances written back	78.18	22.80
Unwinding of interest income	484.50	244.92
Gain on modification/derecognition of leases	-	8.30
Profit on redemption of Mutual Funds	0.27	-
Interest income from Income Tax Refund	31.12	180.41
Miscellaneous Income	23.52	0.09
	5,808.91	8,490.15

Note - 25**Employee benefits expense**

	'For the year ended 31 March 2022	'For the year ended 31 March 2021
Salaries	46.37	1,735.97
Contribution to provident fund and other funds	3.43	0.01
Staff welfare expenses	-	0.17
Employee share-based payment expense/(credit)	-	(1.81)
	49.80	1,734.34

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.3.43 lakh (Previous year Rs.0.01 lakhs)

Note - 26**Finance costs**

	'For the year ended 31 March 2022	'For the year ended 31 March 2021
Bank Charges	0.17	0.37
Interest on Inter Corporate Deposits	1,334.27	2,297.50
Interest on compulsorily/optionally convertible debentures	999.98	3,991.78
Interest on bank overdraft	0.40	1.04
Interest on lease liabilities (Refer Note 46)	-	3.08
Interest on vehicle loans	0.27	1.75
Interest on taxes	-	12.76
	2,335.09	6,308.28

Note - 27**Impairment losses**

(Also Refer Note 32 & 43)

	'For the year ended 31 March 2022	'For the year ended 31 March 2021
Provision for impairment loss due to expected credit loss	1,430.00	-
Bad debts written off/ credit notes issued	3,789.02	5,620.34
Less: Adjusted against provisions	(989.95)	(2,902.16)
	4,229.07	2,718.18

Indiabulls Distribution Services Limited**Notes to the financial statements for the year ended 31 March 2022***(All amounts in Rs Lakhs unless stated otherwise)***Note - 28**

Other expenses	'For the year ended 31 March 2022	'For the year ended 31 March 2021
Stamp duty	-	0.18
Commission	-	6.50
Lease rent (Refer Note 46)	100.47	110.83
Rates and taxes	9.20	1.42
Electricity	-	5.56
Insurance	0.48	0.61
Communication	0.85	3.72
Legal and professional	61.74	53.04
Travelling and conveyance	3.90	1.01
Printing and stationery	-	0.01
Office maintenance	-	5.21
Repairs and maintenance - others	1.41	3.06
Loss on modification of financial assets	81.16	821.55
Business promotion	0.05	7.51
Auditor's remuneration-As auditor	5.50	5.25
Loss on sale/ scrapping of fixed assets (net)	6.19	28.03
Miscellaneous Expenses	0.01	-
	270.96	1,053.49

Note - 29

Tax expenses	'For the year ended 31 March 2022	'For the year ended 31 March 2021
Earlier year tax expenses	-	2.87
Deferred tax charge	(9.84)	669.16
Income tax expense reported in the statement of profit and loss	(9.84)	672.03
Accounting profit / (loss) before tax expense	(1,048.73)	(2,493.21)
Income tax rate	29.12%	29.12%
Expected tax expense	(305.39)	(726.02)
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Tax effect of expenses which are not deductible	(1.53)	(3.26)
Tax losses for which no deferred tax was recognized	297.08	1,394.41
Tax effect of earlier year items	-	2.87
Others	-	4.03
Income tax expense	(9.84)	672.03

Note - 30

Earnings per equity share	'For the year ended 31 March 2022	'For the year ended 31 March 2021
Net (loss)/profit for the year	(1,038.89)	(3,165.24)
Nominal value of equity share (Rs.)	10.00	10.00
Weighted average number of Equity Shares used for computing Basic and Diluted earnings per share	3,58,220	3,58,220
Basic earnings per share (Rs.)	(290.01)	(883.60)
Diluted earnings per share (Rs.)	(290.01)	(883.60)

Note - 31**Financial instruments****A Financial assets and liabilities**

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

Particulars	Note	As at 31 March 2022	As at 31 March 2021
Financial assets measured at amortized cost*			
Cash and cash equivalents	Note - 12	17.67	463.59
Trade receivables	Note - 7 & 11	3,348.65	5,034.00
Loans	Note - 6 & 13	65,682.35	62,631.13
Other financial assets	Note - 8	201.40	202.07
Total		69,250.07	68,330.79
Financial liabilities measured at amortized cost			
Trade payables	Note - 20	3.29	5.48
Borrowings (including interest accrued)	Note - 18 & 19	18,256.20	17,244.44
Other financial liabilities	Note - 21	9,999.78	9,999.78
Total		28,259.27	27,249.70

* 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.1 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 2022		As at 31 March 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	17.67	17.67	463.59	463.59
Trade receivables	3,348.65	3,348.65	5,034.00	5,034.00
Loans	65,682.35	65,682.35	62,631.13	62,631.13
Other financial assets	201.40	201.40	202.07	202.07
Total	69,250.07	69,250.07	68,330.79	68,330.79
Financial liabilities				
Trade payables	3.29	3.29	5.48	5.48
Borrowings	18,256.20	18,256.20	17,244.44	17,244.44
Other financial liabilities	9,999.78	9,999.78	9,999.78	9,999.78
Total	28,259.27	28,259.27	27,249.70	27,249.70

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 2022 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 - 32**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.

Note - 32

Financial risk management (continued)

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 2022	As at 31 March 2021
(i) Low credit risk		
Cash and cash equivalents	17.67	463.59
Trade receivables	3,348.65	5,034.00
Loans	65,682.35	62,631.13
Other financial assets	201.40	202.07
(ii) High credit risk		
Trade receivables	1,430.00	989.95
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.

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.

Note - 32

Financial risk management (continued)

b) Credit risk exposure

i) Expected credit losses for financial assets

As at 31 March 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	17.67	-	17.67
Trade receivables	4,778.65	1,430.00	3,348.65
Loans	65,702.45	20.10	65,682.35
Other financial assets	201.40	-	201.40

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

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

Reconciliation of loss allowance	Trade receivables	Loans
Loss allowance on 1 April 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
Impairment loss recognised during the year	1,430.00	-
Loss allowance written back	(989.95)	-
Loss allowance on 31 March 2022	1,430.00	20.10

* Also refer note 43

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.

(i) Financing arrangements

The Company had access to the following funding facilities:

As at 31 March 2022	Total facility	Drawn	Undrawn
- Expiring within one year	180.00	-	180.00
- Expiring beyond one year	1,39,999.78	28,255.98	1,11,743.80
Total	1,40,179.78	28,255.98	1,11,923.80

As at 31 March 2021	Total facility	Drawn	Undrawn
- Expiring within one year	180.00	-	180.00
- Expiring beyond one year	7,43,500.06	27,233.78	7,16,266.28
Total	7,43,680.06	27,233.78	7,16,446.28

(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 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Cash and cash equivalent	17.67	-	-	-	17.67
Trade receivables	3,499.62	960.25	319.15	-	4,779.02
Loans	62,283.62	2,652.17	1,431.27	-	66,367.06
Investments	-	-	-	505.00	505.00
Other financial assets	201.40	-	-	-	201.40
Total undiscounted financial assets	66,002.31	3,612.42	1,750.42	505.00	71,870.15
Non-derivatives					
Borrowings other than debt securities	18,256.20	-	-	-	18,256.20
Trade payables	3.29	-	-	-	3.29
Other financial liabilities	9,999.78	-	-	-	9,999.78
Total undiscounted financial liabilities	28,259.27	-	-	-	28,259.27
Net undiscounted financial assets/(liabilities)	37,743.04	3,612.42	1,750.42	505.00	43,610.88

Note - 32

Financial risk management (continued)

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

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

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 2022 and 31 March 2021. Accordingly, the Company is not exposed to foreign currency risk.

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 2022 & 31 March 2021, 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 2022	As at 31 March 2021
Variable rate liabilities		
Borrowings	-	-
Fixed rate liabilities		
Borrowings	18,256.20	17,244.44
Debt securities	9,999.78	9,999.78
Total	28,255.98	27,244.22

Sensitivity

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

Particulars	As at 31 March 2022	As at 31 March 2021
Interest sensitivity*		
Interest rates – increase by 50 basis points (50 bps)	128.63	326.50
Interest rates – decrease by 50 basis points (50 bps)	(128.63)	(326.50)

* 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 2022 and 31 March 2021 that expose it to price risk.

Note - 33

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 2022	As at 31 March 2021
Net debt*	28,238.31	26,780.63
Total equity	45,173.59	46,212.48
Net debt to equity ratio	0.63	0.58

* 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 2022
(All amounts in Rs Lakhs unless stated otherwise)
Note - 34
Employee stock option schemes:

The employees of the Company have been granted option as per the existing schemes of Dhani Services Limited (the 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 - 2020" (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 9,300,000 lying in the Trust have been appropriated towards the Scheme for grant of Employees Stock Options (ESOPs) and Share Appreciations Rights (SARs) to the employees of the Ultimate Holding Company and its subsidiaries as permitted by SEBI. The company will treat these SARs as equity and therefore they will be treated as equity settled SARs and accounting has been done accordingly.

The Ultimate Holding Company has granted 35,00,000 and 1,82,00,000 employees stock options under DSL ESOP-2008 and DSL ESOP-2009 schemes respectively. Detail of same is as below:

Name of Scheme	DSL ESOP - 2008		DSL ESOP - 2009	
	No. of options granted	18,00,000	17,00,000	84,00,000
Exercise price (₹)	68	150	150	68

B. Employees Stock Options Schemes:
(i) Employees Stock Option Scheme - 2008 (DSL ESOP - 2008)

	DSL ESOP - 2008			
	97,00,000 (Regrant)	8,80,600 (Regrant)	18,00,000 (Regrant)	17,00,000 (Regrant)
Total options under the scheme (Nos.)	2,00,00,000			
Options granted (Nos.)				
Vesting period and percentage	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	2 nd July each year, commencing 2 July 2017	25 th March each year, commencing 25 March 2019	25 th February each year, commencing 25 February 2023	01 st April each year, commencing 01 April 2022
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	24.15	254.85	68	150
Outstanding at the beginning of 1 April 2020 (Nos.)	46,39,200	5,15,800	-	-
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	14,400	4,29,000	-	-
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2021 (Nos.)	46,24,800	86,800	-	-
Vested and exercisable as at 31 March 2021 (Nos.)	26,97,000	-	-	-
Remaining contractual life (weighted months)	54	73	-	-
Outstanding at the beginning of 1 April 2021 (Nos.)	46,24,800	86,800	-	-
Granted/ regranted during the year (Nos.)	-	-	18,00,000	17,00,000
Forfeited during the year (Nos.)	30,000	59,400	-	17,00,000
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2022 (Nos.)	45,94,800	27,400	18,00,000	-
Vested and exercisable as at 31 March 2022 (Nos.)	45,94,800	-	-	-
Remaining contractual life (weighted months)	42	72	95	-

Weighted average exercise price of share during the year ended 31 March 2022: Not applicable (31 March 2021: Not Applicable).

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

	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009
Total options under the Scheme (Nos.)	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
Options granted (Nos.)	20,50,000	95,00,000 (Regrant)	1,00,00,000 (Regrant)	6,69,400 (Regrant)
Vesting period and percentage	Ten years, 10% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	13 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 (₹)	31.35	16.00	219.65	254.85

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2022
(All amounts in Rs Lakhs unless stated otherwise)

Note - 34

Employee stock option schemes: (continued)

Outstanding at the beginning of 1 April 2020 (Nos.)	50,000	30,97,600	88,31,900	1,79,400
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	5,72,000	61,46,300	1,79,400
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2021 (Nos.)	50,000	25,25,600	26,85,600	-
Vested and exercisable as at 31 March 2021 (Nos.)	50,000	12,62,800	-	-
Remaining contractual life (Weighted Months)	48	55	71	-
Outstanding at the beginning of 1 April 2021 (Nos.)	50,000	25,25,600	26,85,600	-
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	24,000	13,88,800	-
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2022 (Nos.)	50,000	25,01,600	12,96,800	-
Vested and exercisable as at 31 March 2022 (Nos.)	50,000	25,01,600	-	-
Remaining contractual life (Weighted Months)	36	43	65	-

	DSL ESOP - 2009	DSL ESOP - 2009
Total options under the Scheme (Nos.)	2,00,00,000	2,00,00,000
Options granted (Nos.)	98,00,000 (Regrant)	84,00,000 (Regrant)
Vesting period and percentage	Five years, 20% each year	Five years, 20% each year
Vesting date	25 th February each year, commencing 25 February 2023	01 st April each year, commencing 01 April 2022
Exercisable period	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	68.00	150.00

Outstanding at the beginning of 1 April 2020 (Nos.)	-	-
Granted/ regranted during the year (Nos.)	-	-
Forfeited during the year (Nos.)	-	-
Exercised during the year (Nos.)	-	-
Expired during the year (Nos.)	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-
Outstanding as at 31 March 2021 (Nos.)	-	-
Vested and exercisable as at 31 March 2021 (Nos.)	-	-
Remaining contractual life (Weighted Months)	-	-
Outstanding at the beginning of 1 April 2021 (Nos.)	-	-
Granted/ regranted during the year (Nos.)	98,00,000	84,00,000
Forfeited during the year (Nos.)	-	84,00,000
Exercised during the year (Nos.)	-	-
Expired during the year (Nos.)	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-
Outstanding as at 31 March 2022 (Nos.)	98,00,000	-
Vested and exercisable as at 31 March 2022 (Nos.)	-	-
Remaining contractual life (Weighted Months)	95	-

Weighted average exercise price of share during the year ended 31 March 2022: Not applicable (31 March 2021: Not applicable)

(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 Holding Company at its meeting held on 22 October 2019; and (b) a special resolution of the shareholders of the Holding Company passed through postal ballot on 4 December 2019, result of which were declared on 5 December 2019.

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2019 ("ESOP Plan 2019")
- Dhani Services Limited Employees Stock Purchase Plan 2019 ("ESP Plan 2019")
- Dhani Services Limited Stock Appreciation Rights Plan 2019 ("SARs Plan 2019")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the 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 Holding Company as on the date of approval of shareholders, from the secondary market. The Holding Company has appropriated 10,400,000 fully paid up equity shares of the Holding Company purchased by the Trust under the Scheme.

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2022
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Note - 34
Employee stock option schemes: (continued)

	DSL-ESBS 2019
Total options under the Scheme (Nos.)	1,05,00,000
Options granted (Nos.)	1,04,00,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	17 th August each year, commencing 17 August 2021 5 years from each vesting date
Exercisable period	
Exercise price (₹)	250
Outstanding at the beginning of 1 April 2020 (Nos.)	-
Granted during the year (Nos.)	1,04,00,000
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered and eligible for re-grant during the year (Nos.)	-
Outstanding as at 31 March 2021 (Nos.)	1,04,00,000
Vested and exercisable as at 31 March 2021 (Nos.)	-
Remaining contractual life (Weighted Months)	77
Outstanding at the beginning of 1 April 2021 (Nos.)	1,04,00,000
Granted during the year (Nos.)	-
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered and eligible for re-grant during the year (Nos.)	-
Outstanding as at 31 March 2022 (Nos.)	1,04,00,000
Vested and exercisable as at 31 March 2022 (Nos.)	34,66,667
Remaining contractual life (Weighted Months)	65.00

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

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Holding Company at its meeting held on 23 January 2020; and (b) a special resolution of the shareholders' of the 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 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 93,00,000 (Ninety Three lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Holding Company as on the date of approval of shareholders, from the secondary market. The Holding Company has appropriated 93,00,000 fully paid up equity shares of the Holding Company purchased by the Trust under the Scheme.

	DSL-ESBS 2020
Total options under the Scheme (Nos.)	93,00,000
Options granted (Nos.)	93,00,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	7 th April each year, commencing 7 April 2021 5 years from each vesting date
Exercisable period	
Exercise price (₹)	250

Indiabulls Distribution Services Limited
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Note - 34

Employee stock option schemes: (continued)

Outstanding as at 1 April 2021 (Nos.)	-
Granted/ regranted during the year (Nos.)	93,00,000
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered and eligible for re-grant during the year (Nos.)	-
Outstanding as at 31 March 2022 (Nos.)	93,00,000
Vested and exercisable as at 31 March 2022 (Nos.)	NA
Remaining contractual life (Weighted Months)	NA
Remaining contractual life (Weighted Months)	-

(v) Dhani Services Limited - Employee Stock Benefit Scheme 2021 ("Scheme") ("DSL-ESBS 2021").

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Holding Company at its meeting held on 06 March 2021; and (b) a special resolution of the shareholders' of the Holding Company passed through postal ballot on 15 April 2021, result of which were declared on 16 April 2021.

This Scheme comprises:

- Dhani Services Limited Employees Stock Option Plan 2021 ("ESOP Plan 2021")
- Dhani Services Limited Employees Stock Purchase Plan 2021 ("ESP Plan 2021")
- Dhani Services Limited Stock Appreciation Rights Plan 2021 ("SARs Plan 2021")

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the 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 1,05,00,000 (One Crore Five lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Holding Company as on the date of approval of shareholders, from the secondary market. The Holding Company has not granted any options/ SARs under the said Scheme as at 31 March 2022.

Fair Valuation

The details of 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 Price Model:-

	DSL ESOP - 2008			
	97,00,000	8,80,600	18,00,000	17,00,000
	Options	Options	Options	Options
	Regranted	Regranted	Regranted	Regranted
1. Exercise price (₹)	24.15	254.85	-	-
2. Expected volatility *	42.97%	47.15%	69.05%	69.18%
3. Option Life (Weighted Average) (in years)	6	6	6	6
4. Expected Dividends yield	10.82%	1.10%	1.01%	1.26%
5. Risk Free Interest rate	7.45%	7.56%	5.50%	5.25%
6. Fair value of the options (₹)	4.31	130.05	34.58	89.98

	DSL ESOP - 2009			
	20,50,000	95,00,000	1,00,00,000	6,69,400
	Options	Options	Options	Options
	Regranted	Regranted	Regranted	Regranted
1. Exercise price (₹)	31.35	16	219.65	254.85
2. Expected volatility *	48.96%	40.74%	46.70%	47.15%
3. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
4. Expected dividends yield	6.86%	16.33%	1.27%	1.10%
5. Risk free interest rate	8.05%	7.45%	6.54%	7.56%
6. Fair value of the options (₹)	9.39	1.38	106.31	130.05

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

	DSL ESOP - 2009		DSL-ESBS 2020	DSL-ESBS 2019
	98,00,000	84,00,000	93,00,000	1,04,00,000
	Options	Options	SARs	SARs
1. Exercise price (₹)	68	150.00	250	250
2. Expected volatility *	69.05%	69.18%	76.57%	68.45%
3. Expected forfeiture percentage on each vesting date	6	6	Nil	Nil
4. Expected dividends yield	1.01%	1.26%	1.26%	1.71%
5. Risk free interest rate	5.50%	5.25%	4.36%	4.17%
6. Fair value of the options (₹)	34.58	89.98	65.82	55.49

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

D. Share based payment expense:

The Company has recognised / (reversed) of Share based payments expense to employees in the statement of Profit and loss for the year ended 31 March 2022 as follows:

	For the year	For the year
	ended	ended
	March 31, 2022	March 31, 2021
Share based payments (reversal) / expense	-	(1.81)
	-	(1.81)

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2022
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Note - 35

Contingent liabilities not provided in respect of:

Income tax Demand of 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).

Note - 36

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 2022 (Previous year Rs. Nil).

Note - 37

There are no borrowing costs to be capitalized as at 31 March 2022 (Previous year: Rs. Nil).

Note - 38

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
- Salaries	-	1,728.70
- Lease rent and office maintenance	100.47	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 2022	For the year ended 31 March 2021
- Lease rent and office maintenance	-	32.20

Note - 39

As at March 31, 2021 the financial assets of the Company constitute more than fifty percent of its total assets (netted off by intangible assets) and income from financial assets constitutes more than fifty percent of the gross income of the Company for the year ended March 31, 2021. The management of the Company is of the view that the deployment of funds in certain financial assets in the nature of loans given by the Company does not represent the principal business activities of the Company and is in the process of evaluating whether the requirements to obtain registration under section 45-IA of the Reserve Bank of India Act, 1934 as a non-banking financial company, are applicable to the Company.

Note - 40

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 - 41

Assets pledged as security

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

Particulars	As at 31 March 2022	As at 31 March 2021
Vehicles	-	33.36
Fixed deposits	200.00	200.00
Total assets pledged as security	200.00	233.36

Note - 42

Commitments:

Capital commitments outstanding as at 31 March 2022 Rs. 0.66 Lakh (Previous year Rs. Nil) (net of capital advances Rs. 0.66 lakhs (Previous year Rs. Nil)).

Note - 43

COVID-19 was declared a pandemic in March 2020 and since then it has had a sizable impact on the economies of various countries. Nations across the globe at this juncture seem to be returning to normalcy as a result of waning infection levels. An aggressive vaccination drive by the government in India has led to significant improvement in the situation which has provided a pathway to the normalisation of economic activity. However, the situation will have to be monitored till the pandemic is finally put to rest. 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. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19. 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, 2022, the Company had recorded Rs. 1430.00 lakhs (net) towards provision for expected credit loss on certain financial assets.

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 - 44

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
Related parties where control exists:	
(i) Ultimate Holding company	Dhani Services Limited (formerly Indiabulls Ventures Limited)
(ii) Holding company	Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited)
(iii) Subsidiary companies	Indiabulls Alternate Investments Limited Evinos Buildwell Limited (with effect from 16 March 2020) Gyansagar Buildtech Limited
(iv) Fellow Subsidiary Companies (with whom transactions have been entered into)	Indiabulls Investment Advisors Limited Dhani Healthcare Limited (formerly known as Pushpanjali Fincon Limited)

Indiabulls Distribution Services Limited
Notes to the financial statements for the year ended 31 March 2022
(All amounts in Rs Lakhs unless stated otherwise)

(B) Significant Transactions with Related Parties during the year ended 31 March 2022:

Nature of transactions	Ultimate Holding company	Holding company	Subsidiary companies	Fellow subsidiary companies	Total
Finance					
Inter corporate loans taken (Maximum balance outstanding during the year)	- <i>11,893.00</i>	- <i>5,000.00</i>	-	28,049.20 <i>17,605.60</i>	28,049.20 <i>34,498.60</i>
Inter corporate loans given (Maximum balance outstanding during the year)	-	-	-	38,931.60 <i>65,204.00</i>	38,931.60 <i>65,204.00</i>
Issue of Compulsory Convertible Debentures (CCD)(Maximum balance outstanding during the year)	-	9,999.78 <i>50,000.06</i>	-	-	9,999.78 <i>50,000.06</i>
Repayment of Optionally Convertible Debenture (OCDs)	-	- <i>40,000.28</i>	-	-	- <i>40,000.28</i>
Income					
Interest income on inter corporate loans	-	-	-	2,984.46 <i>5,296.96</i>	2,984.46 <i>5,296.96</i>
Expenses/appropriations					
Interest expense on inter corporate loans	- <i>544.90</i>	- <i>232.88</i>	-	1,334.27 <i>605.75</i>	1,334.27 <i>1,383.53</i>
Interest expense on CCD	-	999.98 <i>3,991.78</i>	-	-	999.98 <i>3,991.78</i>
Reimbursement of expenses (paid)	-	100.47 <i>1,821.86</i>	-	-	100.47 <i>1,821.86</i>
Reimbursement of expenses (received)	-	-	-	32.20	32.20

Note: Figures in italics relate to the previous year

(C) Balance outstanding as at 31 March 2022:

Nature of transaction	Ultimate Holding company	Holding company	Subsidiary companies	Fellow subsidiary companies	Total
Finance					
Inter corporate loans taken	-	-	-	18,256.20 <i>17,235.00</i>	18,256.20 <i>17,235.00</i>
Inter corporate loans given	-	-	-	38,898.20 <i>36,864.90</i>	38,898.20 <i>36,864.90</i>
Investments in Equity Shares	-	-	505.00	-	505.00
Compulsory convertible debentures	-	9,999.78 <i>9,999.78</i>	-	-	9,999.78 <i>9,999.78</i>

Note: Figures in italics relate to the previous year

(D) Detail of loans are granted to promoters, directors, KMPs and the related parties

Type of Borrower	As at 31 March 2022		As at 31 March 2021	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	-	0.00%	-	0.00%
Directors	-	0.00%	-	0.00%
KMPs	-	0.00%	-	0.00%
Related parties	38,898.20	62.61%	36,864.90	59.80%

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 are 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.

Note - 45
Accounting Ratios

Particulars	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	Variance %	Remarks
(a) Current Ratio	Current Assets	Current Liabilities	2.35	2.26	4%	N.A.
(b) Debt-Equity Ratio	Total Debt	Total Equity	0.63	0.59	6%	N.A.
(c) Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.66	0.10	548%	Due to decrease in debt service costs in the financial year ended March 31, 2022
(d) Return on Equity Ratio	Net profit/ /(loss) after tax	Average Share holder's equity	-2.27%	-6.62%	-66%	Due to decrease in net loss in the financial year ended March 31, 2022
(e) Inventory Turnover Ratio	Cost of goods sold	Average value of inventory	N.A.	N.A.	N.A.	N.A.
(f) Trade Receivable Turnover Ratio	Net credit sales	Average trade receivables	0.02	0.14	-87%	Decrease in net credit sales in the financial year ended March 31, 2022
(g) Trade Payable Turnover Ratio	Other expenses	Average trade payables	30.45	33.51	-9%	N.A.
(h) Net Capital Turnover Ratio	Net Sales	Working capital	0.002	0.03	-92%	Decrease in net sales in the financial year ended March 31, 2022

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(i) Net Profit Ratio	Net profit/ /(loss) after tax	Revenue	-17.65%	-33.59%	-47%	Due to lower sales and lower loss after tax in the financial year ended March 31, 2022
(j) Return on Capital Employed	Earnings before interest and tax	Capital Employed	0.02	0.05	-66%	Due to lower finance costs in the financial year ended March 31, 2022
(k) Return on Investment	Income generated from investments	Average cost of investments	0.04%	-	0%	Income from investment in mutual funds during the financial year ended March 31, 2022. No such income in the previous year ended March 31, 2021.

Note - 46
Leases:

The Company has lease contracts for various office premises used in its operations. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of office premises with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Leases are shown as follows in the Company's balance sheet and Statement of profit and loss:

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022 & March 31, 2021:

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	-	174.57
Additions on account of adoption of Ind AS 116	-	-
Additions	-	-
Deletion	-	(162.91)
Depreciation*	-	(11.66)
Balance as at March 31, 2022	-	-

*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, 2022:

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	-	181.90
Additions on account of adoption of Ind AS 116	-	-
Additions	-	-
Deletion	-	(171.21)
Finance cost accrued during the period	-	3.08
Payment of lease liabilities	-	(13.77)
Balance as at March 31, 2022	-	-

The following is the income from subleasing right-of-use assets during the year ended March 31, 2022:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Income from subleasing right-of-use assets	-	32.20
Total	-	32.20

The following is the Gain/(Loss) on termination of leases during the year ended March 31, 2022:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Gain on modification/derecognition of leases	-	8.30
Total	-	8.30

Rental expense recorded for short-term leases is Rs 100.47 lakhs (Previous year Rs. 110.83 lakhs) for the year ended March 31, 2022.

Note - 47

The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Note - 48

The Company has not advanced or loaned or invested any funds from any person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediaries shall;

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Indiabulls Distribution Services Limited

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs Lakhs unless stated otherwise)

Note - 49

There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) during the year ended March 31, 2022.

Note - 50

The Company has not taken any borrowings from banks or financial institutions on the basis of security of current assets during the year ended March 31, 2022 (Previous year Rs. Nil).

Note - 51

The Company has not been declared a wilful defaulter by any bank or financial Institution or other lender during the year ended March 31, 2022.

Note - 52

The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31, 2022.

Note - 53

There are no charges or satisfaction of charges yet to be registered with Registrar of Companies by the Company during the year .

Note - 54

The Company did not enter into any transactions which are not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

Note - 55

The Company has not traded or invested in crypto currency or virtual currency during the financial year ended March 31, 2022.

Note - 56

Figures for the previous year have been regrouped/ re-arranged wherever considered necessary to confirm to the figures presented in the current year.

Indiabulls Distribution Services Limited

Notes to the financial statements for the year ended 31 March 2022

(All amounts in Rs Lakhs unless stated otherwise)

Note - 57

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 2022 (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, 28 May 2022

Vipin Chaudhary

Director

DIN: 09588893

New Delhi, 28 May 2022

Usha Devi

Director

DIN: 03498022