



Independent Auditor's Report

To the Members of **INDIABULLS ASSET RECONSTRUCTION COMPANY LIMITED**

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of “**Indiabulls Asset Reconstruction Company Limited**” (“the company”) which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations give to us, the aforesaid financial statements give the information required by the Companies Act, 2013 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 principal generally accepted in India, of the state of affairs of the company as at March 31, 2023, the profit and total comprehensive income, change in equity and its cash flows for the year ended on that date.

Basis for opinion

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

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

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

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

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



the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimate that are reasonable and prudent, and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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

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

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

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 Section 143(11) of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), the statement of change in equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid 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, 2023 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2023 from being appointed as directors in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B". Our report express an unmodified opinion on the adequacy and operative effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position as on 31st March 2023.
 - 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 (which are material either individually or in the aggregate) 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 entity ("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 provided 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 (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;
 - (c) Based on the audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



- v) The Company have not declared and paid dividend during the year, accordingly compliance u/s 123 of the Act is not applicable to the company.
- h) The managerial remuneration paid or provided is in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V of the company Act, 2013.

For MRKS And Associates
Chartered Accountants
FRN: 023711N



Kamal Ahuja
(Partner)
M. No.: 505788
Place: New Delhi
Date: 26.05.2023
UDIN: 2350578806VKQ07430

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

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

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a). (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-to-use assets.
- (B) The Company does not have any Intangible assets accordingly, the provisions of clause 3(i)(a)(B) of the Order are not applicable to the Company.
- (b). The Company has a program of physical verification of Property, Plant and Equipment at reasonable intervals, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c). The Company does not have any Immovable Properties; accordingly, the provisions of clause 3(i)(c) of the Order is not applicable to the Company.
- (d). The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) or intangible assets during the year ended March 31, 2023.
- (e). No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (A) The Company does not have any inventories; accordingly, the provisions of clause 3(ii)(A) of the Order are not applicable to the Company.
- (B) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(B) of the Order is not applicable.
- (iii) The Company has made investments in Security Receipts as a part of its normal course of business during the year. The Company has not granted any loans or advances, secured or unsecured or given any guarantee or security to companies, firms, limited liability partnerships or any other parties during the year. With respect to such investments and loans and advances:
- (a). The Company principal business is asset reconstruction and therefore it needs to make investments or provide loans for undertaking restructuring. Accordingly, clause 3(iii)(a) of the order is not applicable to the company
- (b). In our opinion, the investments made during the year are, not prejudicial to the Company's interest.
- (c). In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. The principal amount of Loan including interest has been



received by the company during the year and there is no outstanding as on March 31, 2023 against the loan granted.

(d). In respect of loans granted by the Company, there is no outstanding amount against the loan granted by the company as on March 31, 2023 and Hence Clause 3 (iii)(d) of the order is not applicable to the company.

(e). The Company principal business is asset reconstruction and hence, clause 3(iii)(e) of the order is not applicable to the company.

(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 during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

- (iv) The Company has complied with the provision of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investment made and guarantees and security provided, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of directives issues by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Therefore, the provision of clause 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause(vi) of the order is not applicable to the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, duty of Customs, duty of Excise, value added tax and cess and any other statutory dues to appropriate authority have generally been regularly deposited during the year by the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employee's State Insurance, Income-tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess and other statutory dues were in arrears, as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, as at March 31, 2023, there are no dues in respect of income-tax, Goods and Service Tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and the records of the Company examined by us, as at March 31, 2023, there were no such transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) a. The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

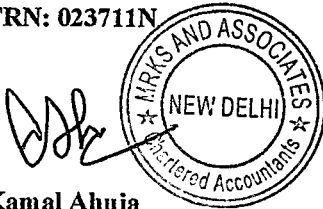


- b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - c. The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
 - d. On an overall examination of the financial statements of the company, the company has not raised any fund on short term basis.
 - 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 subsidiaries.
 - f. The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x)
- a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
 - b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi)
- a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - c. The Company has not received any whistle blower complaints during the year (upto the date of this report).
- (xii) The company is not a Nidhi company, therefore the provisions of paragraph 3(xii) of the order is not applicable.
- (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) (a). In our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b). We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.



- (xv) Company has not entered into any non-cash transaction with directors or person connected with him and therefore the provisions of section 192 of the Companies Act' 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) and (b) of the Order is not applicable.
- (b) The company is not a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the order is not applicable.
- (c) Based on the information and explanation given to us and as represented by the management of the company, the group (as defined in Core Investment Companies (Reserve Bank) Direction,2016 does not have more than one CIC part of the group.
- (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 of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statement s and our knowledge of the Board of Directors and Management plans 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 indicating that 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.
- (xx) The Company does not any unspent amount in respect of CSR expenditure. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

For MRKS And Associates
Chartered Accountants
FRN: 023711N



Kamal Ahuja
(Partner)
M. No.: 505788
Place: New Delhi
Date: 26-05-2027
UDIN: 23505788 867VKQ07430

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of **Indiabulls Asset Reconstruction Company Limited, ("the Company")** as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to financial reporting were operating effectively as at March 31, 2023, based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MRKS And Associates
Chartered Accountants
FRN: 023711N



Kamal Ahuja
(Partner)

M. No.: 505788

Place: New Delhi

Date: 26-05-2023

UDIN: 23505788B6VKQ07430

Indiabulls Asset Reconstruction Company Limited
Balance Sheet as at 31 March 2023
(All amounts in Rs. Lakhs unless stated otherwise)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Financial assets			
Cash and cash equivalents	3	685.39	4,062.40
Bank Balance other than cash and cash equivalents	4	517.91	509.08
Loans	5	-	358.64
Investments	6	63,824.48	58,182.45
Other financial assets	7	-	40.46
Total financial assets		65,027.78	63,153.02
Non-financial assets			
Deferred tax assets (net)	8	13.09	10.96
Property, plant and equipment	9	1.44	2.64
Other non-financial assets	10	96.44	68.45
Total non-financial assets		110.97	82.05
TOTAL ASSETS		65,138.75	63,235.07
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables	11	-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		81.22	624.17
Other payables	12	-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		287.02	270.81
Other financial liabilities	13	470.22	384.71
Total financial liabilities		838.46	1,279.69
Non-financial liabilities			
Current tax liabilities (net)	14	313.48	403.46
Provisions	15	39.62	41.77
Other non-financial liabilities	16	98.94	52.14
Total non-financial liabilities		452.05	497.37
EQUITY			
Equity share capital	17	9,750.00	9,750.00
Other equity	18	54,098.25	51,708.01
Total equity		63,848.25	61,458.01
TOTAL LIABILITIES AND EQUITY		65,138.75	63,235.07

The accompanying notes form an integral part of these financial statements
This is the balance sheet referred to in our report of even date

For MRKS AND ASSOCIATES

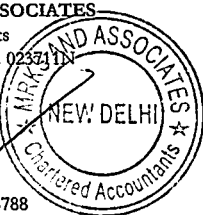
Chartered Accountants

Firm Registration No. 0233711N

Kamal Ahuja

Partner

Membership No.: 505788



For and on behalf of the board of directors

Indiabulls Asset Reconstruction Company Limited

Amit Gandhi

Whole Time Director & CEO

DIN: 07606699

Place : Mumbai

Ritu Kapoor Puri

Director

DIN: 09559548

Keyur Morparia

Chief Financial Officer

Ram Mehar

Company Secretary

M. No. : 6039

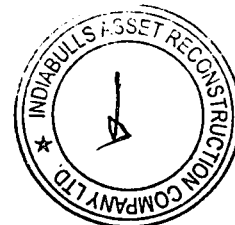
Place : New Delhi

Date : 26th May 2023

Place : New Delhi

Date : 26th May 2023

UDIN: 23505788BGVKGQ0743



Indiabulls Asset Reconstruction Company Limited
Statement of Profit and Loss for the period ended 31 March 2023
(All amounts in Rs. Lakhs unless stated otherwise)

	Notes	For the period ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations			
Interest income	19	470.44	1,065.90
Fee and commission income	20	4,364.20	4,178.02
Net gain on fair value changes	21	533.19	525.56
Total revenue from operations (I)		5,367.83	5,769.48
Other income (II)	22	4.52	1,576.40
Total revenue (I + II)		5,372.35	7,345.88
Expenses			
Finance costs	23	31.45	135.36
Employee benefits expense	24	552.02	653.44
Depreciation and amortisation	9	1.19	1.51
Other expenses	25	512.90	132.74
Investments written off		1,056.63	-
Total expenses		2,154.18	923.05
Profit before tax		3,218.16	6,422.83
Tax expense	26		
Current tax (including earlier years)		843.85	1,644.15
Deferred tax charge/(credit)		(2.80)	379.59
Total tax expense		841.04	2,023.74
Profit for the year		2,377.12	4,399.09
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain / (loss) on defined benefit plans		2.68	9.07
Income tax relating to items that will not be reclassified to profit and loss		(0.67)	(2.28)
Other comprehensive income		2.01	6.79
Total comprehensive income for the year		2,379.13	4,405.88
Earnings per equity share (Rs.)	27		
(1) Basic		2.44	4.51
(2) Diluted		2.44	4.51

The accompanying notes form an integral part of these financial statements
This is the statement of profit and loss referred to in our report of even date

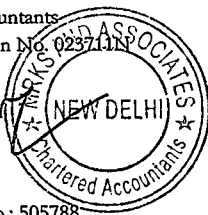
For MRKS AND ASSOCIATES

Chartered Accountants

Firm Registration No. 0237111

Kamal Ahuja
Partner

Membership No.: 505788



For and on behalf of the board of directors

Indiabulls Asset Reconstruction Company Limited

Amit Gandhi
Whole Time Director & CEO
DIN: 07606699

Place : Mumbai

Ritu Kapoor Puri
Director
DIN: 09559548

Keyur Morparia
Chief Financial Officer

Ram Mehar
Company Secretary
M. No. : 24111

Place : New Delhi
Date : 26th May 2023

Place : New Delhi
Date : 26th May 2023

UDIN: 23505788 BV K407430



Indiabulls Asset Reconstruction Company Limited
Cashflow statement for the period ended 31 March 2023
(All amounts in Rs. Lakhs unless stated otherwise)

	For the period ended 31 March 2023	For the year ended 31 March 2022
A Cash flow from operating activities		
Net profit before tax	3,218.16	6,422.83
Adjustment for		
Depreciation and amortisation	1.19	1.51
Impairment of investments	1,056.63	(1,513.93)
Effective interest rate and other non-cash adjustments	13.78	9.07
Operating profit before working capital changes	<u>4,289.77</u>	<u>4,919.48</u>
Changes in working capital:		
Loans	358.64	(44.12)
Other financial assets	40.46	(3.08)
Trade receivables	-	8.20
Other non-financial assets	(27.99)	126.13
Fixed deposit accounts having original maturity more than three months	(8.83)	2,313.96
Trade and other payables	(526.73)	627.12
Other financial liabilities	85.51	374.01
Other non-financial liabilities	46.80	(119.27)
Provisions	(2.14)	(0.75)
Cash (used in)/flow from operations	<u>4,255.49</u>	<u>8,201.68</u>
Income tax paid (including tax deducted at source)	(933.83)	(1,823.65)
Net cash (used in)/flow from operating activities	<u><u>3,321.65</u></u>	<u><u>6,378.03</u></u>
B Cash flows from investing activities		
Purchase of property, plant and equipment (net)	-	(0.13)
Investment in security receipts (net of redemptions)	(6,698.66)	(2,991.99)
Net cash (used in)/flow from investing activities	<u><u>(6,698.66)</u></u>	<u><u>(2,992.12)</u></u>
C Cash flow from financing activities		
Interest paid on financing activities	-	-
Net cash flow from financing activities	<u><u>-</u></u>	<u><u>-</u></u>
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(3,377.00)	3,385.90
Cash and cash equivalents at the beginning of the year	4,062.40	676.50
Cash and cash equivalents at the end of the year	<u><u>685.39</u></u>	<u><u>4,062.40</u></u>

Notes:

1 Cash and cash equivalents as at the close of the year include:

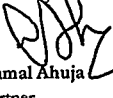
Cash on hand	-	-
Balances with scheduled banks		
In current accounts	185.39	662.40
In deposit accounts having original maturity less than three months	500.00	3,400.00
Cash and cash equivalents at the end of the year	<u><u>685.39</u></u>	<u><u>4,062.40</u></u>


The accompanying notes form an integral part of these financial statements
This is the cash flow statement referred to in our report of even date

For MRKS AND ASSOCIATES

Chartered Accountants

Firm Registration No. 023711N

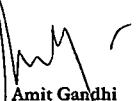

Kamal Ahuja
Partner
Membership No.: 505788

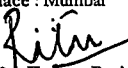


Place : New Delhi
Date :26th May 2023

For and on behalf of the board of directors

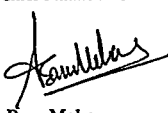
Indiabulls Asset Reconstruction Company Limited


Amit Gandhi
Whole Time Director & CEO
DIN: 07606699
Place : Mumbai


Ritu Kapoor Puri
Director
DIN: 09559548

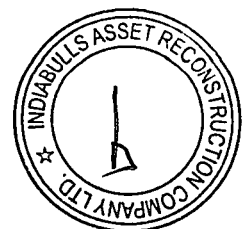
Place : New Delhi
Date :26th May 2023


Keyur Morparia
Chief Financial Officer


Ram Mehar
Company Secretary
M. No. : 24111

M. No. : 24111

UDIN: 2350578806VKR07430



Indiabulls Asset Reconstruction Company Limited
Statement of changes in equity for the period ended 31 March 2023
(All amounts in Rs. Lakhs unless stated otherwise)

A. Equity share capital

Particulars	As at 31 March 2022	Changes during the year	As at 31 March 2023
Equity share capital	9,750.00	-	9,750.00


B. Other equity

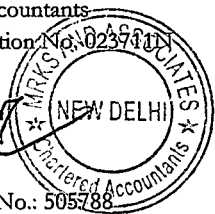
Particulars	Reserves and surplus				Total
	Securities premium	Share Option Outstanding Reserve	Retained earnings	Other Comprehensive Income	
Balance as at 31 March 2022	40,291.86	-	11,403.40	12.78	51,708.05
Profit for the year	-	-	2,377.12	-	2,377.12
Addition During the year	-	11.07	-	2.01	13.08
Balance as at 31 March 2023	40,291.86	11.07	13,780.52	14.78	54,098.25

The accompanying notes form an integral part of these financial statements
This is the statement of changes in equity referred to in our report of even date

For MRKS AND ASSOCIATES


Chartered Accountants
Firm Registration No. 02371111


Kamal Ahuja
Partner
Membership No.: 505788




For and on behalf of the board of directors

Indiabulls Asset Reconstruction Company Limited


Amit Gandhi
Whole Time Director & CEO
DIN: 07606699
Place : Mumbai


Ritu Kapoor Puri
Director
DIN: 09559548



Keyur Morparia
Chief Financial Officer



Ram Mehar
Company Secretary
M. No. : 6039

Place : New Delhi
Date :26th May 2023

Place : New Delhi
Date :26th May 2023



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

1. Corporate Information

Indiabulls Asset Reconstruction Company Limited ('the Company') was incorporated on 2 November 2006 with the object of engaging in the business of asset reconstruction. The Company has been granted certificate of registration from Reserve Bank of India (RBI) on 19 May 2017 to commence the business of securitisation or asset reconstruction under section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act"). The Company is domiciled in India and its registered office is situated at One International Centre, Tower-1, 4th Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai, Maharashtra 400 013.

a. Basis of preparation

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

These financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for all the periods presented in these financial statements.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

2. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement basis summarised as below. These policies are applied consistently for all the periods presented in the financial statements.

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight-line method over the useful life of the assets as prescribed under Schedule II of the Companies Act, 2013.

The useful life of the assets is as follows:

Asset class	Useful life
Computer equipment	3 years
Office equipment	5 years
Furniture and fixtures	10 years



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

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

b) Revenue recognition

Interest income on loans

Interest income on loans (including processing fee) is recorded on accrual basis using the effective interest rate (EIR) method.

Interest on bank deposits

Interest income on bank deposits is recorded on accrual basis using the effective interest rate (EIR) method.

Management and other fees

Management and other fee are recognised as revenue on accrual basis based on contractual arrangement, when there is no uncertainty in the ultimate realisation/collection.

Incentive fees

Incentive fee is recognised as revenue on accrual basis based on contractual arrangement, when there is no uncertainty in the ultimate realisation/collection.

Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date.

c) Borrowing costs

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use sale, are capitalised. Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method.

d) Taxation

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

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the year ended 31
March 2023

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

e) Employee benefits

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed after one year from the balance sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

Defined benefit plans

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

f) Share based payments

The Holding Company has formulated various Employees Stock Option Schemes. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity

g) Impairment of non-financial assets

At each reporting date, the Company assesses 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. Recoverable amount is higher of



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the year ended 31
March 2023

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 recognised in the Statement of Profit and Loss. If at the reporting 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.

h) Impairment of financial assets

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (1-30 days past due) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-60 days past due) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days past due) includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) - LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) - EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments (certificate of deposits) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

j) Investment in security receipts of Asset Reconstruction (AR) trusts

Investments representing controlling interest in AR Trusts are measured at cost in accordance with Ind AS 27 'Separate Financial Statements'. The Investments sold subsequent to the reporting date are measured in accordance with Ind AS 105 'Non-current Assets Held for sale and Discontinued Operations' at lower cost or fair value.

k) Provisions, contingent assets and contingent liabilities

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 at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- 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 neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

l) Leases

Ind AS 116 - 'Leases' (Ind AS 116) was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. The Company has applied Ind AS 116 with a date of initial application of 1 April, 2019 using modified retrospective approach, under which the lease liability is measured based on the remaining lease payments (i.e., from the date of transition to the lease end date) discounted using the incremental borrowing rate as of the date of initial application being 1 April 2019. The carrying amount of the ROU asset is an amount equal to the carrying amount of the lease liability on the date of initial application as there are no prepayments or accrual items and hence, no impact on the retained earnings as on the transition date. There is no impact on retained earnings as at 1 April 2019. The Company has applied Ind AS 116 only to the contracts that were previously identified as leases. As a practical expedient, contracts previously identified as lease under Ind AS 17 has not reassessed as to whether a contract is, or contains, a lease under Ind AS 116.

The Company has used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17:

- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the exemption not to recognize right-of-use asset and liabilities for leases with remaining lease term of 12 months or less.
- Excluded initial direct costs from measuring the right-of-use asset at the date of application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.
- Payments in relation to leases of low-value assets are recognised as an expense in statement of profit or loss.

Accounting Policy before 1 April 2019

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the year ended 31
March 2023

m) Financial instruments

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

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised 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 amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. **Investments in security receipts** – Investments in security receipts where the Company holds non-controlling interest are classified as at fair value through profit or loss (FVTPL).

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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

o) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

p) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements

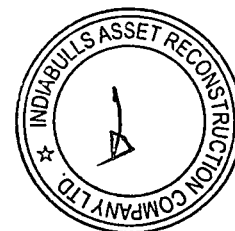
Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the year ended 31
March 2023

Significant estimates

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

Defined benefit obligation (DBO) – Management’s estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023

(All amounts in Rs. Lakhs unless stated otherwise)

	As at 31 March 2023	As at 31 March 2022
Note - 3		
Cash and cash equivalents		
Balance with banks		
- in current accounts	185.39	662.40
- in fixed deposits with original maturity of less than three months	500.00	3,400.00
	<u>685.39</u>	<u>4,062.40</u>

Note - 4

Bank Balance other than cash and cash equivalents (at amortised cost)

	As at 31 March 2023	As at 31 March 2022
Deposit accounts		
In fixed deposit accounts with banks		
- in fixed deposit accounts having original maturity more than three months upto twelve months	517.91	509.08
	<u>517.91</u>	<u>509.08</u>

* includes fixed deposit of Rs. 1 crore as a lien with the bank against a overdraft facility

	As at 31 March 2023	As at 31 March 2022
Note - 5		
Loans		
(A)		
Term loans	-	358.64
Total - gross	-	358.64
Less: Impairment loss allowance	-	-
Total - net	<u>-</u>	<u>358.64</u>

(B)

Secured by tangible assets	-	358.64
Total - gross	-	358.64
Less: Impairment loss allowance	-	-
Total - net	<u>-</u>	<u>358.64</u>

(C)

Loans in India		
Corporate borrowers	-	358.64
Total - gross	-	358.64
Less: Impairment loss allowance	-	-
Total - net	<u>-</u>	<u>358.64</u>

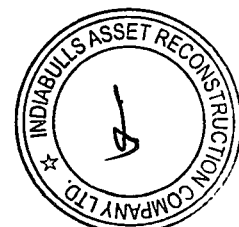
Note - 6

Investments

At fair value through profit or loss

Investment in security receipts

Indiabulls ARC- II Trust	-	1,415.35
No. of security receipts: Nil (31 March 2022: 240,000)		
Face value of Rs. Nil (31 March 2022: Rs. 589.73) per security receipts		
Indiabulls ARC- IX Trust	848.95	952.59
No. of security receipts: 154,500 (31 March 2022: 154,500)		
Face value of Rs. 549.48 (31 March 2022 : Rs. 616.56) per security receipts		
Indiabulls ARC- XIV Trust	1,191.23	1,385.82
No. of security receipts: 160,500 (31 March 2022: 160,500)		
Face value of Rs.742.2 (31 March 2022: Rs. 863.44) per security receipts		
Indiabulls ARC- XXV Trust	59.63	39.75
No. of security receipts: 3,975 (31 March 2022: 3,975)		
Face value of Rs. 1000 (31 March 2022: Rs. 1000) per security receipts		
EARC Trust SC439 Trust	15,500.00	-
No. of Class B security receipts: 15,50,000 (31 March 2022: Nil)		
Face value of Rs. 1000 (31 March 2022: Rs. Nil) per security receipts		



Indiabulls Asset Reconstruction Company Limited

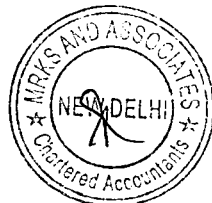
Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023

(All amounts in Rs. Lakhs unless stated otherwise)

	As at 31 March 2023	As at 31 March 2022
Investment representing controlling interests in Asset Reconstruction Trusts		
At cost		
Indiabulls ARC- VII Trust	1,231.24	1,231.24
No. of security receipts: 295,800 (31 March 2022: 295,800)		
Face value of Rs. 416.24 (31 March 2022: Rs. 416.24) per security receipts		
Indiabulls ARC- XIX Trust	-	1,740.63
No. of security receipts: Nil (31 March 2022: 174,063)		
Face value of Rs. Nil (31 March 2022: Rs. 1000) per security receipts		
Indiabulls ARC- XX Trust	-	4,073.37
No. of security receipts: Nil (31 March 2022: 407,337)		
Face value of Rs. Nil (31 March 2022: Rs. 1000) per security receipts		
Indiabulls ARC- XXI Trust	-	3,425.64
No. of security receipts: Nil (31 March 2022: 350,625)		
Face value of Rs. Nil (31 March 2022: Rs. 977.01) per security receipts		
Indiabulls ARC- XXII Trust	-	4,875.00
No. of security receipts: Nil (31 March 2022: 487,500)		
Face value of Rs. Nil (31 March 2022: Rs. 1000) per security receipts		
Indiabulls ARC- XXIII Trust	-	12,787.48
No. of security receipts: Nil (31 March 2022: 1,336,875)		
Face value of Rs. Nil (31 March 2022: Rs. 956.52) per security receipts		
Indiabulls ARC- XXIV Trust	-	8,250.00
No. of security receipts: Nil (31 March 2022: 825,000)		
Face value of Rs. Nil (31 March 2022: Rs. 1000) per security receipts		
Indiabulls ARC- XXVI Trust	-	2,322.36
No. of security receipts: Nil (31 March 2022: 232,236)		
Face value of Rs. Nil (31 March 2022: Rs. 1000) per security receipts		
Indiabulls ARC- XXVII Trust	-	15,683.22
No. of security receipts: Nil (31 March 2022: 1,568,322)		
Face value of Rs. Nil (31 March 2022: Rs. 1000) per security receipts		
Indiabulls ARC- XXVIII Trust	32,493.44	-
No. of security receipts: 4,302,000 (31 March 2022: Nil)		
Face value of Rs.755.31 (31 March 2022: Rs. Nil) per security receipts		
Indiabulls ARC- XXIX Trust	12,500.00	-
No. of security receipts: 12,50,000 (31 March 2022: Nil)		
Face value of Rs.1000 (31 March 2022: Rs. Nil) per security receipts		
	<u>63,824.48</u>	<u>58,182.45</u>
Less: Impairment of Investments	-	-
	<u>63,824.48</u>	<u>58,182.45</u>
Investments outside India	-	-
Investments in India	63,824.48	58,182.45
Total net	<u>63,824.48</u>	<u>58,182.45</u>

Name of entity	Principle place of business	Ownership interest	
		As at 31 March 2023	As at 31 March 2022
Indiabulls ARC- VII Trust	India	51.00%	51.00%
Indiabulls ARC- XIX Trust	India	0.00%	51.00%
Indiabulls ARC- XX Trust	India	0.00%	51.00%
Indiabulls ARC- XXI Trust	India	0.00%	75.00%
Indiabulls ARC- XXII Trust	India	0.00%	75.00%
Indiabulls ARC- XXIII Trust	India	0.00%	75.00%
Indiabulls ARC- XXIV Trust	India	0.00%	75.00%
Indiabulls ARC- XXVI Trust	India	0.00%	90.00%
Indiabulls ARC- XXVII Trust	India	0.00%	90.00%
Indiabulls ARC- XXVIII Trust	India	90.00%	0.00%
Indiabulls ARC- XXIX Trust	India	100.00%	0.00%

*Investment representing controlling interests in Asset Reconstruction Trusts are measured at cost as per Ind AS 27 'Separate Financial Statements'.



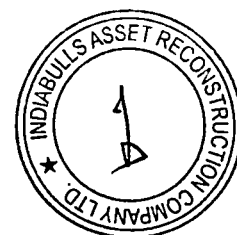
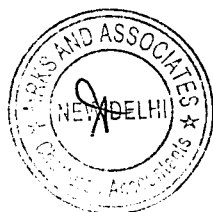
Indiabulls Asset Reconstruction Company Limited
 Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023
 (All amounts in Rs. Lakhs unless stated otherwise)

	As at 31 March 2023	As at 31 March 2022
Note - 7		
Other financial assets		
Security deposit	-	40.46
	<u>-</u>	<u>40.46</u>

	As at 31 March 2023	As at 31 March 2022
Note - 8		
Deferred tax assets (net)		
Deferred tax assets		
Employee benefits	12.76	10.51
Financial instruments measured at amortised cost	(0.00)	0.19
	<u>12.76</u>	<u>10.70</u>
Deferred tax liabilities		
Depreciation	(0.33)	(0.25)
	<u>(0.33)</u>	<u>(0.25)</u>
Deferred tax assets (net)	<u>13.09</u>	<u>10.96</u>

Movement in deferred tax assets (net)	As at 31 March 2022	(Charged)/ credited to statement of profit or loss	(Charged)/ credited to other comprehensive income
Particulars			
Deferred tax assets			
Employee benefits	10.51	2.93	(0.67)
Depreciation	0.25	0.07	-
Financial instruments measured at amortised cost	0.19	(0.19)	-
Minimum alternate tax credit entitlement	-	-	-
Deferred tax assets (net)	<u>10.96</u>	<u>2.80</u>	<u>(0.67)</u>

	As at 31 March 2023	As at 31 March 2022
Note - 10		
Other non-financial assets		
Prepaid expenses	-	8.77
Balance with government authorities	30.92	8.17
Other recoverable	65.52	51.51
	<u>96.44</u>	<u>68.45</u>



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023

(All amounts in Rs. Lakhs unless stated otherwise)

Note - 9

Property, plant and equipment

Particulars

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 01 April 2022	Additions	Disposals/ adjustment	As at 31 March 2023	As at 01 April 2022	Charge for the year	Disposals/ adjustment	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Office equipment	1.59	-	-	1.59	1.35	0.24	-	1.59	0.00	0.24
Furniture and fixtures	1.94	-	-	1.94	0.79	0.18	-	0.97	0.97	1.16
Computers	6.71	-	-	6.71	5.48	0.77	-	6.25	0.47	1.24
Total	10.25	-	-	10.25	7.61	1.19	-	8.80	1.44	2.64

Particulars

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 01 April 2021	Additions	Disposals/ adjustment	As at 31 March 2022	As at 01 April 2021	Charge for the year	Disposals/ adjustment	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Office equipment	1.59	-	-	1.59	1.03	0.32	-	1.35	0.24	0.56
Furniture and fixtures	1.94	-	-	1.94	0.60	0.19	-	0.79	1.16	1.35
Computers	6.59	0.13	-	6.71	4.48	1.00	-	5.48	1.24	2.11
Total	10.12	0.13	-	10.25	6.10	1.51	-	7.61	2.64	4.02



Indiabulls Asset Reconstruction Company Limited
 Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023
 (All amounts in Rs. Lakhs unless stated otherwise)

	As at 31 March 2023	As at 31 March 2022
Note - 11		
Trade payables		
Total outstanding due to creditors other than micro enterprises and small enterprises	81.22	624.17
	<u>81.22</u>	<u>624.17</u>

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2023	As at 31 March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	Nil	Nil

Trade Payables Ageing

As at 31 March 2023	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Particulars					
(i) Trade Payable - MSME	-	-	-	-	-
(ii) Trade Payable - Others	17.80	0.65	61.83	0.93	81.22
(iii) Trade Payable - Disputed dues - MSME	-	-	-	-	-
(iv) Trade Payable - Disputed dues - Others	-	-	-	-	-
Total	17.80	0.65	61.83	0.93	81.22

As at 31 March 2022	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Particulars					
(i) Trade Payable - MSME	-	-	-	-	-
(ii) Trade Payable - Others	560.15	63.09	0.93	-	624.17
(iii) Trade Payable - Disputed dues - MSME	-	-	-	-	-
(iv) Trade Payable - Disputed dues - Others	-	-	-	-	-
Total	560.15	63.09	0.93	-	-

	As at 31 March 2023	As at 31 March 2022
Note - 12		
Other payables		
Total outstanding due to creditors other than micro enterprises and small enterprises	287.02	270.81
	<u>287.02</u>	<u>270.81</u>

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2023	As at 31 March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	Nil	Nil



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023

(All amounts in Rs. Lakhs unless stated otherwise)

Other Payables Ageing

As at 31 March 2023	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Particulars					
(i) Others Payable - MSME	-	-	-	-	-
(ii) Others Payable - Others	82.84	129.79	74.31	0.08	287.02
(iii) Others Payable - Disputed dues - MSME	-	-	-	-	-
(iv) Others Payable - Disputed dues - Others	-	-	-	-	-
Total	82.84	129.79	74.31	0.08	287.02

As at 31 March 2022	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Particulars					
(i) Others Payable - MSME	-	-	-	-	-
(ii) Others Payable - Others	134.56	136.16	0.08	-	270.81
(iii) Others Payable - Disputed dues - MSME	-	-	-	-	-
(iv) Others Payable - Disputed dues - Others	-	-	-	-	-
Total	134.56	136.16	0.08	-	270.81

Note - 13

Other financial liabilities

Expenses payable

	As at 31 March 2023	As at 31 March 2022
Expenses payable	470.22	384.71
	470.22	384.71

Note - 14

Current tax liabilities (net)

Provision for tax (net of advance tax)

	As at 31 March 2023	As at 31 March 2022
Provision for tax (net of advance tax)	313.48	403.46
	313.48	403.46

Note - 15

Provisions

Provision for employee benefits

Provision for gratuity

Provision for compensated absences

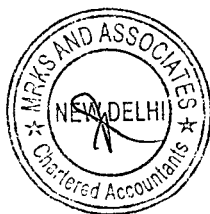
	As at 31 March 2023	As at 31 March 2022
Provision for gratuity	25.59	23.42
Provision for compensated absences	14.04	18.35
	39.62	41.77

Note - 16

Other non-financial liabilities

Statutory dues payables

	As at 31 March 2023	As at 31 March 2022
Statutory dues payables	98.94	52.14
	98.94	52.14



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023

(All amounts in Rs. Lakhs unless stated otherwise)

	As at 31 March 2023		As at 31 March 2022	
	No. of shares (In Lakhs)	Amount	No. of shares (In Lakhs)	Amount
Note - 17				
Equity share capital				
i. Authorised				
Equity shares of face value of Rs. 10 each	975	9,750.00	975	9,750.00
	<u>975</u>	<u>9,750.00</u>	<u>975</u>	<u>9,750.00</u>

ii. Issued, subscribed and paid up:

Equity shares of face value of Rs. 10 each	975	9,750.00	975	9,750.00
	<u>975</u>	<u>9,750.00</u>	<u>975</u>	<u>9,750.00</u>

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

	As at 31 March 2023		As at 31 March 2022	
	No. of shares (In Lakhs)	Amount	No. of shares (In Lakhs)	Amount
Balance at the beginning of the year	975	9,750.00	975	9,750.00
Add: Issued during the year	-	-	-	-
Balance at the end of the year	<u>975</u>	<u>9,750.00</u>	<u>975</u>	<u>9,750.00</u>

iv. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par 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. Detail of shareholders holding 5% or more shares:

No. of shareholders	As at 31 March 2023		As at 31 March 2022	
	No. of shares (In Lakhs)	% of holding	No. of shares (In Lakhs)	% of holding
Equity shares of face value of Rs. 10 each fully paid up				
Dhani Services Limited (erstwhile Indiabulls Ventures Limited) (Holding Company)	975	100%	975	100%
Total	<u>975</u>	<u>100%</u>	<u>975</u>	<u>100%</u>

As per records of the Company, including its register of members/shareholders, and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

vi. Shares held by promoters at the end of the reporting year:

As at 31 March 2023

Name of Promoter	No. of shares (In Lakhs)	% of total shares	% Change during the year
Dhani Services Limited (erstwhile Indiabulls Ventures Limited)	975	100.00%	-

As at 31 March 2022

Name of Promoter	No. of shares (In Lakhs)	% of total shares	% Change during the year
Dhani Services Limited (erstwhile Indiabulls Ventures Limited)	975	100.00%	-

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 and bought back during the last five years.

ix. The Company had issued compulsorily convertible debentures which were converted into equity shares in FY21 in the ratio of 1:1 and are considered in calculation of basic earnings per share



Indiabulls Asset Reconstruction Company Limited**Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023**

(All amounts in Rs. Lakhs unless stated otherwise)

	<u>As at 31 March 2023</u>	<u>As at 31 March 2022</u>
Note - 18		
Other equity		
Securities premium		
Balance at the beginning of the year	40,291.86	40,291.86
Add: Additions during the year	-	-
Securities premium	<u>40,291.86</u>	<u>40,291.86</u>
Share Option Outstanding Reserve		
Balance at the beginning of the year	-	-
Add: Additions during the year	11.07	-
Share Option Outstanding Reserve	<u>11.07</u>	<u>-</u>
Retained earnings		
Balance at the beginning of the year	11,403.37	7,004.21
Add: Profit for the year	2,377.12	4,399.16
Amount available for appropriation	<u>13,780.49</u>	<u>11,403.37</u>
Retained earnings	13,780.52	11,403.37
Other Comprehensive Income		
Balance at the beginning of the year	12.78	5.99
Add: Income for the year	2.01	6.79
Other Comprehensive Income	<u>14.78</u>	<u>12.78</u>
	<u><u>54,098.25</u></u>	<u><u>51,708.01</u></u>

Nature and purpose of other reserve**Securities premium**

Securities premium represents premium received on issue of equity shares. The account can be utilised in accordance with the provisions of the Companies Act 2013.

Share Option Outstanding Reserve

Share Option Outstanding Reserve is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in share based payment reserve are transferred to share premium/retained earnings upon exercise of stock options by employee.

Retained earnings

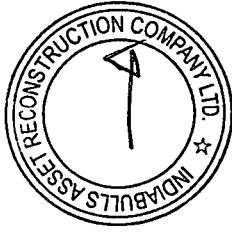
Retained earnings are the accumulated profits earned by the company till date And actuarial gains and losses on defined benefit plans are considered in other comprehensive income (net of taxes) and distributions made to the shareholders.



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023
(All amounts in Rs. Lakhs unless stated otherwise)

	<u>For the period ended 31 March 2023</u>	<u>For the year ended 31 March 2022</u>
Note - 19		
Interest income		
On financial assets measured at amortised cost:		
Interest from loans	9.68	44.12
Interest on deposits with banks	459.98	1,021.78
Other interest income	0.77	-
	<u>470.44</u>	<u>1,065.90</u>
	<u>For the period ended 31 March 2023</u>	<u>For the year ended 31 March 2022</u>
Note - 20		
Fee and commission income		
Management fee	2,378.38	1,930.05
Incentive fee	1,891.12	2,035.13
Upside fee	94.71	212.84
	<u>4,364.20</u>	<u>4,178.02</u>
	<u>For the period ended 31 March 2023</u>	<u>For the year ended 31 March 2022</u>
Note - 21		
Net gain on fair value changes		
On financial instruments at fair value through profit or loss		
- Gain on security receipts	533.19	525.56
	<u>533.19</u>	<u>525.56</u>
Fair value changes		
- Realised	513.32	525.56
- Unrealised	19.88	-
Total	<u>533.19</u>	<u>525.56</u>
	<u>For the period ended 31 March 2023</u>	<u>For the year ended 31 March 2022</u>
Note - 22		
Other income		
Interest income from Income Tax Refund	0.13	13.94
Provisions written back	-	1,513.93
Miscellaneous Income	4.39	48.53
	<u>4.52</u>	<u>1,576.40</u>
	<u>For the period ended 31 March 2023</u>	<u>For the year ended 31 March 2022</u>
Note - 23		
Finance costs		
On financial liabilities measured at amortised cost:		
Others		
Other interest expense	31.45	135.36
	<u>31.45</u>	<u>135.36</u>
	<u>For the period ended 31 March 2023</u>	<u>For the year ended 31 March 2022</u>
Note - 24		
Employee benefits expense		
Salaries, wages and bonus	492.80	612.75
Employee share based payment expense	11.07	-
Contribution to provident and other funds	20.94	29.09
Provision for employee benefits	27.22	11.60
	<u>552.02</u>	<u>653.44</u>





Indiabulls Asset Reconstruction Company Limited
 Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023
 (All amounts in Rs. Lakhs unless stated otherwise)

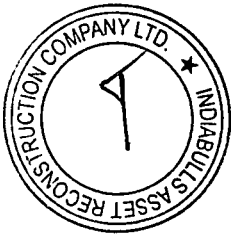
	For the period ended 31 March 2023	For the year ended 31 March 2022
Other expenses	1.44	0.49
Repairs and maintenance	0.81	0.32
Printing and stationery	5.00	3.50
Director's sitting fee	4.50	4.58
Auditor's remuneration*	398.67	49.58
Legal and professional charges	0.09	0.06
Stamp duty	0.56	0.25
Rates and taxes	5.31	1.23
Travelling and conveyance	1.36	0.73
Communication costs	92.07	71.54
Corporate social responsibility costs#	3.08	0.45
Miscellaneous	512.90	132.74
*Charge for auditors remuneration comprises of:	4.50	4.50
Statutory audit fees (excluding taxes)	-	0.08
Reimbursement of expenses	4.50	4.58
#Corporate social responsibility expenses		
The Company spent Rs. 92.07 lakhs (31 March 2022 Rs. 71.54 lakhs), towards corporate social responsibility (CSR) activities as follows:		
Particulars	For the period ended 31 March 2023	For the year ended 31 March 2022
(a) Amount required to be spent by the company during the year	92.07	71.54
(b) Amount of expenditure incurred-		
Construction/acquisition of any asset	-	-
On purpose other than above*	92.07	71.54
*Contribution towards donation/corpus fund paid to Indiabulls Foundation		
Note - 26		
Tax expense	843.85	1,644.15
Current tax (including earlier years)	(2.80)	379.52
Deferred tax charge/(credit)	841.04	2,023.68
Income tax expense reported in the statement of profit and loss		
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% (31 March 2022: 25.17%),		
The reported tax expense in profit or loss are as follows:		
Accounting profit before income tax	3,218.16	6,422.83
At India's statutory income tax rate of 25.17% (31 March 2022: 25.17%)	809.96	1,616.63
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of expenses which will never be allowed	31.08	53.45
Income tax for earlier years	-	353.61
Income tax expense for the year	841.04	2,023.68

Indiabulls Asset Reconstruction Company Limited
 Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023
 (All amounts in Rs. Lakhs unless stated otherwise)

Note - 27

Earnings per equity share (Rs.)

	For the period ended 31 March 2023	For the year ended 31 March 2022
Net profit attributable to equity shareholders	2,377.12	4,399.09
Net profit for the year	10.00	10.00
Nominal value of equity shares	975	975
Weighted average number of equity shares used for computing basic earnings per share (in Lakhs)	2,44	4.51
Basic earnings per share (Rs.)	2,377.12	4,399.16
Net profit for the year (for diluted earnings per share)	975	975
Weighted average number of equity shares used for computing Diluted earnings per share (in Lakhs)	2.44	4.51
Diluted earnings per share (Rs.)	975	975



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023

(All amounts in Rs. Lakhs unless stated otherwise)

28 Financial instruments

A Financial assets and liabilities

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

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Financial assets measured at fair value			
Investments*			
- measured at fair value through profit and loss	Note 6	17,599.80	3,793.51
Financial assets measured at amortised cost			
Cash and cash equivalents, including Bank balances other than cash and cash equivalents	Note 3 and 4	1,203.30	4,571.48
Loans	Note 5	-	358.64
Other financial assets	Note 7	-	40.46
Total		18,803.10	8,764.08
Financial liabilities measured at amortised cost			
Trade payables	Note 11	81.22	624.17
Other payables	Note 12	287.02	270.81
Other financial liabilities	Note 13	470.22	384.71
Total		838.46	1,279.68

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

B Fair values hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and

The categories used are as follows:

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

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

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

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

As at 31 March 2023	Level 1	Level 2	Level 3	Total
Assets				
Investments at fair value through statement of profit of loss			17,599.80	17,599.80
Unquoted security receipts	-	-		

As at 31 March 2022	Level 1	Level 2	Level 3	Total
Assets				
Investments at fair value through statement of profit of loss			3,793.51	3,793.51
Unquoted security receipts	-	-		

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

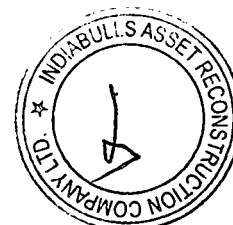
- for unquoted security receipts, the Company has used adjusted discounted cash flow method (income approach).
- for mutual funds, on the basis of statement received from investee party.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value		Significant unobservable inputs
	As at 31 March 2023	As at 31 March 2022	
Unquoted security receipts	17,599.80	3,793.51	Discount rate and estimated cash flows

Sensitivity analysis

Description	For the period ended 31	For the year ended 31 March 2022
Impact on fair value if change in unobservable inputs		
- Impact due to increase of 0.5%	(60.41)	(13.02)
- Impact due to decrease of 0.5%	60.41	13.02



The following table presents the changes in level 3 items for the periods ended 31 March 2023 and 31 March 2022:

Particulars	Unquoted Security receipts
As at 31 March 2021	3,939.19
Add: Addition during the year	39.75
Less: Redeemed during the year	185.43
As at 31 March 2022	3,793.51
Add: Addition during the year	42,519.88
Less: Redeemed during the year	(28,713.59)
As at 31 March 2023	17,599.80

B.2 Fair value of instruments measured at amortised cost

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying	Fair value	Carrying	Fair value
Financial assets				
Cash and cash equivalents, including Bank balances other than cash and cash equivalents	1,203.30	1,203.30	4,571.48	4,571.48
Loans	-	-	358.64	358.64
Other financial assets	-	-	40.46	40.46
Total	1,203.30	1,203.30	4,970.58	4,970.58
Financial liabilities				
Trade payables	81.22	81.22	624.17	624.17
Other payables	287.02	287.02	270.81	270.81
Other financial liabilities	470.22	470.22	384.71	384.71
Total	838.46	838.46	1,279.69	1,279.69

The management assessed that fair values of cash and cash equivalents, trade receivables, trade payables, other payables and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is considered at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- (i) The fair values of the Company's fixed interest bearing loans and security deposits 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.
- (ii) The fair values of the Company fixed interest-bearing debt securities 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.

29 Financial risk management

i) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors have overall responsibility for the establishment and oversight of the Company risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Risk management
Credit risk	Cash and cash equivalents, including Bank balances other than cash and cash equivalents, trade receivables, loans and other financial assets	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Debt securities and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk	Investments in security receipts	Sensitivity analysis	Diversification of portfolio, with focus on

The Company's risk management is carried out by treasury department (of the Company) under policies approved by the board of directors. The Company has overall risk management framework for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and

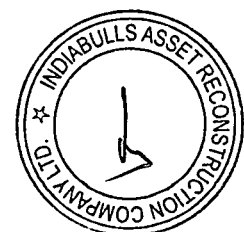
A) Credit risk

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. 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.

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 on financial reporting date
- (ii) Moderate credit risk
- (iii) High credit risk



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023

(All amounts in Rs. Lakhs unless stated otherwise)

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

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, including Bank	12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss or 12 month expected credit loss

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 Assets are written off when there is no reasonable expectation of recovery, such as a borrower declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are

Financial assets that expose the entity to credit risk*

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Low credit risk on financial reporting date		
Cash and cash equivalents, including Bank balances other than cash and cash equivalents	1,203.30	4,571.48
Loans	-	358.64
Other financial assets	-	40.46
(ii) Moderate credit risk		
Loans	-	-

* These represent gross carrying values of financial assets, without deduction for impairment loss allowance.

Cash and cash equivalents

Credit risk related to cash and cash equivalents is managed by only accepting highly rated banks.

Other financial assets measured at amortized cost

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

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process (wherever applicable) to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan assets that become past due and default is considered to have occurred when amounts receivable become one year past due.

b) Credit risk exposure

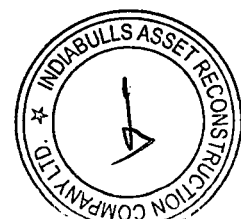
i) Expected credit losses for financial assets other than loans

Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for expectation of any credit

- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
- For investments - Considering the investments are in mutual funds and security receipts of ARC trusts, credit risk is considered low.
- For security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.
- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though the reconciliation of expected credit loss for all sub categories of financial assets (other than loans) are disclosed below:

As at 31 March 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment
Cash and cash equivalents, including Bank balances other than cash and cash equivalents	1,203.30	-	1,203.30
Trade receivables	-	-	-
Other financial assets	-	-	-

As at 31 March 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment
Cash and cash equivalents	4,571.48	-	4,571.48
Trade receivables	-	-	-
Other financial assets	40.46	-	40.46



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023

(All amounts in Rs. Lakhs unless stated otherwise)

(ii) Expected credit loss for loans

Definition of default:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the probability of default, Exposure at default and Loss given default.

Changes in the gross carrying amount in relation to loans from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at 1 April 2021	314.52	-	-
Assets originated and acquired	44.12	-	-
Assets derecognised (excluding write offs)	-	-	-
Gross carrying amount as at 31 March 2022	358.64	-	-
Assets originated and acquired	-	-	-
Assets derecognised (excluding write offs)	(358.64)	-	-
Gross carrying amount as at 31 March 2023	-	-	-

The Company had extended loans for the first time in financial year 2018-19 and does not have history of extending loans. The loan is 100% secured by the collateral and the management believes the underlying loan is in stage 1. Major portion of the loan has been received and there is no significant increase in the credit risk as at the reporting date. Accordingly, no allowance for impairment has been recorded.

c) Loans secured against collateral

Company's secured portfolio has security base as follows::

Particulars	Value of loans	
	As at 31 March 2023	As at 31 March 2022
Secured by tangible assets	-	358.64
Secured by other assets	-	-

The Company does not physically possess properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are more than 90 days past due, possession of property may be initiated. Possessed property is disposed of in the manner prescribed under the regulatory guidance to recover outstanding debt.

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

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

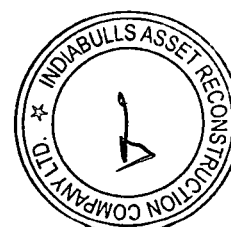
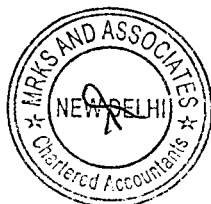
(i) Maturities of financial assets and liabilities

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

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

As at 31 March 2023

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents, including Bank balances other than cash and cash equivalents	1,203.30	-	-	-	1,203.30
Investments	15,919.96	587.94	503.95	587.94	17,599.80
Total	17,123.26	587.94	503.95	587.94	18,803.10
Financial liabilities					
Non-derivatives					
Trade payables	81.22	-	-	-	81.22
Other payables	287.02	-	-	-	287.02
Other financial liabilities	470.22	-	-	-	470.22
Total	838.46	-	-	-	838.46



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023

(All amounts in Rs. Lakhs unless stated otherwise)

As at 31 March 2022

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents	4,571.48	-	-	-	4,571.48
Loans	358.64	-	-	-	358.64
Investments	758.70	1,062.18	1,062.18	910.44	3,793.51
Other financial assets*	-	-	-	50.00	50.00
Total	5,688.82	1,062.18	1,062.18	960.44	8,773.62
Financial liabilities					
Non-derivatives					
Trade payables	624.17	-	-	-	624.17
Other payables	270.81	-	-	-	270.81
Other financial liabilities	384.71	-	-	-	384.71
Total	1,279.68	-	-	-	1,279.68

*Other financial assets are shown at unamortised cost.

C) Market risk

a) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2023, there are no interest bearing liabilities and accordingly, the Company do not have any exposure to interest rate risk.

ii) Assets

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

D) 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.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period:

Impact on profit after tax

Particulars	For the period ended 31	For the year ended 31 March 2022
Security receipts		
Net assets value – increase by 5%	658.50	141.93
Net assets value – decrease by 5%	(658.50)	(141.93)

30 Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Debt*	-	-
Total equity	63,848.25	65,863.89
Debt to equity ratio	-	-

* Debt includes debt securities and interest accrued on debt securities.



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023

(All amounts in Rs. Lakhs unless stated otherwise)

31 Related party disclosures

A List of related parties and disclosures

Holding Company:

Dhani Services Limited (erstwhile Indiabulls Ventures Limited)

Associate Company

Transerv Private Limited

Dhani Loans and Services Limited

Investment representing controlling interests in Asset Reconstruction Trusts

Indiabulls ARC- VII Trust

Indiabulls ARC- XIX Trust

Indiabulls ARC- XX Trust

Indiabulls ARC- XXI Trust

Indiabulls ARC- XXII Trust

Indiabulls ARC- XXIII Trust

Indiabulls ARC- XXIV Trust

Indiabulls ARC- XXVI Trust

Indiabulls ARC- XXVII Trust

Indiabulls ARC- XXVIII Trust

Indiabulls ARC- XXIX Trust

Entities with common control

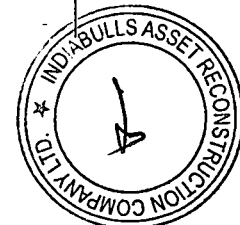
Indiabulls Enterprise Ltd.

Key managerial personnel and their relatives

Name of key managerial personnel	Designation
Mr. Vijay Nehra	Chief Executive Officer (upto 30th Nov 2022)
Mr. Amit Ajit Gandhi	Chief Executive Officer (w.e.f 1st Dec 2022) and Whole Time Director
Mr. Keyur Morparia	Chief Financial Officer
Mr. Lalit Sharma	Company Secretary (Upto 17th Aug 2022)
Mr. Vikas Khandelwal	Company Secretary (From 18th Aug 2022 to 30th Dec 2022)
Mr. Ajit Kumar Mittal	Non-Executive Director (upto 11th April 2022)
Mr. Shamsher Singh Ahlawat	Independent Director
Ms. Swati Jain	Independent Director (w.e.f 30th Nov 2022)
Mr. Aishwarya Katoch	Independent Director (w.e.f 06th March .2023)
Ms. Ritu Kapoor Puri	Non-Executive Director (w.e.f 06th March 2023)

B Details of transactions with related parties carried out in the ordinary course of business:

Name of related party	Nature of transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
Dhani Services Limited	Reimbursement of expenses incurred	0.69	-
Transerv Private Limited	Reimbursement of expenses incurred	-	12.35
Dhani Loans and Services Limited	Fee and other income	1,171.59	406.03
Indiabulls ARC-XIX Trust	Investment in Security Receipts	-	1,740.63
Indiabulls ARC-XX Trust	Investment in Security Receipts	-	4,073.37
Indiabulls ARC-XXI Trust	Investment in Security Receipts	-	3,506.25
Indiabulls ARC-XXII Trust	Investment in Security Receipts	-	4,875.00
Indiabulls ARC-XXIII Trust	Investment in Security Receipts	-	13,368.75
Indiabulls ARC-XXIV Trust	Investment in Security Receipts	-	8,250.00
Indiabulls ARC-XXVI Trust	Investment in Security Receipts	-	2,322.36
Indiabulls ARC-XXVII Trust	Investment in Security Receipts	-	15,683.22
Indiabulls ARC-XXVIII Trust	Investment in Security Receipts	43,020.00	-
Indiabulls ARC-XXIX Trust	Investment in Security Receipts	12,500.00	-
Indiabulls ARC- III Trust	Redemption of Security Receipts	-	3,027.86
Indiabulls ARC- IV Trust	Redemption of Security Receipts	-	2,116.87
Indiabulls ARC- V Trust	Redemption of Security Receipts	-	0.56
Indiabulls ARC- VI Trust	Redemption of Security Receipts	-	2,142.00
Indiabulls ARC- VIII Trust	Redemption of Security Receipts	-	2,428.88
Indiabulls ARC- X Trust	Redemption of Security Receipts	-	13,066.31
Indiabulls ARC- XII Trust	Redemption of Security Receipts	-	8,008.14
Indiabulls ARC- XIII Trust	Redemption of Security Receipts	-	1,020.00
Indiabulls ARC- XV Trust	Redemption of Security Receipts	-	963.12
Indiabulls ARC- XVI Trust	Redemption of Security Receipts	-	3,742.18
Indiabulls ARC- XVII Trust	Redemption of Security Receipts	-	8,404.10
Indiabulls ARC- XVIII Trust	Redemption of Security Receipts	-	5,100.00
Indiabulls ARC- XIX Trust	Redemption of Security Receipts	1,740.63	-
Indiabulls ARC- XX Trust	Redemption of Security Receipts	4,073.37	-
Indiabulls ARC- XXI Trust	Redemption of Security Receipts	3,425.64	80.61
Indiabulls ARC- XXII Trust	Redemption of Security Receipts	4,875.00	-
Indiabulls ARC- XXIII Trust	Redemption of Security Receipts	12,787.48	581.27
Indiabulls ARC- XXIV Trust	Redemption of Security Receipts	8,250.00	-
Indiabulls ARC- XXVI Trust	Redemption of Security Receipts	2,322.36	-



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023

(All amounts in Rs. Lakhs unless stated otherwise)

Indiabulls ARC- XXVII Trust	Redemption of Security Receipts	15,683.22	-
Indiabulls ARC- XXVIII Trust	Redemption of Security Receipts	10,526.56	-
Indiabulls ARC- III Trust	Fee and other income	-	161.20
Indiabulls ARC- IV Trust	Fee and other income	-	280.28
Indiabulls ARC- V Trust	Fee and other income	-	3.64
Indiabulls ARC- VI Trust	Fee and other income	-	111.10
Indiabulls ARC- VII Trust	Fee and other income	15.09	60.35
Indiabulls ARC- VIII Trust	Fee and other income	-	129.51
Indiabulls ARC- X Trust	Fee and other income	-	903.56
Indiabulls ARC- XII Trust	Fee and other income	-	416.05
Indiabulls ARC- XIII Trust	Fee and other income	-	53.03
Indiabulls ARC- XVI Trust	Fee and other income	-	58.50
Indiabulls ARC- XVIII Trust	Fee and other income	-	220.72
Indiabulls ARC- XVIII Trust	Fee and other income	-	138.90
Indiabulls ARC- XIX Trust	Fee and other income	88.57	-
Indiabulls ARC- XX Trust	Fee and other income	208.18	-
Indiabulls ARC-XXI Trust	Fee and other income	128.80	2.95
Indiabulls ARC-XXII Trust	Fee and other income	176.27	-
Indiabulls ARC-XXIII Trust	Fee and other income	762.81	20.15
Indiabulls ARC-XXIV Trust	Fee and other income	293.57	-
Indiabulls ARC-XXVI Trust	Fee and other income	79.95	-
Indiabulls ARC-XXVII Trust	Fee and other income	462.64	-
Indiabulls ARC-XXVIII Trust	Fee and other income	59.09	-
Indiabulls ARC- III Trust	Expenses funded / (recovered)	-	(3.25)
Indiabulls ARC- IV Trust	Expenses funded / (recovered)	-	(40.94)
Indiabulls ARC- V Trust	Expenses funded / (recovered)	-	(103.54)
Indiabulls ARC- VII Trust	Expenses funded / (recovered)	40.80	12.96
Indiabulls ARC- VIII Trust	Expenses funded / (recovered)	-	(5.55)
Indiabulls ARC- X Trust	Expenses funded / (recovered)	-	(127.22)
Indiabulls ARC- XII Trust	Expenses funded / (recovered)	-	(23.23)
Indiabulls ARC- XIII Trust	Expenses funded / (recovered)	-	(5.80)
Indiabulls ARC- XVI Trust	Expenses funded / (recovered)	-	(10.37)
Indiabulls ARC- XVIII Trust	Expenses funded / (recovered)	-	(19.96)
Indiabulls ARC- XVII Trust	Expenses Funded / (recovered)	-	(11.68)
Indiabulls ARC- XVIII Trust	Expenses Funded / (recovered)	-	(23.42)
Indiabulls ARC- XIX Trust	Expenses Funded / (recovered)	(7.93)	7.93
Indiabulls ARC-XX Trust	Expenses Funded / (recovered)	(6.16)	6.16
Indiabulls ARC-XXII Trust	Expenses Funded / (recovered)	(2.12)	2.12
Indiabulls ARC-XXIV Trust	Expenses Funded / (recovered)	(2.12)	2.12
Indiabulls ARC-XXVI Trust	Expenses Funded / (recovered)	(1.02)	1.02
Indiabulls ARC-XXVII Trust	Expenses Funded / (recovered)	(1.02)	1.02
Indiabulls ARC-XXVIII Trust	Expenses Funded / (recovered)	0.28	-
Dhani Stocks Limited	Expenses Funded / (recovered)	0.04	-
Indiabulls Enterprise Ltd.	Fees Paid	325.00	-
Independent Directors	Director's Sitting Fees	5.00	3.50
Key Management Personnel	Remuneration paid	480.17	405.01

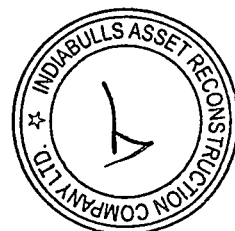
C Key management personnel remuneration includes the following expenses:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Short-term employee benefits	453.50	405.01
Post employment benefits	26.67	-
Other long-term employee benefits	-	-

Note: As provisions for gratuity and leave benefits are made for the Company as a whole, the amounts pertaining to the Key management personnel are not specifically identified and hence are not included above. As the Bonus provision is on aggregate basis, the same is considered on actual payout.

D Outstanding balances with related parties in ordinary course of business:

Advances recoverable in kind	As at 31 March 2023	As at 31 March 2022
Indiabulls ARC- VII Trust	59.82	19.02
Indiabulls ARC- XIX Trust	-	7.94
Indiabulls ARC- XX Trust	-	6.16
Indiabulls ARC- XXII Trust	-	2.12
Indiabulls ARC- XXIV Trust	-	2.12
Indiabulls ARC- XXVI Trust	-	1.02
Indiabulls ARC- XXVII Trust	0.28	1.02



Indiabulls Asset Reconstruction Company Limited**Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023**

(All amounts in Rs. Lakhs unless stated otherwise)

Trade Payables	As at 31 March 2023	As at 31 March 2022
Indiabulls ARC-XXI Trust	-	376.25
Indiabulls ARC- XXIII Trust	-	140.40

Investment in security receipts	As at 31 March 2023	As at 31 March 2022
Indiabulls ARC- VII Trust	1,231.24	1,231.24
Indiabulls ARC- XIX Trust	-	1,740.63
Indiabulls ARC- XX Trust	-	4,073.37
Indiabulls ARC- XXI Trust	-	3,425.64
Indiabulls ARC- XXII Trust	-	4,875.00
Indiabulls ARC- XXIII Trust	-	12,787.48
Indiabulls ARC- XXIV Trust	-	8,250.00
Indiabulls ARC- XXVI Trust	-	2,322.36
Indiabulls ARC- XXVII Trust	-	15,683.22
Indiabulls ARC- XXVIII Trust	32,493.44	-
Indiabulls ARC- XXIX Trust	12,500.00	-

32 Segment information

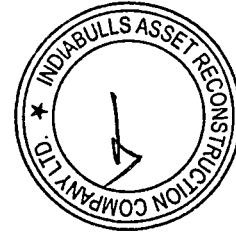
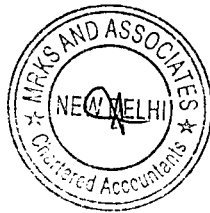
The Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", and accordingly is considered to be the only reportable business segment. Further, the Company is operating in India which is considered as a single geographical segment.

33 Capital adequacy

As per the Reserve Bank of India Guidelines, the Capital Adequacy Ratio of the Company as at 31 March 2023 works out to 99.86% (as at 31 March 2022 : 105%).

34 Commitments:

Estimated amount of contract remaining to be executed on capital account and not provided for is Nil (31 March 2022: Nil).



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023

(All amounts in Rs. Lakhs unless stated otherwise)

35 Employee benefits

The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :

Defined contribution plans

Provident fund and other funds

The Company has made Rs. 20.94 Lakhs (31 March 2022 Rs. 29.09 Lakhs) contribution in respect of provident fund and other funds.

Defined benefit plans

A Gratuity (non-funded)

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation.

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(i) Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of obligation	25.59	23.41
Net obligation recognised in balance sheet as provision	25.59	23.41

(ii) Amount recognised in the statement of profit and loss is as under:

Particulars	For the period ended 31 March 2023	For the year ended 31 March 2022
Current service cost	3.17	8.75
Past service cost including curtailment gains/losses	-	-
Interest cost on defined benefit obligation	1.68	1.72
Net impact on profit (before tax)	4.85	10.47

(iii) Amount recognised as other comprehensive income is as under:

Particulars	For the period ended 31 March 2023	For the year ended 31 March 2022
Actuarial gain / (loss) for the year on Planned Benefit obligation	2.68	9.07

(iv) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Particulars	For the period ended 31 March 2023	For the year ended 31 March 2022
Present value of defined benefit obligation as at the beginning of year	23.40	25.31
Current service cost	3.17	8.75
Interest cost	1.68	1.72
Past service cost including curtailment gains/losses	-	-
Benefits paid	-	(3.29)
Actuarial loss/(gain) on obligation	-	-
Actuarial loss/(gain) on arising from change in demographic assumption	-	-
Actuarial loss/(gain) on arising from change in financial assumption	(0.55)	(1.11)
Actuarial loss/(gain) on arising from experience adjustment	(2.13)	(7.96)
Present value of defined benefit obligation as at the end of the year	25.58	23.40



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023

(All amounts in Rs. Lakhs unless stated otherwise)

(v) Actuarial assumptions

Particulars	For the period ended 31 March 2023	For the year ended 31 March 2022
Discounting rate	7.36%	7.18%
Future salary increase	5.00%	5.00%
Retirement age (years)	60	60
Withdrawal rate %		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration	18.90	19.20
Mortality rates inclusive of provision for disability	100% of IALM (2012 – 14)	100% of IALM (2012 – 14)

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14); Previous Year(2012-14) Ultimate table.

(vi) Sensitivity analysis for gratuity liability

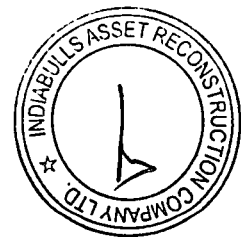
Particulars	For the period ended 31 March 2023	For the year ended 31 March 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year		
- Impact due to increase of 0.50 %	(1.47)	(1.35)
- Impact due to decrease of 0.50 %	1.58	1.45
Impact of the change in salary increase		
Present value of obligation at the end of the year		
- Impact due to increase of 0.50 %	1.61	1.47
- Impact due to decrease of 0.50 %	(1.51)	(1.39)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(vii) Maturity profile of defined benefit obligation

Particulars	As at 31 March 2023	As at 31 March 2022
0 to 1 year	0.41	0.14
1 to 2 year	0.33	0.16
2 to 3 year	0.34	0.32
3 to 4 year	0.35	0.33
4 to 5 year	0.36	0.34
5 to 6 year	0.37	0.35
6 year onwards	23.41	21.76



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023

(All amounts in Rs. Lakhs unless stated otherwise)

36 Employee stock option schemes-For the group

The Holding Company has issued various Employees stock options scheme (ESOP / ESOS) for the benefit of the employees of the Company and its

A. Grants during the year:

The Holding Company has established the "Udaan Employee Welfare Trust" ("Udaan – EWT") ("Trust") for the implementation and management of its employees benefit scheme viz. the "Dhani Services Limited - Employee Stock Benefit Scheme – 2008 & 2009" (Scheme) for the benefit of the employees of the Company and its subsidiaries. Pursuant to Regulation 3(12) of the SEBI (Share Based Employee Benefits) Regulations, 2014, fully paid up equity shares of 1,16,00,000 (One crore sixteen lakh) lying in the Trust have been appropriated towards the Scheme for grant of Employees Stock Options (ESOPs) to the employees of the Company and its subsidiaries as permitted by SEBI.

The Holding Company has granted 18,00,000 and 98,00,000 employees stock options under DSL ESOP-2008 and DSL ESOP-2009 schemes respectively. Detail of same is as below:

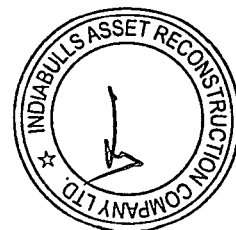
Name of Scheme	DSL ESOP - 2008	DSL ESOP - 2009
No. of options granted	18,00,000	98,00,000
Exercise price (₹)	30	30

B. Employees Stock Options Schemes:

(i) Employees Stock Option Scheme - 2008 (DSL ESOP - 2008)-For the group

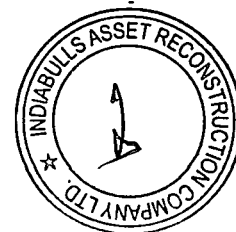
	DSL ESOP - 2008				
	2,00,00,000				
Total options under the scheme (Nos.)	97,00,000	8,80,600	18,00,000	18,00,000	17,00,000
Options granted (Nos.)	(Regrant)	(Regrant)	(Regrant)	(Regrant)	(Regrant)
Vesting period and percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	2nd July each year, commencing 2 July 2017	25 th March each year, commencing 25 March 2019	28 th June each year, commencing 28 June 2023	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	5 years from each vesting date
Exercise price (₹)	24.15	254.85	30	68	150
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	-
Outstanding at the beginning of 1 April 2022 (Nos.)	45,94,800	27,400	-	18,00,000	-
Granted/ regranted during the year (Nos.)	-	-	18,00,000	-	-
Forfeited during the year (Nos.)	5,50,400	27,400	-	18,00,000	-
Exercised during the year (Nos.)	22,00,000	-	-	-	-
Expired during the year (Nos.)	-	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-	-
Outstanding as at 31 March 2023 (Nos.)	18,44,400	-	18,00,000	-	-
Vested and exercisable as at 31 March 2023 (Nos.)	18,44,400	-	-	-	-
Remaining contractual life (weighted months)	30	-	87	-	-

Weighted average exercise price of share during the year ended 31 March 2023: Not applicable (31 March 2022: Not applicable).



(ii) Employees Stock Option Scheme - 2009 (DSL - ESOP 2009)-For the group

	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)	98,00,000 (Regrant)	1,00,00,000 (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	28 th June each year, commencing 28 June 2023	2 nd September each year, commencing 2 September 2018
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	30	219.65
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
Outstanding at the beginning of 1 April 2022 (Nos.)	50,000	25,01,600	-	12,96,800
Granted/ regranted during the year (Nos.)	-	-	98,00,000	-
Forfeited during the year (Nos.)	-	7,11,200	-	12,96,800
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 2023 (Nos.)	50,000	17,90,400	98,00,000	-
Vested and exercisable as at 31 March 2023 (Nos.)	50,000	17,90,400	-	-
Remaining contractual life (Weighted Months)	24	31	87	-
			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
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 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	-
Outstanding at the beginning of 1 April 2022 (Nos.)			98,00,000	-
Granted/ regranted during the year (Nos.)			-	-
Forfeited during the year (Nos.)			98,00,000	-
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 2023 (Nos.)			-	-
Vested and exercisable as at 31 March 2023 (Nos.)			-	-
Remaining contractual life (Weighted Months)			-	-
Weighted average exercise price of share during the year ended 31 March 2023: Nil (31 March 2022: Nil)				



(iii) Dhani Services Limited - Employee Stock Benefit Scheme 2019 ("Scheme") ("DSL-ESBS 2019")- For the group

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 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.

	<u>DSL-ESBS 2019</u>
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 5 years from each vesting date
Exercisable period	
Exercise price (₹)	250
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
Outstanding at the beginning of 1 April 2022 (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 during the year (Nos.)	1,04,00,000
Outstanding as at 31 March 2023 (Nos.)	-
Vested and exercisable as at 31 March 2023 (Nos.)	-
Remaining contractual life (Weighted Months)	-



(iv) Dhani Services Limited - Employee Stock Benefit Scheme 2020 ("Scheme") ("DSL-ESBS 2020")- For the group

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

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 9,300,000 (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 5 years from each vesting date
Exercisable period	
Exercise price (₹)	250
Outstanding as at 1 April 2021 (Nos.)	-
Granted/ re-granted 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	-
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)	-
Outstanding as at 1 April 2022 (Nos.)	93,00,000
Granted/ re-granted during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
Surrendered during the year (Nos.)	93,00,000
Outstanding as at 31 March 2023 (Nos.)	-
Vested and exercisable as at 31 March 2023 (Nos.)	-
Remaining contractual life (Weighted Months)	-
Remaining contractual life (Weighted Months)	-

(v) Dhani Services Limited - Employee Stock Benefit Scheme 2021 ("Scheme") ("DSL-ESBS 2021")-For the group

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

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.



C. Fair Valuation:

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

	DSL ESOP - 2008		
	97,00,000 Options Regranted	8,80,600 Options Regranted	18,00,000 Options Regranted
1. Exercise price (₹)	24.15	254.85	68.00
2. Expected volatility *	42.97%	47.15%	69.05%
3. Option Life (Weighted Average) (in years)	6	6	6
4. Expected Dividends yield	10.82%	1.10%	1.01%
5. Risk Free Interest rate	7.45%	7.56%	5.50%
6. Fair value of the options (₹)	4.31	130.05	34.58

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

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

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

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

	DSL ESOP - 2008 & 2009				
	18,00,000 and 98,00,000 Options				
	28-Jun-23	28-Jun-24	28-Jun-25	28-Jun-26	28-Jun-27
1. Vesting Date					
2. Exercise price (₹)	30	30	30	30	30
3. Expected volatility *	70.92%	68.20%	66.66%	65.39%	63.19%
4. Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil
5. Expected dividends yield	0.66%	0.66%	0.66%	0.66%	0.66%
6. Risk free interest rate	6.70%	6.87%	6.97%	7.05%	7.09%
7. Fair value of the options (₹)	15.69	17.00	18.15	19.09	19.69
8. Average Price			17.92		

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

D. Share based payment expense:

The Company has recognised Share based payments reversal to employees of ₹ 11.07 lakh (31 March 2022: Nil) in the statement of Profit and loss for the year ended 31 March 2023 as follows:

	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
Share based payments (reversal) / expense	11,07,308.00	-
	11,07,308.00	-



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023
 (All amounts in Rs. Lakhs unless stated otherwise)

37 Disclosures as per the directions of Reserve Bank of India are as follows:

a) Names and addresses of the non-sponsor banks/financial institutions from whom financial assets were acquired and the value at which such assets were acquired from each such bank/financial institutions.

Name of the Selling Bank / Financial Institution	Address	Acquisition price as on 31 March 2023	% to total
IndusInd Bank	2401 Gen. Thimmaya Road, Pune 411001	37,000.00	11%
Indiabulls Housing Finance Limited	M-62 & 63, First Floor, Connaught Place, New Delhi, 110001	2,06,452.06	59%
Indiabulls Commercial Credit Limited	M-62 & 63, First Floor, Connaught Place, New Delhi, 110001	30,945.40	9%
Dhani Loans and Services Limited	1/1, First Floor, East Patel Nagar, New Delhi - 110 008	72,800.00	21%
Total		3,47,197.46	100%

b) Dispersion of various financial assets, industrywise

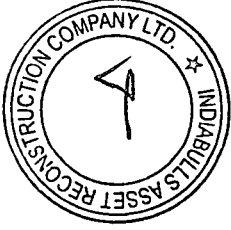
Industry	Amount	% to total
Retail	1,76,704.63	50.89%
Real Estate	1,21,048.71	34.86%
Cotton & Textiles	12,916.05	3.72%
Services	5,521.29	1.59%
Automobiles	5,253.60	1.51%
Pharmaceuticals & Chemicals	3,922.49	1.13%
FMCG	2,838.77	0.82%
IT & ITES	2,707.35	0.78%
Printing & Stationery	2,189.55	0.63%
Others	2,162.69	0.62%
Hotels and Restaurants	2,090.06	0.60%
Transportation & Logistics	1,440.74	0.41%
Iron & Steel	1,264.24	0.36%
Education	1,226.12	0.35%
Gems & Jewellery	1,147.35	0.33%
Equipment and Electronics	1,121.42	0.32%
Healthcare Services	1,019.20	0.29%
Agri & Agri Products	1,011.25	0.29%
Construction & Engineering	583.61	0.17%
Metals	562.59	0.16%
Plastics	465.74	0.13%
Total	3,47,197.46	100.00%

c) The acquisition price in tables (a) & (b) above includes financial assets acquired till 31 March 2023 including financial assets resolved till date.

(d) Status of financial assets acquired in the Trusts set up by Indiabulls Asset Reconstruction Company Limited as on 31 March 2023 as required as per RBI Notification No. DBNS.PD(SC/RG).8/CGM(ASR) dated 21 April 2010:

Particulars	2022-23	2021-22
i. Value of financial assets outstanding for realisation as at 1 April	95,830.51	1,11,353.50
ii. Value of financial assets acquired during the financial year	60,300.00	71,671.20
iii. Value of financial assets realised during the financial year *	86,096.68	90,162.67
iv. Value of financial assets written-off/(back) during the financial year	6,939.69	(2,968.49)
v. Value of financial assets outstanding for realisation as on March 31 (i+ii-iii-iv)	63,094.15	95,830.51
vi. Value of land and / or building acquired in ordinary course of business of reconstruction of assets	Nil	Nil

* Surplus realisation, if any, over & above the value of financial assets has been adjusted in (iii) above



e) Status of Security Receipts (SRs) issued by the Trusts set up by Indiabulls Asset Reconstruction Company Limited as on 31 March 2023:

Particulars	Value of SRs redeemed fully during the year	Value of SRs redeemed partially during the year	Total Value
i. SRs outstanding as on 1 April		98,227.94	98,227.94
ii. Movement during the year from partially to fully redeemed	72,915.19	(72,915.19)	-
iii. SRs issued during the year	-	60,300.00	60,300.00
iv. SRs redeemed during the year	72,915.19	13,684.37	86,599.56
v. SRs written-off during the year	-	7,044.18	7,044.18
vi. SRs outstanding as on 31 March (i+ii+iii-iv-v)	-	64,884.19	64,884.19

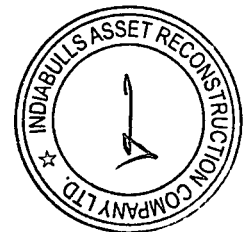
f) Additional disclosures as required in circular no. DNBS(PD) CC. No. 41/SCRC/26.03.001/2014-2015 dated 5 August 2014 for the Assets acquired after the aforesaid dates:

Particulars					Particulars
i. Details of Acquisition value of Assets more than the book value alongwith the basis of their valuation					Nil
ii. Details of Assets of the Trusts (at Trust level) disposed off during the year at substantial discount (more than 20% of valuation as at the previous year end) and the reasons thereof.					
Name of Trust	Acquisition Price	SRs Outstanding at on 31/03/2022	NAV as on 31/03/2022	SRs Redeemed During F.Y 23	SRs written Off During F.Y 23
IBARC -II Trust *	16,000	9,436	100%	2,391	7,044
iii. Details of Assets where the value of the SRs has declined more than 20% below the acquisition value.					
Name of Trust	Acquisition Price	SRs Outstanding at on 31/03/2022	NAV as on 31/03/2022	SRs Redeemed during the Year 2022-23	SRs written Off During the Year 2022-23
IBARC -II Trust *	16,000	9,436	100%	2,391	7,044

* Portfolio sold to another ARC during the year.

g) Additional disclosures as required in circular no. (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on the ageing of the unrealised management fee recognised:

	As at the end of Current year	As at the end of Previous year
Outstanding Amount of unrealised management fee	Nil	Nil
1. Out of the above, amount outstanding for:	Nil	Nil
(a) Amounts where the net asset value of the security receipts has fallen below 50 per cent of the face value	Nil	Nil
(b) Other amounts unrealised for	Nil	Nil
(i) More than 180 days but upto 1 year	Nil	Nil
(ii) More than 1 year but upto 3 years	Nil	Nil
(iii) More than 3 years	Nil	Nil
Allowances held for unrealised management fee	Nil	Nil
Net unrealised management fee receivable	Nil	Nil



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2023

(All amounts in Rs. Lakhs unless stated otherwise)

38 Maturity analysis of assets and liabilities

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

	As at 31 March 2023		As at 31 March 2022	
	Within 12 months	After 12 months	Within 12 months	After 12 months
ASSETS				
Financial assets				
Cash and cash equivalents, including Bank balances other than cash and cash equivalents	1,203.30	-	4,571.48	-
Trade receivables	-	-	-	-
Loans	-	-	358.64	-
Investments	25,164.90	38,659.58	11,636.49	46,545.96
Other financial assets	-	-	-	40.46
	<u>26,368.20</u>	<u>38,659.58</u>	<u>16,566.60</u>	<u>46,586.42</u>
Non-financial assets				
Current tax assets	-	-	-	-
Deferred tax assets (net)	-	13.09	-	10.96
Property, plant and equipment	-	1.44	-	2.64
Other non-financial assets	96.44	-	59.69	8.76
	<u>96.44</u>	<u>14.53</u>	<u>59.69</u>	<u>22.35</u>
TOTAL ASSETS	<u>26,464.64</u>	<u>38,674.11</u>	<u>16,626.30</u>	<u>46,608.77</u>
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	81.22	-	624.17	-
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	287.02	-	270.81	-
Debt securities				
Other financial liabilities	470.22	-	384.71	-
	<u>838.46</u>	<u>-</u>	<u>1,279.68</u>	<u>-</u>
Non-financial liabilities				
Current tax liabilities (net)	313.48	-	403.46	-
Provisions	0.65	38.97	0.46	41.31
Other non-financial liabilities	98.94	-	52.14	-
	<u>413.07</u>	<u>38.97</u>	<u>456.06</u>	<u>41.31</u>
TOTAL LIABILITIES	<u>1,251.53</u>	<u>38.97</u>	<u>1,735.74</u>	<u>41.31</u>
Net	<u>25,213.11</u>	<u>38,635.14</u>	<u>14,890.56</u>	<u>46,567.46</u>

For MRKS AND ASSOCIATES

Chartered Accountants

Firm Registration No.: 023741A

Kamal Ahuja

Partner

Membership No.: 505788



For and on behalf of the board of directors

Indiabulls Asset Reconstruction Company Limited

Amit Gandhi

Whole Time Director & CEO

DIN: 07606699

Place : Mumbai

Ritu Kapoor Puri

Director

DIN: 09559548

Keyur Morparia

Chief Financial Officer

Ram Mehar

Company Secretary

M. No. : 6039

Place : New Delhi

Date : 26th May 2023

Place : New Delhi

Date : 26th May 2023

