



**INDIABULLS RURAL FINANCE PRIVATE LIMITED**

CIN: U74140MH1993PTC074596

Registered Office: Indiabulls Finance Centre, Tower-1, 4th Floor CS 612/613,  
S.B. Marg, Elphinstone Mumbai City Maharashtra 400013  
Email: secretarialgrgh@indiabulls.com, Tel: 0124-6681199, Fax: 0124-6681111

**NOTICE**

**NOTICE** is hereby given that Twenty Ninth Annual General Meeting of the members of Indiabulls Rural finance Private Limited will be held on Thursday, the 29th day of September, 2022 at 2:00 P.M. at the Registered Office of the Company at One International Centre, Tower-1, 4<sup>th</sup> Floor CS 612/613, S.B. Marg, Elphinstone Mumbai Mumbai City Maharashtra 400013, to transact the following business: -

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Financial Statements of the Company as at March 31, 2022 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vijay Kumar Agrawal (DIN: 08329352), Director, who retires by rotation, and being eligible, offers himself for reappointment.

By Order of the Board  
For **Indiabulls Rural Finance Private Limited**  
(Formerly *Littleman Fiscal Services Private Limited*)

Place: Mumbai  
Date:

**Sd/-**  
Vijay Kumar Agrawal  
Director  
DIN: 08329352

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**Registered Office:** One International Center, Tower – 1, 4th Floor, S. B. Marg, Elphinstone (W), Mumbai – 400013, Maharashtra ,Tel: (022) 61891200  
**Corporate Office:** Plot No. 448-451, Udyog Vihar, Phase-V, Gurugram-122016, Haryana| Tel: 0124 6681199 | Fax: 0124 6681111 E -mail: helpdesk@indiabulls.com  
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**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, in respect of the business as set out in the AGM Notice is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and on a poll to vote instead of himself and that a proxy need not be a member. The proxy form to be valid and effective should be lodged with the company at its Registered Office, duly completed and signed, not less than 48 hours before the commencement of the AGM.
3. A Proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on a poll.
4. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send to the Company, a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the AGM.
5. All documents referred to in this Notice and other statutory registers are open for inspection by the Members on the date of the AGM at the venue of the meeting and also at the Registered Office of the Company between 10:00 a.m. to 4:00 p.m on all working days except Saturdays, Sundays and national holidays, from the date hereof up to the date of the AGM.
6. Members desiring any information relating to the financial statement of the Company are requested to write to the Company at the earliest, so as to enable the Board of Directors to keep the information ready at the AGM.

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**FORM NO. MGT-11**

**PROXY FORM**

**[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]**

CIN: U74140MH1993PTC074596

Name of the Company: **Indiabulls Rural finance Private Limited**

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Name of the Member (s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No. / DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

I / We, being the member(s) of \_\_\_\_\_ Equity Shares of the above named  
Company, hereby appoint:

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him / her

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_

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as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company, to be held on Thursday, the 29th day of September, 2022 at 04:15 P.M. at the Registered Office of the Company at Indiabulls Finance Centre, Tower-1, 4th Floor CS 612/613, S.B. Marg, Elphinstone Mumbai Mumbai City Maharashtra 400013, and at any adjournment thereof, in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

<b>Resolution No.</b>	<b>Brief details of Resolutions</b>
	<b>Ordinary Business</b>
1	Adoption of Audited Financial Statements of the Company as at March 31, 2022 and the Reports of the Board of Directors and Auditors thereon.
2	Reappointment of Mr. Vijay Kumar Agrawal (DIN: 08329352), Director, who is liable to retire by rotation, and being eligible, offers himself for reappointment.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2020

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy Holder(s): \_\_\_\_\_

Affix  
Revenue  
Stamp of  
Re. 1/-

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a Member of the Company.
3. A person appointed as Proxy shall act on behalf of not more than 50 (fifty) Members and holding of not more than 10% of the total share capital of the Company carrying voting rights. However, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other person or Member.

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**ATTENDANCE SLIP**

Folio No.\*: \_\_\_\_\_

No. of Shares: \_\_\_\_\_

DP ID: \_\_\_\_\_

Client ID: \_\_\_\_\_

*Members or their Proxies are requested to present this Slip in accordance with the Specimen Signatures registered with the Company, at the entrance of the Meeting Hall, for admission.*

Name of the attending Member / Proxy \_\_\_\_\_  
**(In BLOCK LETTERS)**

I hereby record my presence at **Twenty Ninth Annual General Meeting** of the members of the Company held on Thursday, the 29th day of September, 2022 at 02:00 P.M. at the Registered Office of the Company at One International Centre, Tower-1, 4th Floor CS 612/613, S.B. Marg, Elphinstone Mumbai Mumbai City Maharashtra 400013.

\_\_\_\_\_  
Member's Signature

\_\_\_\_\_  
Proxy's Signature

\*Applicable for Members holding shares in Physical form.

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### DIRECTORS' REPORT

Dear Shareholders,

Your Directors present to you, the Twenty Ninth Annual Report together with the Audited Accounts for the year ended March 31, 2022.

### FINANCIAL RESULTS

The highlights of the financial results for the year ended March 31, 2022 are as under:

Particulars	Amount in Crores	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>	7.37	15.55
Exceptional items	-	-
<b>Profit / (Loss) before extraordinary items and tax</b>	7.37	15.55
Extraordinary items	-	-
<b>Profit before tax</b>	7.37	15.55
Tax expense:		
Current tax (including earlier years)	3.04	1.73
Less: minimum alternate credit entitlement (including earlier years)	-	-
Deferred tax charge/(credit)	-1.01	2.00
<b>Profit / (Loss) after tax from continuing operations</b>	5.34	11.82
<b>Profit / (Loss) from discontinuing operations after tax</b>		
Profit / (Loss) from discontinuing operations before tax	-	-
Tax expense of discontinuing operations	-	-
<b>Profit / (Loss) for the period</b>	5.34	11.82

### BUSINESS REVIEW

During the FY ended March 31, 2022, the Company has earned a profit of Rs. 5.34 Crores/-.

### STATE OF COMPANY'S AFFAIRS

As on March 31, 2022, the Company was a 100% subsidiary of SORIL Infra Resources Limited. The Company is engaged in the business of financial services allied activities. The Company is registered with Reserve Bank of India as Non-Deposit Taking Non-Banking Financial Company (NBFC). During the year under review, there has been no change in the nature of business of the Company.



## **DIVIDEND**

The Board of Directors of the Company has not recommended any dividend for financial year 2021-22.

## **TRANSFER TO RESERVES**

During the FY ended March 31, 2022, the Board has not proposed to transfer any amount to any reserve(s) besides the mandatory transfer to statutory reserve, the details of which are mentioned in the financial statement forming part of this Annual Report.

## **CAPITAL STRUCTURE**

The Paid-up Equity Share Capital of the Company as on March 31, 2022, stood at Rs. 41,79,74,000/- comprising 4,17,97,400 fully paid-up Equity shares of face value Rs. 10/- each.

## **NON-CONVERTIBLE DEBENTURES**

As reported in the last financial year, the Company had issued 500 Secured, Redeemable, Non-Convertible Debentures having face value of Rs. 10 Lakh each, aggregating to Rs. 50 Crores, which are listed on debt segment of BSE Limited. Your Company has complied with all the applicable regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

The Company shall redeem NCDs in one or more tranches as disclosed in Information Memorandum. The Company has been regular in payment of interest thereon. As on March 31, 2022, total outstanding NCDs were Rs. 50 crores.

## **REGULATORY GUIDELINES & COMPLIANCES**

Reserve Bank of India (RBI) is the regulator for Non-Banking Financial Companies. In accordance with this, the Company is in compliance with all regulations pertaining to Accounting Standards, Prudential norms for asset classification, income recognition, provisioning, capital adequacy and credit ratings.

During the FY ended March 31, 2022, the Company has complied with all applicable regulations of the Reserve Bank of India. The Directors hereby report that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Currently, the composition of the Board is in compliance with the requirements under the Companies Act, 2013 and SEBI Listing Regulations, to the extent applicable on the Company. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Woman Director and Independent Directors.

During the FY ended March 31, 2022, Mr. Ashwin Mallick (DIN: 08030601), Non-executive Director, resigned from the Company w.e.f. September 28, 2021, due to his personal reasons.

Further, post closure of FY 2021-22, Mr. Vijay Kumar Agrawal (DIN: 08329352), relinquished his position of Whole-time Director w.e.f. May 28, 2022 and since then he continues as Non-Executive Director of the Company and Ms. Supriya Bhatnagar (DIN: 08731453), Independent Director of the Company, resigned from the office of director vide her resignation letter dated August 12, 2022. Ms.



Bhatnagar had confirmed in her aforesaid letter that there are no other reasons for her resignation. Further, w.e.f. May 28, 2022, Mr. Vijay Kumar Agrawal was appointed as Chief Financial Officer designated as Key Managerial Personnel of the Company in place of Mr. Manish Khandelwal who resigned with effect from the same date.

Further, in accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Vijay Kumar Agrawal (DIN: 08329352), Director, retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting.

The present Independent Director of the Company has given the declaration of meeting the criteria of independence laid down under Section 149 (6) of the Act and Regulation 25 of SEBI (LODR) Regulations, 2015.

As on date of this report, Mr. Sunil Kumar Gupta, Whole Time Director, Mr. Vijay Kumar Agrawal, Chief Financial Officer and Mr. Chandra Shekher Joshi, Company Secretary, are the KMPs of the Company.

## **PUBLIC DEPOSITS**

During the year under review, the Company has not accepted any deposit from the public, falling within the ambit of Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## **AUDITORS**

### **(a) Statutory Auditors**

M/s Agarwal Prakash & Co. (Firm Registration No. 005975N), the Statutory Auditors of the Company were re-appointed by the members at their 26th Annual General Meeting, held on September 24, 2019, for a period of five years i.e. until the conclusion of the 31st Annual General Meeting of the Company. The Ministry of Corporate Affairs (MCA) vide its notification no. S.O. 1833(E) dated May 7, 2018 has done away with the requirement of getting the appointment of the Statutory Auditors ratified at every Annual General Meeting and therefore no such ratification is being sought at ensuing Annual General Meeting of the Company.

The Auditors' Report and audited financial Statements are self-explanatory and therefore do not call for any further explanation. Also, no frauds have been reported by the Auditors of the Company in terms of Section 143(12) of the Companies Act, 2013.

### **(b) Secretarial Auditors & Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Rules made thereunder the Company has appointed M/s NP Gupta & Associates, a firm of Company Secretaries in practice as its Secretarial Auditors, to conduct the secretarial audit of the Company for the Financial Year 2021-22. The Company has provided all assistance, facilities, documents, records and clarifications etc. to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the Financial Year 2021-22, is annexed as Annexure 1, forming part of this Report.

The Report is self-explanatory and therefore do not call for any further explanation.

### **(c) Cost Auditor & Cost Auditor Report**

The Company is not required to prepare and maintain cost records pursuant to Section 148(1) of the Companies Act, 2013.





## ADDRESS FOR CORRESPONDENCE

### (i) Registered Office:

One International Center, Tower – 1, 4th Floor,  
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### (ii) Corporate Office:

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Tel/Fax: 0124 6681199 | Fax: 0124 6681111

## DEBENTURE TRUSTEES

IDBI Trusteeship Services Limited  
Contact Person: Mr. Nikhil Lohana  
Address: Asian Building, Ground Floor,  
17, R. Kamani Marg, Ballard Estate,  
Mumbai – 400 001 (Maharashtra)  
Tel: (022) 40807008; Fax: (022) 66311776  
Website: <https://idbitrustee.com/>

## REGISTRAR & TRANSFER AGENT

KFin Technologies Limited  
Selenium Tower B, Plot No.31-32,  
Gachibowli Financial District, Nanakramguda,  
Hyderabad – 500 032, Tel : 040-6716-2222,  
Fax: 040-23001153  
<https://www.kfintech.com/>

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, as at March 31, 2022 and the profit and loss of the company for the year ended on that date;



- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that such financial controls were adequate and were operating effectively; and
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## **INFORMATION PURSUANT TO SECTION 134 AND SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH THE RELEVANT RULES**

The information required to be disclosed pursuant to Section 134 and Section 197 of the Companies Act, 2013, read with the relevant rules (to the extent applicable), not elsewhere mentioned in this Report, are as under:

### **ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3) of the Companies Act, 2013 (“Act”), the Annual Return as on March 31, 2022 is available on the Company’s website on <https://www.indiabullsruralfinance.com/>.

### **BOARD MEETINGS**

During the FY ended March 31, 2022, 8 (Eight) Board Meetings were convened and held.

### **LOANS, GUARANTEES OR INVESTMENTS**

During the Period under review, in terms of the provisions of Section 186 (1) of the Companies Act, 2013, the Company did not make any investments through more than two layers of investment companies.

Further, the Company, being a Non – Banking Finance Company and registered with the Reserve Bank of India, loans given, guarantees provided and investments made by it, were not covered under the provisions of Section 186 of the Companies Act, 2013.

### **RELATED PARTY TRANSACTIONS**

During the year, no materially significant related party transaction was entered by the Company with its Promoters, Key Management Personnel or other designated persons which may have potential conflict with the interest of the Company at large. All the related party transactions, entered into by the Company, during the financial year, were in its ordinary course of business and on an arm’s length basis. Hence the information in the prescribed Format AOC – 2 is not applicable.

Further, Your Directors wish to draw attention of the members to Notes to the financial statement which sets out related party disclosures.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an elaborate system of internal controls commensurate with the size, scale and complexity of its operations; it also covers areas like financial reporting, fraud control, compliance with applicable laws and regulations etc. Regular internal audits are conducted to check and to ensure that responsibilities are discharged effectively.



## **MATERIAL CHANGES AND COMMITMENTS**

There are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the Financial Year of the Company i.e. March 31, 2022 and the date of this Report.

Further, no significant and material orders were passed by the regulators or courts or tribunals, impacting the going concern status and Company's operations in future.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo, is as under:

### **A. Conservation of Energy**

The Company uses energy for its office equipment such as computers, lighting and utilities at its work premises. As an ongoing process the following measures are undertaken to conserve energy:

- a) Implementation of viable energy saving proposals.
- b) Installation of automatic power controllers to save maximum charges and energy.
- c) Awareness and training sessions, at regular intervals, to concerned operational personnel on opportunities of energy conservation and their benefits.

### **B. Technology Absorption**

The Company is investing in cutting edge technologies to upgrade its infrastructure set up and innovative technical solutions, thereby increasing customer delight & employee efficiency. Next Generation Business Intelligence & analytics tool have been implemented to ensure that while data continues to grow, decision makers gets answers faster than ever for timely & critical level decision making. The Company has implemented best of the breed applications to manage and automate its business processes to achieve higher efficiency, data integrity and data security. It has helped it in implementing best business practices and shorter time to market new schemes, products and customer services. The Company has taken major initiatives for improved employee experience and efficient Human resource management, by implementing world class HRMS application and empowering them by providing mobile platform to manage their work while on the go.

The Company's investment in technology has improved customer services, reduced operational cost and development of new business opportunities.

### **C. Foreign Exchange Earnings and Outgo**

There were no foreign exchange earnings and outgo during the year under review.

## **BUSINESS RISK MANAGEMENT**

Pursuant to the applicable provisions of the Companies Act, 2013, the Company has formulated robust business Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on its business objectives and enhance its competitive advantage. It defines the risk management approach across the Company including the documentation and reporting. At present, the Company has not identified any element of risk which may threaten its existence.



## **PARTICULARS OF EMPLOYEES**

The information of employees of the Company, employed by the Company through the year or part thereof, whose information is required to be made in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure 2**.

## **SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURES**

During the FY 2021-22, no company became or ceased to be subsidiary or associate of the Company. However, subsequent to FY 2021-22, the Company ceased to be wholly owned subsidiary of SORIL Infra Resources Limited and became wholly owned subsidiary of Indiabulls Enterprises Limited with effect from August 3, 2022.

## **COMMITTEES OF THE BOARD**

The Board has constituted various Committees to take informed decisions in the best interest of the Company. These Committees monitor the activities falling within their terms of reference. The details of these committees are as under.

### **a) Audit Committee**

In compliance with the provisions of the Companies Act, 2013, the Board has constituted an Audit Committee. As of March 31, 2022, the Audit Committee was comprised of three members namely Mr. Prem Prakash Mirdha, Independent Director, as the Chairman, Mr. Vijay Agrawal, and Ms. Supriya Bhatnagar, as other two members.

During the FY 2021-22, 4 (four) Meetings of Audit Committee were convened and held.

### **b) Nomination & Remuneration Committee**

In compliance with the provisions of the Companies Act, 2013, the Board has constituted a Nomination & Remuneration Committee. As of March 31, 2022, the Nomination & Remuneration Committee was comprised of three members namely Ms. Supriya Bhatnagar, Independent Director, as the Chairman, Mr. Prem Prakash Mirdha, Independent Director and Mr. Vijay Agrawal, as other two members.

During the 2021-22, 1 (One) Meeting of Nomination & Remuneration was convened and held.

### ***Policy for selection and appointment of Directors***

The (N&R Committee) has adopted a charter which, inter alia, deals with the manner of selection of the Board of Directors, senior management and their compensation. This Policy is accordingly derived from the said Charter.

- a. The incumbent for the positions of Directors and/or at senior management, shall be the persons of high integrity, possesses relevant expertise, experience and leadership qualities, required for the position.
- b. The Directors shall be of high integrity, with relevant expertise and experience so as to have the diverse Board with Directors having expertise in the fields of finance, banking, regulatory, taxation, law, governance and general management.
- c. In case of appointment of Independent Directors, the independent nature of the proposed appointee vis-a-vis the Company shall be ensured.



- d. The N&R Committee shall consider qualification, experience, expertise of the incumbent, and shall also ensure that such other criteria with regard to age and other qualification etc., as laid down under the Companies Act, 2013 or other applicable laws are fulfilled, before recommending to the Board, for their appointment as Directors.

### **Remuneration Policy**

Company's Remuneration Policy is market led, based on the fundamental principles of payment for performance, for potential and for growth. It also takes into account the competitive circumstances of the business, so as to attract and retain quality talent and leverage performance significantly. The N&R Committee recommends the remuneration payable to the Directors and Key Managerial Personnel, for approval by Board of Directors of the Company, subject to the approval of its shareholders, wherever necessary. Details of remuneration paid to Directors is being captured in Annual Return of the Company.

### **EVALUATION OF BOARD, COMMITTEES AND DIRECTORS**

Pursuant to the applicable provisions of the Companies Act, 2013, the Board has carried out an evaluation of its performance, the directors individually as well as the working of its Committees. The performance evaluation of the Board as a whole and its committees as well as the performance of each director individually was carried out by the entire Board of Directors based on the parameters like effectiveness of the Board and its committees, decision making process, Directors/members participation, governance, independence, quality and content of agenda papers, team work, frequency of meetings, discussions at meetings, corporate culture, conflict of interest and expressed satisfaction on the process of evaluation.

#### **c) Corporate Social Responsibility Committee**

In terms of the applicable provisions of the Companies Act 2013, read with relevant Rules, the Company was required to contribute an amount of Rs. 17,50,170/-, being 2% of the average net profits of the Company for three immediately preceding financial years towards CSR activities during the FY 2021-22, which liability has been fully discharged by transferring the said amount to 'Indiabulls Foundation' Trust, towards implementation of CSR activities on behalf of the Company.

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects in the area of Health, Medical Camps etc. as per its CSR Policy and the details given in "Annexure 3", forming part of this Report. The project is in accordance with Schedule VII of the Companies Act, 2013 read with the relevant rules

As of March 31, 2022, the Corporate Social Responsibility Committee comprised of three members, namely, Mr. Vijay Kumar Agrawal as the Chairman, Mr. Sunil Kumar Gupta and Ms. Supriya Bhatnagar, as other two members of the Committee.

During the financial year 2021-22, 2 (two) meetings of the CSR committee were convened and held.

Apart from the above, the Board has also constituted Asset Liability Management Committee, Integrated Risk Management Committee, Management and Investment Committee, Credit Committee and IT Strategy Committee (IT).

### **NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**



The Company has zero tolerance towards any action on the part of any of its officials, which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every woman employee of the Company. The Company's Sexual Harassment Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints.

During the financial year 2021-22, no case of sexual harassment was reported.

### **VIGIL MECHANISM**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Vigil Mechanism Policy ('the Policy'), to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees working for the Company. Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds / assets etc. A whistle-blowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company and its subsidiaries. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices.

### **DETAILS OF PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016**

During the year under review, no applications were made or case was pending under the Insolvency and Bankruptcy Code, 2016.

### **DETAILS OF VALUATION DONE WITH RESPECT TO LOANS TAKEN FROM BANKS OR FINANCIAL INSTITUTION**

During the year under review, there was no valuation done while taking loan from Banks or Financial Institutions, if any.

### **COMPLIANCE OF SECRETARIAL STANDARDS**

The Company has complied with the applicable provisions of Secretarial Standards issued by The Institute of Company Secretaries of India.

### **ACKNOWLEDGEMENT**

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functional areas and the efficient utilization of all its resources for sustainable and profitable growth. Your Directors wish to place on record their appreciation of the contributions made and committed services rendered by the employees of the Company at various levels. Your Directors also wish to express their gratitude for the continuous



assistance and support received from the investors, clients, bankers, regulatory and government authorities, during the year.

**For and on behalf of the Board of Directors**

**Place: Mumbai**  
**Date: August 26, 2022**

**Sd/-**  
**Sunil Kumar Gupta**  
**Whole Time Director**  
**DIN: 06797017**

**Sd/-**  
**Vijay Kumar Agrawal**  
**Non-Executive Director**  
**DIN: 06797017**



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**For the Financial Year ended on March 31, 2022**

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**Indiabulls Rural Finance Private Limited**  
One International Center,  
Tower – 1, 4th Floor, S. B. Marg, Elphinstone (W),  
Mumbai – 400013, Maharashtra

We have conducted, the Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices, by Indiabulls Rural Finance Private Limited (**hereinafter referred as ‘the Company’**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and accordingly expressing my opinion thereupon.

Based on our verification of books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company, has during the audit period covering the financial year ended on March 31, 2022 (**“Audit Period”**) complied with various statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of the following, as amended from time to time, and to the extent applicable :-

- i. The Companies Act, 2013 (the Act) and Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye – Laws framed thereunder;
- iv. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;





- v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008; and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- vi. Other Laws Applicable to the Company as a Business Unit and Other Offices:
- a) **Taxation Laws**
  - b) **Labour and Social Security Laws** – Such as employees State Insurance Act, 1948; Payment of Bonus Act, 1965; Payment of Gratuity Act, 1972; Contract Labor (Regulation and Abolition) Act, 1970; Maternity Benefit Act, 1961; The Equal Remuneration Act 1976; Employees Provident Funds And Miscellaneous Act, 1952, as amended.
  - c) **IT Related Laws** – Information Technology Act, 2000.
  - d) **Miscellaneous Laws**-Electricity Act, 2003; Sexual Harassment of Women at Workplace (Prevention, Prohibition and Regulation) Act, 2013.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has been regular in complying with various applicable provisions of the Act, rules, regulations, Guidelines and Standards etc. which are subject matter of present Audit Report, stated hereinabove.

**It is further reported that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Director(s), Non – Executive Director(s), Women Director(s) and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

In compliance with applicable provisions of the Companies Act, 2013 and rules made thereunder and Secretarial Standards issued by the Institute of Company Secretaries of India, adequate notices were given to all directors to schedule the Board Meetings and a system exists for seeking and obtaining further



information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions are carried through unanimously and therefore dissenting members' views are not required to be captured and recorded as part of the minutes.

**We further report** that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report** that during the audit period there were no specific events/actions having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

For **NP Gupta & Associates**  
Company Secretaries

Neha Gupta  
Membership No.: 47714  
CP No: 17685  
UDIN: A047714D000813446



Place: New Delhi  
Date: 18<sup>th</sup> August, 2022

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

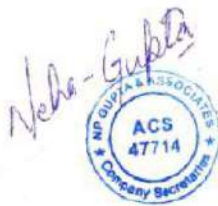
To,  
The Members,  
**Indiabulls Rural Finance Private Limited**  
One International Center,  
Tower – 1, 4th Floor, S. B. Marg, Elphinstone (W),  
Mumbai – 400013, Maharashtra

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The maximum liability of our firm under the secretarial audit in respect of the aggregate of all claims shall not exceed the fee charged by us.

**For NP Gupta & Associates**  
Company Secretaries

Neha Gupta  
Membership No.: 47714  
CP No: 17685  
UDIN: A047714D000813446



Place: New Delhi  
Date: 18<sup>th</sup> August, 2022

Annexure-2

**DETAILS REGARDING REMUNERATION TO THE EMPLOYEES AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AS AMENDED**

(A) Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees

Sl. No.	Name	Designation of the employee	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1.	Sunil Kumar Gupta	Whole-time Director	2,54,51,998	Permanent	CA	01.07.2019	42	Indiabulls Housing Finance ltd	-	-



**(D) The names of the top ten employees in terms of remuneration drawn during the Financial Year 2021-22:**

Sl. No.	Name	Designation of the employee	Remuneration received (Rs.)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Sunil Kumar Gupta	Chief General Manager	2,51,98,785	Permanent	CA	01-Jul-19	41	Indiabulls Housing Finance Ltd	-	-
2	Gaurav Jain	Deputy General Manager	30,20,542	Permanent	B.Com	01-Jul-20	44	Indiabulls Housing Finance Ltd	-	-
3	Anil Kumar Yadav	Assistant General Manager	20,66,148	Permanent	Graduation	01-Nov-19	51	Indiabulls Housing Finance Ltd	-	-
4	Niharika Bhardwaj	Executive Vice President	15,00,000	Permanent	MBA/PGBDA	01-April-21	45	Polaris	-	-
5	Anish Kumar	Senior Manager	12,52,479	Permanent	MCA	31-Aug-19	36	Filix Consulting	-	-
6	Manish Bhide	Manager	12,25,273	Permanent	Secondary	01-Jul-20	45	Indiabulls Housing Finance Ltd	-	-
7	Mohan Singh	Senior Manager	9,94,047	Permanent	B Com	27-Jun-19	37	Indiabulls Housing Finance Ltd	-	-

8	Love .	Assistant Manager	7,60,500	Permanent	B.B.A	01-Nov-19	50	Indiabulls Housing Finance Ltd	-	-
9	Suneel Kumar Mishra	Assistant Manager	7,30,080	Permanent	B Com	03-Apr-19	33	ASK Autonotive Pvt Ltd	-	-
10	Ashish Kumar	Senior Manager	7,11,557	Permanent	L.L.B	01-Mar-19	37	GENPACT	-	-

**Notes:**

1. Remuneration includes salary, bonus, incentive, house rent allowance, supplementary allowance, Transport allowance, Medical allowance, leave travel allowance, and other allowance paid in cash.
2. Other Terms and Conditions: All appointments are/were in accordance with the terms and conditions as per applicable Rules and Policy of the Company.

## Annual Report on CSR Activities for Financial Year Ending 31st March 2022

### 1. Brief outline on CSR Policy of the Company.

The Company focuses its CSR efforts on such areas, where it could provide maximum benefits to the society at large. These are, improving awareness of communities towards education and rural development etc. The Company will continue to engage with stakeholders including experts, NGOs, professional bodies / forums and the government and would take up such CSR activities in line with the government's intent, which are important for the society at large. The Company may also undertake such other CSR projects, where societal needs are high or in special situations (natural disasters etc.)

### 2. Composition of CSR Committee as on March 31, 2022:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the tenure	Number of meetings of CSR Committee attended
1.	Mr. Vijay Kumar Agarwal*	Chairman and Whole Time Director	2	2
2.	Mr. Sunil Kumar Gupta	Member and Whole Time Director	2	2
3.	Ms. Supriya Bhatnagar <sup>#</sup>	Member and Independent Director	2	2

\*Mr. Vijay Kumar Agrawal (DIN: \_\_\_\_\_), relinquished his position of Whole-time Director w.e.f. May 28, 2022 and since then he continues as Non-Executive Director of the Company.

<sup>#</sup>Ms. Supriya Bhatnagar (DIN: 08731453), Independent Director of the Company, resigned from the office of director vide her resignation letter dated August 12, 2022.

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The details of the Composition of the CSR committee and CSR projects approved by the Board and the CSR policy are available at <https://www.indiabullsruralfinance.com/corporate-announcements>.

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). Not Applicable

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)



1	2018-19	NA	NA
2	2019-20	NA	NA
3	2020-21	NA	NA
<b>Total</b>			

6. Average net profit of the company as per section 135(5). Rs.8.75 Crores

7. (a) Two percent of average net profit of the company as per section 135(5)- Rs. 17,50,170/-.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years- Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 17,50,170/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
17,50,170/-	N.A	N.A	N.A	N.A	N.A

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Free Consultation by the Doctors including Health Camps	(i)	Yes	Pan India	Pan India	3 Years	17,50,170	17,50,170	N.A	No	Indiabulls Foundation	CSR00000380
	Total						17,50,170	17,50,170	N.A			

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.						N.A.			
2.						N.A.			
3.						N.A.			
Total						N.A.			

**(d) Amount spent in Administrative Overheads:** Nil

**(e) Amount spent on Impact Assessment, if applicable:** Nil

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e):** Rs. 17,50,170/-

**(g) Excess amount for set off, if any**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	17,50,170
(ii)	Total amount spent for the Financial Year	17,50,170
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1.	2018-19						N.A
2.	2019-20						N.A
3.	2020-21						N.A
	Total						N.A

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing
1					N.A.			
2					N.A.			
3					N.A.			

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**

- (a) Date of creation or acquisition of the capital asset(s): N.A  
(b) Amount of CSR spent for creation or acquisition of capital asset: N.A  
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: N.A  
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). N.A**

**For Indiabulls Rural Finance Private Limited**

Date: September 5, 2022  
Place: New Delhi

Sd/-  
Vijay Kumar Agarwal  
Non-Executive Director  
Member– CSR Committee

Sd/-  
Sunil Kumar Gupta  
Whole-time Director  
Chairman – CSR Committee

# Agarwal Prakash & Co.

CHARTERED ACCOUNTANTS

508, Indra Prakash, 21, Barakhamba Road, New Delhi - 110001

Phones : 23730880/1 Fax : 011-43516377

E-mail : contact@apnco.org

## INDEPENDENT AUDITOR'S REPORT

To the Members of Indiabulls Rural Finance Private Limited

Report on the Audit of the Ind AS Financial Statements

### Opinion

We have audited the accompanying Ind AS financial statements of Indiabulls Rural Finance Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2022, 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 then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do

not



provide a separate opinion on these matters, we have determined the matters described below to be the key audit matters to be communicated in our report.

S No.	Key Audit Matter	Auditor's response
1.	<p><b>IT systems and control</b></p> <p>Financial accounting and reporting processes, especially in the financial services sector are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company.</p> <p>Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.</p>	<p><b>Principal Audit Procedures</b></p> <ul style="list-style-type: none"> <li>▪ We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration, and other identified application controls.</li> <li>▪ We tested IT general controls (logical access changes management and aspects of IT operational controls).</li> <li>▪ We tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization.</li> </ul> <p>In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.</p>
2.	<p><b>Impairment of loans</b></p> <p>Recognition and measurement of impairment of loans and advances involve significant management judgement.</p> <p>Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ("ECL") estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are:</p> <ul style="list-style-type: none"> <li>▪ Data inputs: The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.</li> </ul>	<p><b>Principal Audit Procedures</b></p> <p>Our key audit procedures included:</p> <ul style="list-style-type: none"> <li>▪ Evaluation of the appropriateness of the impairment principles used by management based in the requirements of Ind AS 109, our business understanding and industry practice.</li> <li>▪ Understanding management's processes, systems and controls implemented in relation to impairment allowance process</li> <li>▪ Evaluating management's controls over collation of relevant information used for determining estimates for management overlays.</li> <li>▪ Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge.</li> <li>▪ Testing of review controls over measurement of impairment allowances and disclosures in Ind AS financial statements.</li> </ul>

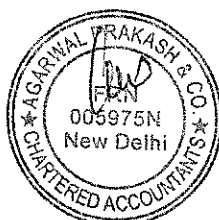


<ul style="list-style-type: none"> <li>▪ Model estimations: Inherently judgemental models are used to estimate ECL which involves determining Probabilities of Default (“PD”), Loss Given Default (“LGD”), and Exposures at Default (“EAD”). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgemental aspect of the Company’s modelling approach.</li> <li>▪ Economic scenarios: Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determined the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from COVID-19.</li> </ul> <p>The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the Ind AS financial statements, and possibly many times that amount.</p>	<ul style="list-style-type: none"> <li>▪ Assessing the appropriateness of management rationale for determination of criteria for SICR considering both: adverse effects of COVID-19 and mitigants in the form of the RBI / Government financial relief package.</li> <li>▪ Assessing the appropriateness of changes made in macro-economic factors and management overlays to calibrate the risks that are not yet fully captured by the existing model.</li> <li>▪ Corroborate through independent check and enquiries the reasonableness of management’s assessment of grading of severity of impact of COVID-19 on segments of its loan portfolio and the resultant impairment provision computed.</li> <li>▪ Focus on appropriate application of accounting principles, validating completeness and accuracy of the data and reasonableness of assumptions used in the model.</li> <li>▪ Test of details over of calculation of impairment allowance for assessing the completeness, accuracy, and relevance of data.</li> <li>▪ Model calculations testing through re-performance where possible.</li> <li>▪ Assessed the appropriateness of management’s judgements in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used and the valuation of recovery assets.</li> </ul> <p>Assessed whether the disclosures on key judgements, assumptions, and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Ind AS financial statements are appropriate and sufficient.</p>
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### 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. Other information comprises of the information included in the Management Discussion and Analysis Report, Board’s Report including Annexures to the Board’s Report and Shareholders’ Information but does not include the financial statements and our auditor’s report thereon.

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



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

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

### **Management's and Board of Directors' Responsibility for the Financial Statements**

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

In preparing the Ind AS financial statements, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 control 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 with reference to financial statements 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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





## Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity, and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under section 133 of the Act;
  - e. On the basis of the written representations received from the directors as on 31 March 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, from being appointed as a director in terms of section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure B".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the Company has paid and provided managerial remuneration during the year. The Company being a private company, provisions of Section 197 read with Schedule V of the Act are not applicable to the Company.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 40 to the Ind AS financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

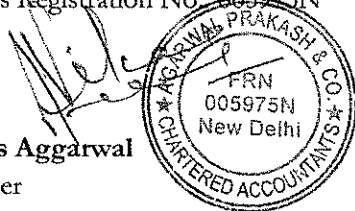


- (iii) There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned 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 entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like 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 entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the 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 has 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) contain any material misstatement.
- (v) The Company has not declared or paid any dividend during the year and until the date of this report

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration No.: 005975N



**Vikas Aggarwal**

Partner

Membership No. 097848

UDIN: 22097848ALAZKH8442

Place: Gurugram

Date: 28 May 2022

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2022, based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

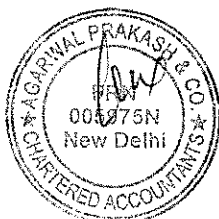
- (i) In respect of the Company's Property, Plant and Equipment and Intangible assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment which were due for physical verification during the year were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company disclosed in the financial statements are held in the name of the Company. However, for title deeds of following immovable properties which have been pledged as security for loans taken by the Company, title deeds are lying with the respective lenders.

Rs. In Crores	
Description of property	Gross Carrying Value
Freehold Land	0.07

- (d) During the year, the Company has revalued its Land, classified under Property, Plant and Equipment. Such revaluation is based on the valuation by a Registered Valuer. The amount of change is 10% or more in the aggregate of the net carrying value of such Property, Plant and Equipment, as below:

Rs. In Crores				
Class of Property, Plant or Equipment	Carrying value as on 31 March 2021 (pre-revaluation)	Amount of Change	Carrying value as on 31 March 2022 (post-revaluation)	Percentage change
Freehold Land	0.05	0.02	0.07	40%

- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.



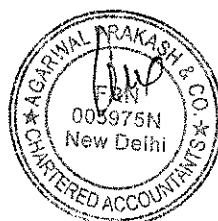
- (ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits/ working capital limits in excess of Rs. 5 crore by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii) (b) of the Order is not applicable to the Company.
- (iii) The Company has granted loans to various parties in the normal course of its business as a Non-Banking Finance Company. The Company has also granted loans to its employees as per Company's established policy during the year.

The Company has not made any investment, provided any guarantee or security to companies, firms, Limited Liability Partnerships (LLPs) during the year.

- (a) The Company is a Non-Banking Finance Company, and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) The terms and conditions of the grant of all loans are not, prima facie, prejudicial to the interest of the Company.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular, except for the following instances:

Extent of delay	Amount due (₹ in crores)	No. of cases
Less than or equal to 30 days	0.49	48
31-90 days	2.18	96
More than 90 days	3.26	94

- (d) According to information and explanation given to us, the total amount which is overdue for more than 90 days in respect of loans or advances in the nature of loans given in course of business operations of the Company aggregates to Rs. 3.26 crores as at 31 March 2022 in respect of 94 number of loans. Further, reasonable steps have been taken by the Company for recovery of such principal amounts and interest overdue.
- (e) The Company is a Non-Banking Finance Company, and its principal business is to give loans. Accordingly, reporting under 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 which are either repayable on demand or without specifying any terms or period of repayment during the year.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.



- (v) The Company has not accepted any deposits and there are no amounts which have been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under subsection (1) of section 148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and written representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us and 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, associates or joint ventures.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.



- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the written representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.
- (b) According to the information and explanations given to us, the Company has conducted Non-Banking Financial activities during the year under a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934





- (c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not more than one CIC.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (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 statements 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) Since there are no other than ongoing projects, accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.
- (b) In respect of ongoing projects, there are no unspent amounts that are required to be transferred to a special account in compliance with provision of sub-section (6) of Section 135 of the Act. This matter has been disclosed in note no. 28(ii) to the financial statements.

For **Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration No. 005975N

**Vikas Aggarwal**

Partner

Membership No. 097848

UDIN: 22097848ALAZKH8442

Place: Gurugram

Date: 28 May 2022

## **Annexure B to the Independent Auditor's Report**

With reference to the Annexure B referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2022 of even date.

### **Independent Auditor's 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 with reference to financial statements of Indiabulls Rural Finance Private Limited ('the Company') as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (the "Guidance Note") 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 the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both, issued by ICAI. 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 with reference to financial statements 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 control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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





## Meaning of Internal Financial Controls with reference to Financial Statements

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

## Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

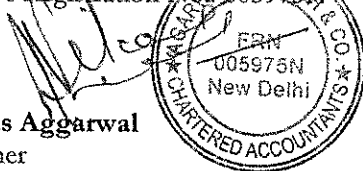
## Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration No. 005975N



Vikas Aggarwal

Partner

Membership No. 097848

UDIN: 22097848ALAZKH8442

Place: Gurugram

Date: 28 May 2022

**INDIABULLS RURAL FINANCE PRIVATE LIMITED**  
Balance sheet as at 31 March 2022

Particulars	Notes	All amount in Cr	
		As at 31 March 2022	As at 31 March 2021
<b>Assets</b>			
<b>1 Financial assets</b>			
Cash and cash equivalents	4	0.79	13.60
Trade receivables	5	0.02	0.05
Loans	6	170.72	168.46
Investments	7	17.63	-
Other financial assets	8	7.28	12.06
<b>Total financial assets</b>		<b>196.44</b>	<b>194.17</b>
<b>2 Non-financial assets</b>			
Current tax assets	9	0.34	0.54
Property, plant and equipment's	10(a)	1.17	4.67
Other intangibles assets	10(b)	2.04	3.28
Other non-financial assets	11	0.47	0.66
<b>Total non-financial assets</b>		<b>4.02</b>	<b>9.15</b>
<b>Total Assets</b>		<b>200.46</b>	<b>203.32</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
<b>3 Financial liabilities</b>			
Trade 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		0.02	0.16
Debt securities	13	49.75	49.56
Other financial liabilities	14(a)	5.89	9.52
Lease liabilities (Refer note- 29)	14(b)	-	3.40
<b>Total financial liabilities</b>		<b>55.66</b>	<b>62.64</b>
<b>4 Non-financial liabilities</b>			
Current tax liabilities	15	1.81	2.17
Provisions	16	0.34	0.34
Deferred tax liabilities (net)	17	1.10	2.11
Other non-financial liabilities	18	0.26	0.13
<b>Total non-financial liabilities</b>		<b>3.51</b>	<b>4.75</b>
<b>5 Equity</b>			
Equity Share capital	19	41.80	41.80
Other equity	20	99.49	94.13
<b>Total equity</b>		<b>141.29</b>	<b>135.93</b>
<b>Total Liabilities and Equity</b>		<b>200.46</b>	<b>203.32</b>

The accompanying notes are an integral part of financial statements.  
As per our report of even date

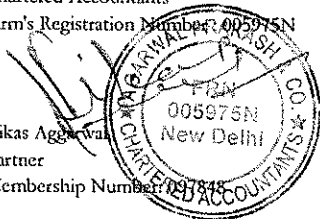
For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number: 005975N

Vikas Agarwal  
Partner

Membership Number: 097848



For and on behalf of the Board of Directors

Sunil Kumar Gupta  
Whole Time Director  
(DIN : 06797017)

Vijay Kumar Agrawal  
Whole Time Director &  
Chief Financial Officer  
(DIN : 08329352)

Chandra Shekher Joshi  
Company Secretary

Place : Gurugram  
Date : 28 May 2022

INDIABULLS RURAL FINANCE PRIVATE LIMITED  
Statement of profit and loss for the year ended 31 March 2022

Particulars	Notes	All amount in Cr	
		Year ended 31 March 2022	Year ended 31 March 2021
<b>Income</b>			
<b>Revenue from operations</b>			
Interest income	21	18.90	22.49
Fees	22	0.57	1.87
Net gain on derecognition of financial instruments under amortised cost category	23	-	10.56
		<u>19.47</u>	<u>34.92</u>
Other income	24	1.54	0.57
<b>Total income</b>		<u>21.01</u>	<u>35.49</u>
<b>Expenses</b>			
Finance costs	25	5.73	6.46
Impairment on financial instruments	26	0.78	0.30
Employee benefits expense	27	4.45	9.06
Depreciation and amortisation	10	1.55	2.02
Other expenses	28	1.13	2.10
<b>Total expenses</b>		<u>13.64</u>	<u>19.94</u>
<b>Profit before tax</b>		<u>7.37</u>	<u>15.55</u>
<b>Tax expense:</b>	17		
Current tax (including earlier years reversal)		3.04	1.73
Deferred tax charge		(1.01)	2.00
<b>Profit for the year</b>		<u>5.34</u>	<u>11.82</u>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
(i) Re-measurement (loss)/gain on defined benefits plans		0.03	0.20
(ii) Income tax effect on above		(0.01)	(0.05)
<b>Other comprehensive income</b>		<u>0.02</u>	<u>0.15</u>
<b>Total comprehensive income for the year</b>		<u>5.36</u>	<u>11.97</u>
<b>Earnings per share:</b>			
Basic (₹)	32	1.28	2.83
Diluted (₹)		1.28	2.83
Face value per equity share (₹)		10.00	10.00
Summary of significant accounting policies			

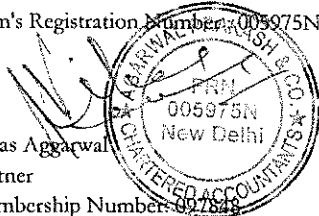
The accompanying notes are an integral part of financial statements.  
As per our report of even date

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number: 005975N

Vikas Aggarwal  
Partner  
Membership Number: 59759



For and on behalf of the Board of Directors

Sunil Kumar Gupta  
Whole Time Director  
(DIN : 06797017)

Vijay Kumar Agrawal  
Whole Time Director &  
Chief Financial Officer  
(DIN : 08329352)

Place : Gurugram  
Date : 28 May 2022

Chandra Shekher Joshi  
Company Secretary

**INDIABULLS RURAL FINANCE PRIVATE LIMITED**  
Statement of Changes in Equity for the year ended 31 March 2022

*All amount in Cr*

Particulars	A) Equity Share Capital	
	Numbers	Amount
As at 01 April 2020	41797400	41.80
Add: Issue of equity share capital	-	-
As at 31 March 2021	41797400	41.80
Add: Issue of equity share capital	-	-
As at 31 March 2022	41797400	41.80

*\*refer note no 19 for details*

**B) Other Equity**

Particulars	Reserves and surplus			Other comprehensive income	Total
	Special reserve u/s 451C	Securities premium	Impairment Reserve		
Balance as at 01 April 2020	1.62	74.83	0.04	5.67	82.16
Profit for the year	-	-	-	11.82	11.82
<b>Other comprehensive income for the year :</b>					
Re-measurement gains on defined benefit plans net of tax	-	-	-	-	0.15
<b>Total comprehensive income for the year</b>	-	-	-	-	0.15
Impairment Reserve(refer note -19 for details)	-	-	-	-	-
Transfer to Special Reserve @ 20% U/s 451C	2.36	-	-	(2.36)	-
Balance as at 31 March 2021	3.98	74.83	0.04	15.13	94.13
Profit for the year	-	-	-	5.34	5.34
<b>Other comprehensive income for the year :</b>					
Re-measurement gains on defined benefit plans net of tax	-	-	-	-	0.02
<b>Total comprehensive income for the year</b>	-	-	-	-	0.02
Impairment Reserve(refer note -19 for details)	-	-	-	-	-
Transfer to Special Reserve @ 20% U/s 451C	1.07	-	-	(1.07)	-
Balance as at 31 March 2022	5.05	74.83	0.04	19.40	99.49

The accompanying notes are an integral part of financial statements.  
As per our report of even date

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number: 005975NH & CO

005975N

New Delhi

Vikas Agarwal

Partner

Membership Number: 057889

ACCO

For and on behalf of the Board of Directors

Sunil Kumar Gupta

Whole Time Director

(DIN : 06797017)

Vijay Kumar Agrawal

Whole Time Director &

Chief Financial Officer

(DIN : 08329352)

Place : Gurugram

Date : 28 May 2022

Chand Shekhar Joshi

Company Secretary

INDIABULLS RURAL FINANCE PRIVATE LIMITED  
Cash flow statement for the year ended 31 March 2022

Particulars	All amount in Cr	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. Cash flow from operating activities :</b>		
Profit before tax	7.37	15.55
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization of PPE, ROU and Other intangible assets	1.55	2.02
Finance costs	5.74	6.44
Interest income	(18.91)	(22.49)
Net gain on derecognition on assigned loans	-	(10.56)
Net gain on sale of units of mutual fund(s)	(0.48)	(0.36)
Liabilities no longer required written back	(0.23)	(0.19)
Net loss on disposal of PPE	0.16	0.45
Provision for employee benefits	0.05	(0.05)
Income on lease modification	(0.50)	-
Revaluation of non financial assets	(0.02)	0.08
Provision for impairment on financial assets	0.78	0.30
<b>Operating (loss) before working capital changes</b>	<b>(4.49)</b>	<b>(8.81)</b>
<b>Adjustments for working capital changes</b>		
- Trade receivable	0.03	(0.04)
- Other financial asset	0.35	(0.32)
- Other non-financial assets	0.20	0.18
- Loans (Financing and related activities)	(3.05)	30.15
- Trade payables	(0.15)	(0.37)
- Other financial liabilities	(3.25)	2.44
- Other non-financial liabilities	0.10	(0.43)
<b>Net cash (used in) /From operating activities</b>	<b>(10.26)</b>	<b>22.80</b>
Income received from financial Instruments	23.40	26.63
Interest paid on NCD	(5.25)	(1.80)
Income taxes paid (Net)	(3.48)	(2.54)
<b>Net cash from / (used in) operating activities</b>	<b>4.41</b>	<b>45.09</b>
<b>B. Cash flow from investing activities :</b>		
Payment for purchase of property, plant and equipments and Other intangible assets (including capital advances)	-	(1.56)
Proceeds from sale of PPE	0.02	0.08
Purchase of investments (net)	(17.63)	-
Gain on sale of mutual funds	0.48	0.36
<b>Net cash flow (used in)/from investing activities</b>	<b>(17.13)</b>	<b>(1.12)</b>
<b>C. Cash flow from financing activities :</b>		
Borrowing / (repayment) of loans (net)	-	(33.87)
Payment of lease liabilities	(0.09)	(0.53)
<b>Net cash flow (used in) / from financing activities</b>	<b>(0.09)</b>	<b>(34.40)</b>
<b>D. Net change in cash and cash equivalents (A+B+C)</b>	<b>(12.81)</b>	<b>9.57</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>13.60</b>	<b>4.03</b>
<b>F. Cash and cash equivalents at the end of the year (D+E)</b>	<b>0.79</b>	<b>13.60</b>
<b>G. Reconciliation of cash and cash equivalents as per cash flow statement :</b>		
Cash and cash equivalents (refer note 4)		
Cash on hand	-	-
Balances with banks:		
In current accounts	0.79	13.60
	<b>0.79</b>	<b>13.60</b>

Note:-

- Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement".
- Previous year figures have been regrouped/ reclassified wherever applicable.

Summary of significant accounting policies

The accompanying notes are an integral part of financial statements.

As per our report of even date

For Agarwal Prakash & Co.

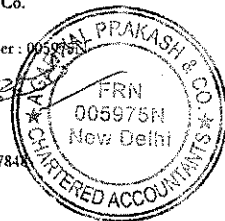
Chartered Accountants

Firm's Registration Number : 005975M

Vikas Agarwal

Partner

Membership Number: 09784



For and on behalf of the Board of Directors

Sunil Kumar Gupta  
Whole Time Director  
(DIN : 06797017)

Vijay Kumar Agrawal  
Whole Time Director &  
Chief Financial Officer  
(DIN : 08329352)

Place : Gurugram  
Date : 28 May 2022

Chandra Shekher Joshi  
Company Secretary

	As at 31 March 2022	As at 31 March 2021
<b>Note - 4</b>		
<b>Cash and cash equivalents</b>		
Balances with banks:		
In current accounts	0.79	13.60
	<u>0.79</u>	<u>13.60</u>
<b>Note - 5</b>		
<b>Trade receivables</b>		
Unsecured considered good	0.02	0.05
	<u>0.02</u>	<u>0.05</u>

Particulars	Outstanding for following periods from due date of payment				
	As at 31 March 2022	Less than 6 months	6 months - 1 year	1-2 year	Total
(i) Undisputed Trade receivables - considered good		0.02	-	0.00	0.02

Particulars	Outstanding for following periods from due date of payment				
	As at 31 March 2021	Less than 6 months	6 months - 1 year	1-2 year	Total
(i) Undisputed Trade receivables - considered good		0.05	-	-	0.05

<b>Note - 6</b>		
<b>Loans* (at amortized cost)</b>		
a) Term Loans (net of assignment)	172.30	169.26
Less : Allowances for credit risk	1.58	0.80
<b>Total (A) Net</b>	<u>170.72</u>	<u>168.46</u>
Secured by tangible assets	144.84	152.19
Unsecured	27.46	17.07
Less : Allowances for credit risk	1.58	0.80
<b>Total (B) Net</b>	<u>170.72</u>	<u>168.46</u>
<b>*All the loans are disbursed to India.</b>		
<b>Term loans (net of assignment)</b>		
Total term loans	218.15	236.18
Less : loans assigned	47.43	67.72
	<u>170.72</u>	<u>168.46</u>

b) Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

- c) Secured loans and other credit facilities given to customers are secured/partly secured by :
- Equitable mortgage of property and / or
  - Pledge of shares / debentures, units, other securities, assignment of life insurance policies and / or
  - Hypothecation of assets and / or
  - Company guarantees and / or
  - Personal guarantee and / or
  - Negative lien and / or undertaking to create a security.

d) The Company has assigned a pool of certain loans amounting to ₹ Nil. (Previous year ₹ 101.90 Cr.) by way of a direct assignment transactions. These loan assets have been de-recognized from the loan portfolio of the Company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. The Company continues to act as a servicer to the assignment transactions on behalf of assignee. In terms of the assignment agreements, the Company pays to assignee, on a monthly basis, the pro-rata collection amounts.

e) **Impairment allowance for loans and advances to customers :**

The company's manages credit by an Internal Rating Model. The model grades loans on a four-point grading scale, and incorporates both quantitative as well as qualitative information on the loans and the borrowers to analyze the credit behaviour. Some of the factors that the internal risk based model is calibrated to are following:

- Loan to value
- Type of collateral
- Cash-flow and income assessment of the borrower
- Interest and debt service cover
- Repayment track record of the borrower
- Vintage i.e. months on books and number of paid EMIs
- Project progress in case of project finance

In addition to information specific to the borrower and the performance of the loan, the model may also utilize supplemental external information that could affect the borrower's behaviour. The model is also calibrated to incorporate external inputs such as GDP growth rate, unemployment rate and factors specific to the sector/industry of the borrower.



The table below shows the credit quality and the maximum exposure to credit risk:

As at 31 March 2022

Risk categorization	Stage 1	Stage 2	Stage 3	Total
Very good	166.36	-	-	166.36
Good	0.49	0.97	-	1.46
Average	-	1.21	-	1.21
Non-performing provisioning as per IND-AS *	-	-	3.27	3.27
	166.85	2.18	3.27	172.30

\* NPA assets as per RBI - IRACP norms is ₹ 2.26 crores

As at 31 March 2021

Risk categorization	Stage 1	Stage 2	Stage 3	Total
Very good	160.55	-	-	160.55
Good	5.36	0.87	-	6.23
Average	-	1.67	-	1.67
Non-performing provisioning as per IND-AS *	-	-	0.81	0.81
	165.91	2.54	0.81	169.26

\* NPA assets as per RBI - IRACP norms is ₹ 0.39 Crs.

An analysis of changes in the ECL allowances in relation to loans & advances is, as follows

As at 31 March 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowances opening balance	0.24	0.05	0.51	0.80
ECL on assets added/provision created	0.03	-	-	0.03
Assets derecognized or repaid (including write offs/ written back)	(0.08)	0.01	0.82	0.75
Transfers from stage 1	0.28	(0.03)	(0.25)	-
ECL allowances closing balance	0.47	0.03	1.08	1.58

As at 31 March 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowances opening balance	0.49	0.01	0.01	0.51
ECL on assets added/provision created	0.39	0.01	-	0.40
Assets derecognized or repaid (including write offs/ written back)	(0.36)	0.01	0.24	(0.11)
Transfers from stage 1	(0.28)	0.02	0.26	-
ECL allowances closing balance	0.24	0.05	0.51	0.80

\* No transfer(s) from stage 2 and stage 3 in March 2022 and March 2021.

g) **Impairment assessment**

The Company's impairment assessment and measurement approach is set out in the notes below. It should be read in conjunction with the summary of significant accounting policies.

i) **Probability of default**

The Company considers a loans as defaulted and classifies it as Stage 3 (credit-impaired) for ECL calculations typically when the borrower becomes 90 days past due on contractual payments. The Company may also classify a loan in Stage 3 if there is significant deterioration in the loan collateral, deterioration in the financial condition of the borrower or an assessment that adverse market conditions may have a disproportionately detrimental effect on the loan repayment. Thus, as a part of the qualitative assessment of whether an instrument is in default, the company also considers a variety of instances that may indicate delay in or non-repayment of the loan. When such events occur, the company carefully considers whether the event should result in treating the borrower as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria are present. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade once the account is cured, and whether this indicates there has been a significant reduction in credit risk.

ii) **Internal rating model and PD Estimation process**

The company's internal rating and PD estimation process:

IBRITPL's Analytics Department has designed and operates its Internal Rating Model that factors in both quantitative as well as qualitative information on the loans and the borrowers. The model uses historical empirical data to arrive at factors that are indicative of future credit risk and segments the portfolio on the basis of combinations of these parameters into smaller homogenous portfolios from the perspective of credit behaviour. The PDs are computed for these homogenous portfolio segments. The PDs are also used for Ind-AS 109 ECL calculations and the Ind AS 109 Stage classification of the exposure. The Internal Rating Model is dynamic and is calibrated periodically; the choice of parameters and division into smaller homogenous portfolios is thus also dynamic.

iii) **Exposure at default**

The outstanding balance as at the reporting date is considered as EAD by the company. Considering that PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

iv) **Loss given default**

The Company uses peer data ( as co. has only one year of Portfolio seasoning) for identified homogenous pools for the purpose of calculating LGD. The estimated recovery cash flows are discounted such that the LGD calculation factors in the NPV of the recoveries.

v) **Significant increase in credit risk**



The internal rating model evaluates the loans on an ongoing basis. The rating model also assesses if there has been a significant increase in credit risk since the previously assigned risk grade. One key factor that indicates significant increase in credit risk is when contractual payments are more than 30 days past due.

**vi) Company's loans measured on a collective basis**

For Stage 3 loans ECL is calculated on an individual borrower basis.

For stages 1 and 2 the internal rating model analyzes historical empirical data, determines parameters that are indicative of future credit risk and segments the portfolio on the basis of a combination of these parameters into smaller homogeneous portfolios. The loss estimation for these pools is hence done on a collective basis. In addition to information specific to the borrower and the performance of the loan, the model may also utilize supplemental external information that could affect the borrower's behavior. The model is also calibrated to incorporate external inputs such as GDP growth rate, unemployment rate and factors specific to the sector/industry of the borrower.

**h) Inputs to the ECL model for forward looking economic scenarios**

The internal rating model also provides for calibration to reflect changes in macroeconomic parameters and industry specific factors.

**i) Collateral**

The company is in the business of extending secured loans mainly backed by mortgage of property (residential or commercial).

In addition to the above mentioned collateral, the Company holds other types of collateral and credit enhancements, such as cross-collateralization on other assets of the borrower, share pledge, guarantees of parent/holding companies, personal guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts etc.

In its normal course of business, the Company does not physically repossess properties or other assets, but recovery efforts are made on delinquent loans through on-rolls collection executives, along with legal means to recover due loan repayments. Once contractual loan repayments are more than 90 days past due, repossession of property may be initiated under the provisions of the SARFAESI Act 2002. Re-possessed property is disposed of in the manner prescribed in the SARFAESI act to recover outstanding debt.

The Company did not hold any financial instrument for which no loss allowance is recognized because of collateral at 31 March 2022.

**Note - 7**

**Investments\* (at fair value through profit or loss)**

Particulars	31 March 2022	31 March 2021
Mutual Funds	17.63	-
Equity Share- Held for trading	-	-
<b>Total gross</b>	<b>17.63</b>	<b>-</b>
Less : Impairment loss allowance	-	-
<b>Total Net</b>	<b>17.63</b>	<b>-</b>

\*All Investment made in India and Investment is recognized at book value or market value whichever is lower as per master direction of RBI.

**Note - 8**

**Other financial assets**

Excess Interest spread receivables*	6.57	10.27
Interest accrued but not due on loans	0.42	1.20
Security deposit	0.09	0.19
Advance against salary	0.20	0.40
	<b>7.28</b>	<b>12.06</b>

\* Under Ind AS, with respect to Assignment deals, Company has created an Excess Interest Spread (EIS) receivable, with corresponding credit to Statement of Profit and loss for the year, which has been computed by discounting EIS to the present value.

**Note - 9**

**Current tax assets**

TDS deducted at source	0.34	0.54
	<b>0.34</b>	<b>0.54</b>





INDIABULLS RURAL FINANCE PRIVATE LIMITED  
Notes to the financial statements for the year ended 31 March 2022

All amount in ₹

Note - 10

Property, plant and equipments and intangible assets

(a) Property, plant and equipments

Particulars	GROSS CARRYING VALUE(AT COST)			ACCUMULATED DEPRECIATION			NET CARRYING VALUE	
	As at 01 April 2021	Additions	Disposals/ Adjustments	As at 31 March 2022	As at 01 April 2021	Depreciation charge for the year	Disposals/ Adjustments	As at 31 March 2022
<b>Tangible Assets:</b>								
Freehold land*	0.05	-	0.02	0.07	-	-	-	0.07
Leasehold Improvements	0.97	-	(0.14)	0.83	0.18	0.09	(0.03)	0.59
Right of use assets - Office space	3.69	-	(3.69)	-	0.76	0.06	(0.82)	-
Furniture and fixtures	0.21	-	(0.04)	0.17	0.03	0.02	(0.01)	0.13
Computers	0.69	-	-	0.69	0.35	0.21	-	0.13
Office equipments	0.54	0.03	(0.10)	0.47	0.16	0.09	(0.03)	0.25
<b>Total</b>	<b>6.15</b>	<b>0.03</b>	<b>(3.95)</b>	<b>2.23</b>	<b>1.48</b>	<b>0.47</b>	<b>(0.89)</b>	<b>1.17</b>

\* Freehold land hypothecated for debt securities has been fair valued.

Particulars	GROSS CARRYING VALUE(AT COST)			ACCUMULATED DEPRECIATION			NET CARRYING VALUE	
	As at 01 April 2020	Additions	Disposals/ Adjustments	As at 31 March 2021	As at 01 April 2020	Depreciation charge for the year	Disposals/ Adjustments	As at 31 March 2021
<b>Tangible Assets:</b>								
Freehold land	-	0.13	(0.08)	0.05	-	-	-	0.05
Leasehold Improvements	1.28	-	(0.31)	0.97	0.09	0.12	(0.03)	0.79
Right of use assets - Office space	3.90	0.65	(0.86)	3.69	0.72	0.56	(0.52)	2.93
Furniture and fixtures	0.29	-	(0.08)	0.21	0.02	0.02	(0.01)	0.18
Computers	0.69	-	-	0.69	0.14	0.21	-	0.34
Office equipments	0.67	0.03	(0.16)	0.54	0.08	0.11	(0.03)	0.38
<b>Total</b>	<b>6.83</b>	<b>0.81</b>	<b>(1.49)</b>	<b>6.15</b>	<b>1.05</b>	<b>1.02</b>	<b>(0.59)</b>	<b>4.67</b>

(b) Other intangibles asset

Particulars	GROSS CARRYING VALUE			ACCUMULATED DEPRECIATION			NET CARRYING VALUE	
	As at 01 April 2021	Additions	Disposals/ Adjustments	As at 31 March 2022	As at 01 April 2021	Amortisation charge for the year	Disposals/ Adjustments	As at 31 March 2021
<b>Intangible Assets:</b>								
Computer softwares	4.49	-	(0.17)	4.32	1.21	1.10	(0.03)	2.28
<b>Total</b>	<b>4.49</b>	<b>-</b>	<b>(0.17)</b>	<b>4.32</b>	<b>1.21</b>	<b>1.10</b>	<b>(0.03)</b>	<b>3.28</b>

Particulars	GROSS CARRYING VALUE			ACCUMULATED DEPRECIATION			NET CARRYING VALUE	
	As at 01 April 2020	Additions	Disposals/ Adjustments	As at 31 March 2021	As at 01 April 2020	Amortisation charge for the year	Disposals/ Adjustments	As at 31 March 2020
<b>Intangible Assets:</b>								
Computer softwares	3.10	1.39	-	4.49	0.21	1.00	-	3.28
<b>Total</b>	<b>3.10</b>	<b>1.39</b>	<b>-</b>	<b>4.49</b>	<b>0.21</b>	<b>1.00</b>	<b>-</b>	<b>3.28</b>



Note - 11

Other non-financial assets

Prepaid expenses

Advance to vendors

Balances with statutory authorities

	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	0.17	0.25
Advance to vendors	0.03	0.02
Balances with statutory authorities	0.27	0.39
	<u>0.47</u>	<u>0.66</u>

Note - 12

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

	As at 31 March 2022	As at 31 March 2021
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	0.02	0.16
	<u>0.02</u>	<u>0.16</u>

Particulars	Outstanding for following periods from due date of payment					
	As at 31 March 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	0.01	0.01	-	-	-	0.02
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment					
	As at 31 March 2021	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	0.16	-	-	-	-	0.16
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

\* Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at :-

Particulars	31 March 2022	31 March 2021
a) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
b) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

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

Note - 13

Debt Securities (at amortized cost)

Non-convertible debentures

	31 March 2022	31 March 2021
Non-convertible debentures	49.75	49.56
	<u>49.75</u>	<u>49.56</u>

Terms of NCD

The Company has privately placed 10.50 % per annum secured, redeemable, Non-Convertible Debentures of the face value of ₹ 10,00,000 each, for cash aggregating to ₹ 50 crores which was listed on 07 July 2020. The NCD is repayable at the end of three years on 26 June 2023 and annual interest payment coupons is payable on 26 June every year.

The Debentures is secured by a first ranking pari passu charge on the current assets (including investments) of the Company, both present and future; and on present and future loan assets of the Company, including all monies receivable for the principal amount and interest thereon. The security cover will be at least one time of the outstanding book value of the NCDs at all times during the tenure of NCDs.

The transaction cost of NCD was included in initial recognition, and amount of borrowing is recognised as interest expense over the term of NCD using the effective interest rate method.

The company has not defaulted on any loans payable during the year.

Note - 14

Other financial Liabilities

Interest accrued but not due on loan assignments

Interest accrued but not due on NCD

Employee benefits payable

Due to assignees towards collections in derecognised assets

Other payables

	31 March 2022	31 March 2021
Interest accrued but not due on loan assignments	0.44	0.42
Interest accrued but not due on NCD	4.00	4.00
Employee benefits payable	0.04	0.41
Due to assignees towards collections in derecognised assets	1.37	4.32
Other payables	0.04	0.37
	<u>5.89</u>	<u>9.52</u>



Lease liabilities (Refer note- 29 (b))

	3.40
	<u>3.40</u>

Note - 15

Current tax liabilities

Provision for income tax

	1.81	2.17
	<u>1.81</u>	<u>2.17</u>

Note - 16

Provisions

Provision for employee benefits:

Compensated absences (Refer note- 27)

Gratuity (Refer note- 27)

	0.18	0.21
	0.16	0.13
	<u>0.34</u>	<u>0.34</u>

Note - 17

Income taxes

The Company had elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the company has recognized provision for Income Tax for the period and year ended 31 March 2022 and re-measured its deferred tax assets/liability basis the rate prescribed in the aforesaid section and recognized the effect of change by revising the annual effective income tax rate

The major components of income tax expense for the year ended 31 March 2022 and 31 March 2021 :

Profit or loss section

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax	3.06	2.04
Adjustment in respect of current income tax of prior years	(0.02)	(0.31)
Deferred tax	(1.01)	2.00
<b>Total tax charge</b>	<b>2.03</b>	<b>3.73</b>

Other comprehensive incomes

Deferred tax related to items recognised in OCI during the year:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Net gain on re-measurements of defined benefit plans	0.03	0.20
Income tax charged to OCI	(0.01)	(0.05)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2022:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Accounting profit before tax from continuing operations	7.38	15.55
Tax at statutory income tax rate of 25.17%	1.86	3.92
Effect of non- deductible expenses	0.16	-
Effect of tax exempt income	0.04	0.13
Effect of previous year tax adjustments	(0.03)	(0.32)
Tax at effective Income Tax rate of 23.98%(Previous year 23.98%)	2.03	3.73
Tax on Other comprehensive income	0.01	0.05
<b>Total tax expenses at effective tax rate of 24.30% (Previous year 24.30%)</b>	<b>2.04</b>	<b>3.78</b>



**Deferred Tax liabilities / (assets)**

Particulars	As at	
	31 March 2022	31 March 2021
<b>Deferred tax liabilities</b>		
Upfront recognition of EIS income on loan assignment	(1.65)	(2.58)
Depreciation and amortisation differences	(0.03)	(0.28)
Lease liabilities differences	-	(0.19)
Non-convertible debentures transaction costs	-	(0.11)
<b>Gross deferred tax liabilities</b>	<b>(1.68)</b>	<b>(3.16)</b>
<b>Deferred tax assets</b>		
Allowances for credit risks	0.40	0.29
Unamortized loan origination income, (net)	0.03	0.40
Provision for gratuity and compensated absences	0.09	0.13
Right of use assets differences	-	0.32
Non-convertible debentures transaction costs	0.06	
<b>Gross deferred tax assets</b>	<b>0.58</b>	<b>1.05</b>
<b>Net Deferred tax liabilities</b>	<b>(1.10)</b>	<b>(2.11)</b>

**Deferred Tax charged to statement of profit and loss account**

Particulars	31 March 2022	31 March 2021
Upfront recognition of EIS income on loan assignment	0.93	(1.86)
Allowances for credit risks	0.19	0.07
Unamortized loan origination income, (net)	(0.36)	(0.06)
Provision for gratuity and compensated absences	(0.04)	(0.02)
Depreciation and amortisation differences	0.25	(0.12)
Right of use assets differences	(0.32)	0.14
Lease liabilities differences	0.19	(0.05)
Non-convertible debentures transaction costs	0.17	(0.11)
<b>Deferred Tax credited / charged to statement of profit and loss account</b>	<b>1.01</b>	<b>(2.00)</b>

**Note - 18**

**Other non-financial liabilities**

Statutory dues payable	0.05	0.09
Others	0.21	0.04
	<b>0.26</b>	<b>0.13</b>

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INDIABULLS RURAL FINANCE PRIVATE LIMITED  
Notes to the financial statements for the year ended 31 March 2022

All amount in Cr

Note - 19 Equity share capital Details of authorized, issued, subscribed and paid up share capital	As at	As at
	31 March 2022	31 March 2021
(a) Authorized share capital 45000000 (31 March 2021 : 45000000) Equity shares of face value ₹ 10 each	45.00	45.00
	<b>45.00</b>	<b>45.00</b>
(b) Issued & Subscribed equity share capital 41797400 (31 March 2021: 41797400) Equity Shares of face value ₹ 10 each	41.80	41.80
	<b>41.80</b>	<b>41.80</b>

(c) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to receive dividends as declared from time to time and 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.

There are no shares allotted as fully paid-up by way of bonus shares or allotted as fully paid-up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

There are no securities which are convertible into equity shares.

(d) The reconciliation of equity shares outstanding at the beginning and at the end of the reporting period.

Particulars	Nos.	Amount
Equity share as at 01 April 2020	41797400	41.80
Add : Issued during the year	-	-
Equity share as at 31 March 2021	41797400	41.80
Add : Issued during the year	-	-
Equity share as at 31 March 2022	41797400	41.80

(e) Details of promoter shareholders holding

Name of promoter shareholder	31 March 2022		31 March 2021	
	No.s of shares	% of holding	No.s of shares	% of holding
SORIL Infra Resources Limited	41797400	100.00%	41797400	100.00%

Note - 20

Share premium and other equity

Refer statement of changes in equity for detailed movement in equity balance.

Particulars	31 March 2022	31 March 2021
Refer statement of changes in equity for detailed movement in equity balance.		
Securities premium	74.83	74.83
Special reserve u/s 451C	5.05	3.98
Impairment reserve	0.04	0.04
Retained earnings	19.40	15.13
Other Comprehensive Income	0.17	0.15
	<b>99.49</b>	<b>94.13</b>

The description of the nature and purpose of each reserve within equity is as follows:

(a) Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

(b) Special reserve u/s 451C

Special reserve as per section 451C of Reserve Bank of India Act, 1934, every non-banking financial company shall create a reserve fund, the transfer therein a sum not less than 20% of its net profit every year as disclosed in the profit & loss account before any dividend is declared.

(c) Impairment reserve

As per RBI circular no. RBI/2019-20/170, DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 the company has created impairment reserve for excess of provision between IRACP and ECL.

(d) Retained earning

Retained earnings are created from the profit/loss of the Group, as adjusted for distributions to owners, transfers to other reserves etc.



Note - 21

Interest income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest on loans at amortised cost	18.90	22.49
<b>Total</b>	<b>18.90</b>	<b>22.49</b>

\*Refer note- 31 for related party transactions

Note - 22

Fees

Loan processing and other fee	0.47	1.73
Service fee on assigned loans	0.10	0.14
<b>Total</b>	<b>0.57</b>	<b>1.87</b>

Note - 23

Net gain on derecognition on financial instruments under amortised cost category

Income on assigned loans	-	10.56
<b>Total</b>	<b>-</b>	<b>10.56</b>

Note - 24

Other income

Net gain on sale of units of mutual fund(s)	0.48	0.36
Provisions and liabilities no longer required written back	0.25	0.19
Lease reversal and modification	0.50	-
Income against unclaimed refund amount	0.29	-
Revaluation profit on freehold land	0.02	-
Miscellaneous income	-	0.02
<b>Total</b>	<b>1.54</b>	<b>0.57</b>

Note - 25

Finance Costs

(on financial liabilities measured at amortised cost)

Interest on borrowings*	-	1.80
Accrued interest (not due) on NCD	5.43	4.13
Interest on lease liabilities (Refer note- 29) **	-	0.33
Other interest expenses	0.30	0.20
<b>Total</b>	<b>5.73</b>	<b>6.46</b>

\*Refer note- 31 for related party transactions

\*\*Subsequent to introduction of Ind AS 116 Leases, the Company had recognised Long-term leases as ROU Assets and created lease obligation representing present value of future minimum lease payments. The unwinding of such obligation is recognised as interest expense.

Note - 26

Impairment on financial instruments

(on financial assets measured at amortized costs)

Allowances for credit risks (Refer note- 6)	0.78	0.30
<b>Total</b>	<b>0.78</b>	<b>0.30</b>

Note - 27

Employee benefits expense

Salaries and wages	4.17	8.80
Contribution to provident fund and other funds	0.11	0.13
Staff welfare expenses	0.10	0.04
Gratuity	0.07	0.09
<b>Total</b>	<b>4.45</b>	<b>9.06</b>



1) Employee benefits -retiral

(i) Post retirement defined contribution plan

Provident fund

Contributions are made to Government Provident Fund and Family Pension Fund, ESIC and other statutory funds which cover all eligible employees under applicable Acts. Both the employees and the Company make predetermined contributions to the Provident Fund and ESIC. The contributions are normally based on a certain proportion of the employee's salary.

During the year, the Company has recognized the expense in the statement of profit and loss in respect of following contributions:

Particulars	31 March 2022	31 March 2021
<b>Contributions made to:</b>		
Employees' provident fund organisation	0.01	0.03
Employees' state insurance corporation	-	0.02
Employees' national pension scheme	0.10	0.08
<b>Total</b>	<b>0.11</b>	<b>0.13</b>

(ii) Post retirement defined benefit obligation

The Company has the following defined benefit plans:

- Gratuity (unfunded)
- Compensated absences (unfunded)

Provision for unfunded Gratuity and Compensated Absences for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Pursuant to the issuance of the Indian Accounting Standard (Ind AS) 19 on 'Employee Benefits', commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

Disclosure in respect of Gratuity, Compensated Absences as per actuarial valuation:

Particulars	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2021-22	2020-21	2021-22	2020-21
<b>i) Amount recognised in balance sheet</b>				
Present value of commitments (as per actuarial valuation)	0.16	0.13	0.18	0.21
Fair value of plan assets	-	-	-	-
<b>Net liabilities in the Balance sheet</b>	<b>0.16</b>	<b>0.13</b>	<b>0.18</b>	<b>0.21</b>
<b>Movement in net liabilities recognised in the Balance Sheet:</b>				
Net liabilities as at the beginning of the year	0.13	0.23	0.21	0.36
Amount (paid) during the year/transfer adjustment	-	-	-	-
Net expenses recognised in the statement of profit and loss	0.07	0.09	(0.03)	(0.15)
Actuarial (gains)	(0.04)	(0.19)	-	-
<b>Net liabilities as at the end of the year</b>	<b>0.16</b>	<b>0.13</b>	<b>0.18</b>	<b>0.21</b>
<b>ii) Amount recognised in the Profit and Loss</b>				
Current service cost	0.06	0.08	0.07	0.13
Interest cost	0.01	0.01	0.01	0.02
Actuarial (gains)	-	-	(0.11)	(0.30)
Expected return on plan assets	NA	NA	NA	NA
<b>Expenses charged / (reversal)</b>	<b>0.07</b>	<b>0.09</b>	<b>(0.03)</b>	<b>(0.15)</b>
<b>Amount recognised in the other comprehensive income</b>				
Actuarial gain/(loss) recognised during the year	(0.04)	(0.19)	-	-
<b>iii) Present value of Defined benefit obligations:</b>				
obligation as at the beginning of the year	0.13	0.23	0.21	0.36
Current service cost	0.06	0.08	0.07	0.13
Interest cost	0.01	0.01	0.01	0.02
(Paid benefits)	-	-	-	-
Actuarial (gains)	(0.04)	(0.19)	(0.11)	(0.30)
<b>Present value of the obligation as at the end of the year</b>	<b>0.16</b>	<b>0.13</b>	<b>0.18</b>	<b>0.21</b>
<b>Reconciliation of plan assets</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>



iv) Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

**Gratuity - Impact of the change in discount rate**

Assumptions	31 March 2022		31 March 2021	
	Discount rate			
Sensitivity Level	0.50% increase	0.50% increase	0.50% increase	0.50% decrease
Impact on defined benefit obligation	(0.01)	0.01	(0.01)	0.01

**Gratuity - Impact of the change in salary increase**

Assumptions	31 March 2022		31 March 2021	
	Expected rate of salary increase			
Sensitivity Level	0.50% increase	0.50% increase	0.50% increase	0.50% decrease
Impact on defined benefit obligation	0.01	(0.01)	0.01	(0.01)

**Leave Encashment - Impact of the change in discount rate**

Assumptions	31 March 2022		31 March 2021	
	Discount rate			
Sensitivity Level	0.50% increase	0.50% increase	0.50% increase	0.50% decrease
Impact on defined benefit obligation	(0.01)	0.01	(0.02)	0.02

**Leave Encashment - Impact of the change in salary increase**

Assumptions	31 March 2022		31 March 2021	
	Expected rate of salary increase			
Sensitivity Level	0.50% increase	0.50% increase	0.50% increase	0.50% decrease
Impact on defined benefit obligation	0.01	(0.01)	0.02	(0.02)

v) Actuarial assumptions and expected cash flows:

The actuarial calculations used to estimate obligation and expenses in respect of unfunded Gratuity, Compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expenses:

Particulars	Gratuity		Compensated Absences	
	(Unfunded)		(Unfunded)	
	2021-22	2020-21	2021-22	2020-21
Discount rate	6.79%	6.79%	6.79%	6.79%
Expected return on plan assets	N.A	N.A	N.A	N.A
Expected rate of salary increase	5.50%	5.50%	5.50%	5.50%
Mortality	100 % of IALM (2012 - 14)	100 % of IALM (2012 - 14)	100 % of IALM (2012 - 14)	100 % of IALM (2012 - 14)

The following payments are expected contributions to the defined benefit plan in future years:

Expected payment for future years	Gratuity		Compensated Absences	
	(Unfunded)		(Unfunded)	
	2021-22	2020-21	2021-22	2020-21
Within the next 12 months (next annual reporting period)	-	-	-	-
Between 1 and 2 years	-	-	-	-
Between 2 and 5 years	0.01	-	0.01	0.01
Beyond 5 years	0.15	0.12	0.17	0.19
<b>Total expected payments</b>	<b>0.16</b>	<b>0.12</b>	<b>0.18</b>	<b>0.20</b>

vi) New Code on Social Security, 2020

Code on Social Security, 2020('Code') has been notified in the Official Gazette of India on 29 September 2020, which could impact the contributions of the Company towards certain employment benefits. Effective date from which changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of change will be assessed and accounted for in the period of notification of relevant provisions.





**Note - 28**

**Other expenses**

IT Expenses	0.39	0.49
Loss on disposal of property, plant and equipments	0.16	0.45
Office maintenance expenses	0.15	0.40
Communication costs	0.05	0.14
Legal and professional charges	0.07	0.11
Advertisement and publicity	-	0.08
Auditor's remuneration (Refer note (i) below)	0.03	0.03
Insurance	0.02	0.06
Corporate social responsibility (Refer Note (ii) below)	0.18	0.07
Other expenditure	0.08	0.27
	<b>1.13</b>	<b>2.10</b>

**(i) Details of Auditor's remuneration**

**Auditor's remuneration**

Audit fees	0.03	0.03
Reimbursement of expenses	-	-
	<b>0.03</b>	<b>0.03</b>

**(ii) Details of Corporate social responsibility expenses**

Gross amount required to be spent by the company during the year is ₹ 0.18 Crores (31 March 2021: 0.07 Crores). This amount is paid to approved CSR trust.

Amount required to be spent by the Company during the year	0.18	0.07
Amount Contributed during the year	0.18	0.07
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for Shortfall	Not Applicable	
Nature of CSR Activities	Medicine distribution and health care programme	
Detail of related party transactions	Nil	

In pursuance to the amendment in the Companies (Corporate Social Responsibility Policy) Rules, 2014 dated 22.01.2021, the Corporate Social Responsibility Committee of the Board and the Board of Directors passed respective resolutions to spend the amount of Rs. 17,50,170/- (2% of average net profits of the Company for F.Y. 2021-22) on medicine distribution and health care programme having a duration of 1 + 2 years through an independent implementing agency. The contract was awarded as well as the entire amount was remitted to the implementing agency during the year.

**Note - 29**

**Leasing arrangements**

The Company has leases for office space. With the exception of short-term leases and some of the leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

**(i) Reconciliation of carrying value of right of use assets at the end of the reporting period.**

**(ii) Reconciliation of lease liability at the end of the reporting period**

Particulars	31 March 2022	31 March 2021
Balance as at beginning of the year	3.40	3.29
Addition during the year	-	0.65
Deletion during the year	3.31	0.34
Interest on lease liabilities	0.00	0.33
Repayment of lease liabilities	0.09	0.53
Balance as at end of the year	<b>0.00</b>	<b>3.40</b>

**Maturity of lease liabilities**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

31 March 2022	Lease payments	Interest expense	Net Present values
Within 1 year	-	-	-
1-2 years	-	-	-
2-5 years	-	-	-
More than 5 years	-	-	-
<b>Total</b>	-	-	-

31 March 2021	Lease payments	Interest expense	Net Present values
Within 1 year	0.56	0.30	0.26
1-2 years	0.62	0.27	0.35
2-5 years	1.97	0.59	1.38
More than 5 years	1.55	0.15	1.41
<b>Total</b>	<b>4.70</b>	<b>1.30</b>	<b>3.40</b>



iii) Rental expense not included in the measurement of the lease liability is as follows:

Particulars	31 March 2022	31 March 2021
Interest on lease liabilities	0.00	0.33
Depreciation charged for the year	0.06	0.56
Expenses relating to short term lease and low-value assets (includes in rent expenses)	(0.01)	-
Net present value of security deposits on lease recognised as other income	0.00	0.02
<b>Total</b>	<b>0.05</b>	<b>0.87</b>

iv. Amounts recognised in statement of cash flows

Particulars	31 March 2022	31 March 2021
Total cash outflow for Lease as per Ind AS 116	0.09	0.53

Note - 30

Segment Reporting

The company's main business is financing by way of loans to MSMEs and Rural Housing Finance majorly from the Tier-II and Tier-III cities. All other activities of the Company revolve around the main business. Accordingly, there are no separate reportable segments as per "Ind AS" 108 dealing with operating segment.

Note - 31

Disclosures in respect of Related Parties as per Indian Accounting Standard (IndAS) – 24 'Related Party Disclosures'.

a) Name and Nature of relationship with related parties

Relationship	Name of related parties
(i) Related party exercising control:	
Holding Company	SORIL Infra Resources Limited
Follow Subsidiary Holding Company	Store One Infra Resources Limited
(ii) Key Management Personnel	Mr.Sunil Kumar Gupta, Whole Time Director (from 10 November 2020)
* With whom transactions entered during the year (significant transaction)	

b) Summary of significant transactions with related parties:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Transaction with related parties:</b>		
<b>Interest Incomes</b>		
SORIL Infra Resources Limited	9.67	1.64
Store One Infra Resources Limited	0.02	-
	<b>9.69</b>	<b>1.64</b>
<b>Finance costs</b>		
SORIL Infra Resources Limited	-	1.80
<b>Reimbursement of expenses, net</b>		
SORIL Infra Resources Limited	0.05	0.02
<b>Repayment against borrowings</b>		
SORIL Infra Resources Limited	-	83.30
<b>Loan given</b>		
SORIL Infra Resources Limited#	69.35	47.24
Store One Infra Resources Limited \$	5.25	-
	<b>74.60</b>	<b>47.24</b>
<b>Loan repaid</b>		
SORIL Infra Resources Limited	2.05	4.50
<b>Remuneration paid</b>		
Mr.Sunil Kumar Gupta, Whole Time Director	2.52	1.13
<b>Advance against salary</b>		
Mr.Sunil Kumar Gupta, Whole Time Director	0.20	0.40

# The loan is about 63.86 % of the total loans

\$ the loan is about 3.05 % of the total loans

Maximum outstanding balance with related parties :

Borrowings	31 March 2022	31 March 2021
SORIL Infra Resources Limited	-	83.30
<b>Loan given</b>		
SORIL Infra Resources Limited	110.04	42.74
Store One Infra Resources Limited	5.25	-

Balances outstanding with related parties :

Loan given	31 March 2022	31 March 2021
SORIL Infra Resources Limited	110.04	42.74
Store One Infra Resources Limited	5.25	-



**Note - 32**

**Earning per equity share**

Earnings per equity share (EPS) as per Indian Accounting Standard (IndAS)-33 "Earnings per share (Refer note -3.12)

Particulars	Year ended	Year ended
	31 March 2022	31 March 2021
<b>Following reflects the profit and share data used in EPS computations:</b>		
<b>Basic</b>		
Weighted average number of equity shares for computation of Basic EPS	4,17,97,400	41797400
Net profit for calculation of basic EPS	5.34	11.82
Basic earning per share (In ₹)	1.28	2.83
<b>Diluted</b>		
Weighted average number of equity shares for computation of Diluted EPS	41797400	41797400
Net profit for calculation of Diluted EPS	5.34	11.82
Diluted earning per share (In ₹)	1.28	2.83
Nominal value of equity shares (In ₹)	10	10

**Note - 33**

**Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Statement of Cash flows**

Effective 01 April 2017, the company adopted the amendment to Ind AS-7, which require the entities to provide disclosure that enable users of financial statements to evaluate change in financial liabilities arising from financing activities including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities to meet the disclosure requirement. The adoption of amendment did not have any impact on the financial statements.

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

**31 March 2022**

Particulars	Debt Securities	Borrowing (other	Total
	(Non convertible debentures)	than debt securities)	
Opening balance	49.43	-	49.43
Proceeds from current/ non-current borrowings (including current maturities)	-	-	-
Expenditure on issue of debt securities	-	-	-
Repayment of current/ non-current borrowings (including current maturities)	-	-	-
Closing balance	49.43	-	49.43

**31 March 2021**

Particulars	Debt Securities	Borrowing (other	Total
	(Non convertible debentures)	than debt securities)	
Opening balance	-	83.30	83.30
Proceeds from current/ non-current borrowings (including current maturities)	50.00	-	50.00
Expenditure on issue of debt securities	(0.57)	-	(0.57)
Repayment of current/ non-current borrowings (including current maturities)	-	(83.30)	(83.30)
Closing balance	49.43	-	49.43

Particulars	Lease liability	
	31 March 2022	31 March 2021
Opening balance	3.40	3.29
Addition on account of new leases during the year (Refer note 29)	-	0.65
Deletion on account of closed branches	(3.31)	(0.34)
Interest expense	0.00	0.33
Principal payment	(0.09)	(0.20)
Interest paid	(0.00)	(0.33)
Closing balance	0.00	3.40

\*These pertain to non- cash adjustments made during the year

**Note - 34**

**Financial instruments-accounting classification and fair value measurement**

**A Fair value measurements**

**(i) Valuation principles**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction, in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

**(ii) Valuation governance**

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product, initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions. The responsibility of ongoing measurement resides with the business and product line divisions.



(ii) **Fair value hierarchy :**

The Company uses the hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole.

Financial assets and financial liabilities are measured at fair value as at the Balance Sheet date and classified of fair value by category Level 1 - 3 as applicable.

**Valuation techniques**

**Mutual fund**

Open ended mutual funds are valued at NAV declared by respective fund house as on the balance sheet date and are classified under Level 1.

**B Classification of Financial Assets and Financial Liabilities**

**Financial instruments by category**

Particulars	At amortised cost	
	31 March 2022	31 March 2021
<b>Financial assets</b>		
Cash and cash equivalents	0.79	13.60
Trade receivables	0.02	0.05
Loans	170.72	168.46
Investments	17.63	-
Other financial assets	7.28	12.06
<b>Total financial assets</b>	<b>196.44</b>	<b>194.17</b>
<b>Financial liabilities</b>		
Trade payables	0.02	0.16
Debt securities	49.75	49.56
Other financial liabilities (including lease liability)	5.89	12.92
<b>Total financial liabilities</b>	<b>55.66</b>	<b>62.64</b>

The management has assessed that the carrying value of financial assets and financial liabilities measured at amortised costs (cash and cash equivalents, other bank balances, trade receivables, other financial assets, trade payables, lease liabilities and other financial liabilities) represents the best estimate of fair value largely due to the short term nature of these instruments.

**C Income, Expenses, Gains or Losses on Financial Instruments**

**Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Statement of Profit and Loss are as follows:**

Particulars	31 March 2022	31 March 2021
<b>Financial assets measured at amortised cost</b>		
Interest income	(18.90)	(22.49)
Net gain on derecognition on financial instruments	-	(10.56)
Service fee on pool loans	(0.10)	(0.14)
Processing Fee	(0.47)	(1.73)
Net gain on sale of units of mutual fund(s)	(0.48)	(0.36)
Income on lease modification as per IndAS 116	(0.50)	(0.02)
<b>Allowance for financial assets</b>		
-Loans	0.78	0.30
<b>Financial assets measured at fair value through profit or loss</b>		
Dividend Income on units of mutual fund(s)	-	-
<b>Financial liabilities measured at amortised cost</b>		
Interest on borrowings	5.43	5.93
Interest on lease liabilities	-	0.33
<b>Net gain recognised in the Statement of Profit and Loss</b>	<b>(14.24)</b>	<b>(28.74)</b>

**Note - 35**

**Transfer of financial assets**

**Assignment Deals**

During the period ended 31 March 2021, the Company has sold some loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition on financial assets.

Loans and advances measured at amortised cost	Year ended	Year ended
	31 March 2022	31 March 2021
Carrying value of derecognised financial assets	47.43	67.72
Gain on derecognition on financial assets	-	10.56



**Note - 36****Capital**

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI) of India. The adequacy of the company capital is monitored using, among other measures, the regulations issued by RBI.

Company has complied in full with all its externally imposed capital requirements over the reported period

**Capital Management**

The companies's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital. For the purposes of the Companies's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

The table below summarises the capital, net debt and net debt to equity ratio of the Company:

Particulars	As at	As at
	31 March 2022	31 March 2021
<b>Gross Debt</b>	49.75	49.56
Less: Cash and cash equivalents	(0.79)	(13.60)
<b>Net debt</b>	48.96	35.96
<b>Total equity</b>	141.29	135.93
<b>Net debt to equity ratio</b>	0.35	0.26
Reason for variance of 31%: Lower profitability		

**Note - 37****Regulatory Capital**

Particulars	As at	As at
	31 March 2022	31 March 2021
Tier 1 - Capital	34.78	102.36
Tier 2 - Capital	5.05	3.98
	39.83	106.34
<b>Risk weightage assets</b>	198.87	175.09
Tier 1 capital adequacy ratio (%)	17.49%	58.46%
Tier 2 capital adequacy ratio (%)	2.54%	2.27%
<b>Total Capital adequacy ratio (%)</b>	20.03%	60.73%
Reason for variance of -67.02% Change in asset profile		

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings, including current year Loss. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments, which includes reserve fund u/s 45 IC of RBI Act. and impairment reserve.



Note - 38

**Liquidity Coverage Ratio(LCR)**

Particulars	As at	As at
	31 March 2022	31 March 2021
High Quality Liquid Assets (HQLA)	18.42	13.60
Total Net Cash Flow over the next 30 calendar Days	0.00	0.00
Liquidity Coverage Ratio (%)= HQLA/ Net cash outflows over the next 30 days	-	-
There is net positive cash inflow on the reporting dates.		

Note - 39

**Financial risk management**

The Companies financial risk management is an integral part of how to plan and execute its business strategies. The Companies risk management policy is set by the Board to achieve robust risk management framework to identify, monitor, mitigate and minimise risks arising from financial instruments. The Companies primary focus is to foresee the unpredictability of financial markets and seek to minimise the potential adverse effects on its financial performance. A summary of the risks have been given below:

The Companies principal financial liabilities comprise of borrowings, trade and other financial liabilities. The main purpose of these financial liabilities is to finance the companies operations. The companies principal financial assets include loans, trade receivables, investments, cash and cash equivalents, other bank balances and other financial assets that arise directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk.

**a) Liquidity risk**

Liquidity risk is the potential for loss to an entity arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable cost or losses.

The Company manages liquidity risk by maintaining sufficient cash and investment in mutual funds and by having access to funding through an adequate amount of committed credit line. Given the need to fund diverse businesses, the Company maintains flexibility in funding by maintaining availability under committed credit line to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

**Maturities analyses of assets and liabilities**

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

31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Contractual maturities of financial liability</b>					
Debt securities	-	49.75	-	-	49.75
Trade payable	0.02	-	-	-	0.02
Other financial liabilities	5.89	-	-	-	5.89
<b>Total</b>	<b>5.91</b>	<b>49.75</b>	<b>-</b>	<b>-</b>	<b>55.66</b>

31 March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Contractual maturities of financial liability</b>					
Debt securities	-	-	-	49.56	49.56
Trade payable	0.17	-	-	-	0.17
Other financial liabilities	9.78	0.34	0.39	2.40	12.91
<b>Total</b>	<b>9.95</b>	<b>0.34</b>	<b>0.39</b>	<b>51.96</b>	<b>62.64</b>

**b) Credit Risk**

Credit Risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the company. Company's Credit Risk Management framework is categorized into following main components:

- Board and senior management oversight
- Organization structure
- Systems and procedures for identification, acceptance, measurement, monitoring and controlling risks.

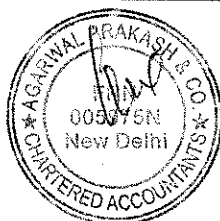
It is the overall responsibility of the board appointed Risk Management Committee to approve the Company's credit risk strategy and lending policies relating to credit risk and its management. The policies are based on the Company's overall business strategy and the same is reviewed periodically.

The Board of Directors constituted Risk Management Committee keeps an active watch on emerging risks the Company is exposed to. The Risk Management Committee defines loan sanctioning authorities, including process of vetting by credit committees for various types/values of loans. The RMC approves credit policies, reviews regulatory requirements, and also periodically reviews large ticket loans and overdue accounts from this pool.

The Risk Management Committee approves the 'Credit Authority Matrix' that defines the credit approval hierarchy and the approving authority for each group of approving managers/ committees in the hierarchy.

To maintain credit discipline and to enunciate credit risk management and control process there is a separate Risk Management department independent of loan origination function. The Risk Management department performs the function of Credit policy formulation, credit limit setting, monitoring of credit exceptions / exposures and review / monitoring of documentation.

Particulars	31 March 2022	31 March 2021
Housing loan	33.25	27.51
Loan against property	139.05	141.75
	<b>172.30</b>	<b>169.26</b>



The following table shows the risk concentration of financial assets:  
31 March 2022

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of expected credit loss
Cash and cash equivalents	0.79	-	0.79
Receivables	0.02	-	0.02
Loans	172.30	1.58	170.72
Investments	17.63	-	17.63
Security deposit	0.09	-	0.09
Other financial assets	7.19	-	7.19

31 March 2021

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of expected credit loss
Cash and cash equivalents	13.60	-	13.60
Receivables	0.05	-	0.05
Loans	169.26	0.80	168.46
Investments	-	-	-
Security deposit	0.09	-	0.09
Other financial assets	11.97	-	11.97

(c) Market Risk

Market Risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to Market Risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Company's exposure to market risk is primarily on account of interest rate risk.

Interest Risk

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. The Company's lending & funding activities give rise to interest rate risk. The immediate impact of variation in interest rate is on the Company's net interest income, while a long term impact is on the Company's net worth since the economic value of the assets, liabilities and off-balance sheet exposures are affected. While assessing interest rate risks, signals given to the market by RBI and government departments from time to time and the financial industry's reaction to them shall be continuously monitored.

Interest Rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

Particulars	Basis Points	Effect on Profit/loss and Equity for the year 2021-22	Effect on Profit/loss and Equity for the year 2020-21
<b>Borrowings</b>			
Increase in basis points	+0.25%	0.12	0.12
Decrease in basis points	-0.25%	(0.12)	(0.12)
<b>Advances</b>			
Increase in basis points	+0.25%	0.43	0.42
Decrease in basis points	-0.25%	(0.43)	(0.42)
<b>Investments</b>			
Increase in basis points	+0.25%	0.04	-
Decrease in basis points	-0.25%	(0.04)	-



**Operational Risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities.

Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

**Foreign Currency Risk**

The Company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the company.

**Impact of COVID**

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended 31 March 2022 and has concluded that the impact is primarily on the operational aspects of the business and has considered the possible impact in preparing the financial results including the recoverable value of its assets and its liquidity position based on internal and external information upto the date of the approval of these financial results.





Note - 40

Commitments and Contingent liabilities

Commitments

- a) Estimated amount of Loans (Assets) undrawn as at year end is Nil. (Previous year: Nil).  
b) Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹ 0.00 Cr. (31 March 2021: ₹ 0.00 Cr).

Contingent liabilities:

- a) Contingent liabilities in respect of legal claims is Rs 0.23 crores as at balance sheet date (Previous year: Nil).  
b) Company did not have any long term contracts including derivative contracts at the end of reporting date.

Note - 41

Asset liability management

Maturity pattern of certain items of asset & liabilities

For the financial year 2021-2022

Particulars	Liabilities	Assets
	Market Borrowings	Advances*
1 day 30 to 31 days (One month)**	-	1.17
Over One months to 2 months	-	1.15
Over 2 months upto 3 months	-	1.14
Over 3 months to 6 months	-	3.26
Over 6 months to 1 year	-	120.92
Over 1 year to 3 year	49.75	17.59
Over 3 year to 5 year	-	11.34
Over 5 year	-	15.74
Total	49.75	172.30

\* Advances does not include cash & bank balances and other receivables

Note - 42

Additional disclosures required in the annual financial statements as per the RBI Master Direction DNBR. PD. 007/03.10. 11 9/2016-17 dated 01 September 2016.

- (i) The Company has following registrations effective as on 31 March 2021:

Issuing Authority	Registration No. If any	Date of Registration	Valid upto	Registered as
Reserve bank of India	B-13.01706	05.02.2004	NA	NBFC

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- (ii) Template for Disclosure in notes to financial statements as per circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20:

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
-1	-2	-3	-4	(5)=(3)-(4)	-6	(7)=(4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	166.85	0.47	166.38	0.42	0.05
	Stage 2	2.18	0.02	2.16	0.01	0.01
<b>Subtotal</b>		<b>169.03</b>	<b>0.49</b>	<b>168.54</b>	<b>0.43</b>	<b>0.06</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	3.27	1.09	2.18	0.27	0.81
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>		<b>3.27</b>	<b>1.09</b>	<b>2.18</b>	<b>0.27</b>	<b>0.81</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	Stage 1	166.85	0.47	166.38	0.42	0.05
	Stage 2	2.18	0.02	2.16	0.01	0.01
	Stage 3	3.27	1.09	2.18	0.27	0.81
	<b>Total</b>	<b>172.30</b>	<b>1.58</b>	<b>170.72</b>	<b>0.71</b>	<b>0.87</b>

- (iii) No drawdown of reserves made during current year (Previous year Nil)
- (iv) The disclosure of the Concentration of Deposits taken is not applicable since the Company is not in the business of accepting deposits being a Systematically Important Non Deposit Accepting NBFC.

**Note - 43**

Note in accordance with RBI circular no. RBI/2019-20/88 DOR NBFC (PD) CC No. 102/03.10.001/2019-20 dated 04 November 2019 on liquidity risk management framework for Non-Banking financial companies.

- (i) Funding concentration based on significant counterparty - borrowing

Significant Counterparties	31 March 2022	% of Total Liabilities	31 March 2021	% of Total Liabilities
SORIL Infra Resources Limited (holding Company)	-	100%	-	100%

- (ii) Top 10 borrowings (amount in ₹ crore and % of total borrowings)

Significant Counterparties	31 March 2022	% of Total Liabilities	31 March 2021	% of Total Liabilities
SORIL Infra Resources Limited (holding Company)	-	100%	-	100%

- (iii) Funding concentration based on significant instrument/product

Name of the instrument/product	31 March 2022	% of Total Loans	31 March 2021	% of Total Loans
Unsecured loan from holding company	-	100%	-	100%

- (iv) Institutional set-up for liquidity risk management

The Company's board of directors has overall responsibility of management of liquidity risk.

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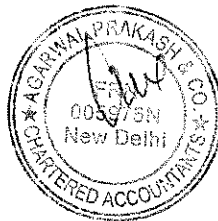


Note - 44

Information as required in terms of Paragraph 13 of the RBI Master Direction - Non-Banking financial company - Non-systemically Important Non - deposit taking company and Deposit taking company (Reserve Bank) Directions, 2016.

Particulars	31 March 2022		31 March 2021	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
<b>Liabilities side:</b>				
<b>1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>				
<b>(a) Debentures:</b>				
Secured (including interest accrued but not due)	53.75	Nil	53.56	Nil
Unsecured (other than falling within the meaning of public deposits)	Nil	Nil	Nil	Nil
<b>(b) Deferred credits</b>	Nil	Nil	Nil	Nil
<b>(c) Term loans</b>	Nil	Nil	Nil	Nil
<b>(d) Inter-corporate loans and borrowing</b>	Nil	Nil	Nil	Nil
<b>(e) Commercial paper</b>	Nil	Nil	Nil	Nil
<b>(f) Public deposits</b>	Nil	Nil	Nil	Nil
<b>(g) Other loans</b>	Nil	Nil	Nil	Nil

Particulars	31 March 2022	31 March 2021
	Amount outstanding	Amount outstanding
<b>Assets side:</b>		
<b>2. Break-up of loans and advances including bills receivables [other than those included in (3) below]:</b>		
(a) Secured	144.84	152.19
(b) Unsecured	27.46	17.07
<b>3. Break up of leased assets and stock on hire and other assets counting towards AFC activities:</b>		
<b>(i) Lease assets including lease rentals under sundry debtors:</b>		
(a) Financial lease	Nil	Nil
(b) Operating lease	Nil	Nil
<b>(ii) Stock on hire including hire charges under sundry debtors:</b>		
(a) Assets on hire	Nil	Nil
(b) Repossessed assets	Nil	Nil
<b>(iii) Other loans counting towards AFC activities:</b>		
(a) Loans where assets have been repossessed	Nil	Nil
(b) Loans other than (a) above	Nil	Nil
<b>4. Break-up of Investments:</b>		
<b>Current Investments:</b>		
<b>1. Quoted:</b>		
<b>(i) Shares:</b>		
(a) Equity	Nil	Nil
(b) Preference	Nil	Nil
<b>(ii) Debentures and Bonds</b>		
(iii) Units of Mutual Funds	Nil	Nil
(iv) Government Securities	17.63	Nil
(v) Others	Nil	Nil
<b>2. Unquoted:</b>		
<b>(i) Shares:</b>		
(a) Equity	Nil	Nil
(b) Preference	Nil	Nil
<b>(ii) Debentures and Bonds</b>		
(iii) Units of Mutual Funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others	Nil	Nil



<b>Non current Investment :</b>		
<b>1. Quoted :</b>		
(i) Shares :		
(a) Equity		
(b) Preference		NIL
(c) Debentures and Bonds		NIL
(d) Units of Mutual Funds		NIL
(e) Government Securities		NIL
(f) Others		NIL
<b>2. Unquoted :</b>		
(i) Shares :		
(a) Equity		
(b) Preference		NIL
(c) Debentures and Bonds		NIL
(d) Units of Mutual Funds		NIL
(e) Government Securities		NIL
(f) Others		NIL

**5. Borrower group-wise classification of assets financed as in (2) and (3) above :**

Category	31 March 2022			31 March 2021		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
<b>1. Related Parties:</b>						
(a) Subsidiaries	NIL	NIL	NIL	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL	NIL	NIL	NIL
<b>2. Other than related parties</b>	143.26	27.46	170.72	151.49	16.97	168.46
<b>Total</b>	143.26	27.46	170.72	151.49	16.97	168.46

**6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Category	31 March 2022		31 March 2021	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
<b>1. Related Parties:</b>				
(a) Subsidiaries	NIL	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL	NIL
<b>2. Other than related parties</b>	NIL	NIL	NIL	NIL
<b>Total</b>	NIL	NIL	NIL	NIL

**7. Other Information**

Particulars	31 March 2022 Amount outstanding	31 March 2021 Amount outstanding
<b>(i) Gross Non-performing assets</b>		
(a) Related parties	-	-
(b) Other than related parties	-	-
<b>(ii) Net Non-performing Assets</b>	2.26	0.39
(a) Related parties	-	-
(b) Other than related parties	-	-
<b>(iii) Assets acquired in satisfaction of debts</b>	2.01	0.35

\* against above the provision in Loan book is Rs 1.58 crores (FY2021-22) and Rs 0.50 crores (FY2020-21)



**Note - 45**

**Additional Regulatory Information**

- a) There are no such immovable property whose title deeds are not held in the name of the Company.
- b) There are no investment property as on March 31, 2022.
- c) The Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
- d) The Company has not revalued its Intangible assets based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 other than Land. Refer Note (10 a).
- e) No proceedings have been initiated or pending against the entity under the Benami Transactions (Prohibitions) Act, 1988 for the year ended 31 March 2022 and 31 March 2021.
- f) The Company has not taken borrowings from banks or financial institutions on the basis of security of current assets.
- g) There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year ended 31 March 2022 and 31 March 2021 in the tax assessments under Income Tax Act, 1961.
- h) No transaction has been made with the company struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2022 and 31 March 2021.
- i) No bank or financial institution has declared the company as "Willful defaulter" during the year ended 31 March 2022 and 31 March 2021.
- j) No registration or satisfaction of charges is pending for the year ended 31 March 2022 and 31 March 2021.
- k) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 and no layers of companies has been established beyond the limit prescribed as per above said section / rules, during the year ended 31 March 2022 and 31 March 2021.

**Note - 46**

**Details of Crypto Currency or Virtual Currency**

Profit or loss on transactions involving Crypto currency or Virtual Currency	No transaction during the year ended 31 March 2022 and 31 March 2021
Amount of currency held as at the reporting date	No transaction during the year ended 31 March 2022 and 31 March 2021
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency / virtual currency	No transaction during the year ended 31 March 2022 and 31 March 2021

**Note - 47**

**Details in respect of Utilization of Borrowed funds and share premium:**

Particulars	Description
Transactions where an entity has provided any advance, loan, or invested funds to any other person (s) or entity/ entities, including	No such transaction has taken place during the year ended 31 March 2022 and 31
Transactions where an entity has received any fund from any person (s) or entity/ entities, including foreign entity.	No such transaction has taken place during the year ended 31 March 2022 and 31



