

# **dhani** Loans & Services

**Dhani Loans and Services Limited**

(CIN: U74899DL1994PLC062407)

**Annual Report FY 2021-22**

## CORPORATE INFORMATION

### Board of Directors

Mr. Pinank Jayant Shah  
Ms. Ritu Kapoor Puri  
Mr. Akhil Gupta  
Mr. Vipin Chaudhary  
Brig. Labh Singh Sitara (Retd.)  
Dr. Narendra Damodar Jadhav

### Chief Financial Officer

Mr. Rajeev Lochan Agrawal

### Company Secretary & Compliance Officer

Mr. Manish Rustagi

### Investor Relations

Mr. Manish Rustagi  
Tel: 91 11 41052775  
Email: [mrustagi@dhani.com](mailto:mrustagi@dhani.com)

### Statutory Auditors

HEM Sandeep & Co.  
Chartered Accountants  
FRN: 009907N  
D 118, Saket, New Delhi, 110 017

### Internal Auditors

M/s SARH and Associates  
Chartered Accountants  
F-24/81-82, 3rd Floor,  
Sector-3, Rohini, Delhi – 110085

### Secretarial Auditors

Say & Associates  
(Formerly A.K. Kuchhal & Co.)  
Company Secretaries  
C-154, Sector-51,  
Noida- 201301

### Registered Office

1/1 E, First Floor, East Patel Nagar,  
New Delhi-110008  
Email: [support@dhani.com](mailto:support@dhani.com)  
Tel: 011- 41052775, Fax: 011-42137986  
Website: [www.dhaniloansandservices.com](http://www.dhaniloansandservices.com)

### Corporate Offices

One International Centre (Formerly IFC),  
Senapati Bapat Marg, Elphinstone Road,  
Mumbai – 400 013

### Registrar & Transfer Agent

KFin Technologies Limited  
(Formerly KFin Technologies Private Limited)  
Unit: Dhani Loans and Services Limited  
Selenium Tower B, Plot No.31-32,  
Gachibowli Financial District, Nanakramguda,  
Hyderabad – 500 032, Telangana

### Bankers

- Axis Bank Limited
- Bank of Baroda
- Canara Bank
- HDFC Bank Limited
- ICICI Bank Limited
- IDFC First Bank Limited
- Indian Overseas Bank
- Indusind Bank Limited
- Kotak Mahindra Bank Limited
- National Bank for Agriculture and Rural Development
- Punjab & Sind Bank
- RBL Bank Limited
- South Indian Bank Limited
- State Bank of India
- Union Bank of India
- Bank of India
- Yes Bank Limited

# dhani Loans & Services

## **DHANI LOANS AND SERVICES LIMITED**

(CIN: U74899DL1994PLC062407)

**Registered Office:** 1/1E, First Floor, East Patel Nagar, New Delhi West Delhi-110008

Email: support@dhani.com, 011- 41052775, Fax: 011- 42137986

### **DIRECTOR'S REPORT**

Dear Shareholders,

Your Directors are pleased to present the, the 28<sup>th</sup> Annual Report of the Company together with the audited statements of accounts for the financial year ended March 31, 2022.

### **FINANCIAL RESULTS**

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

(Amount in Rs. Lakhs)

<b>Particulars</b>	<b>For the Year ended March 31, 2022 Ind AS</b>	<b>For the Year ended March 31, 2021 Ind AS</b>
Profit/(Loss) before Tax and Depreciation	(18,852.82)	(1,272.81)
<i>Less:</i> Depreciation and amortization expense	6,004.97	5,707.22
Profit/(Loss) before Tax	(24,857.79)	(6,980.03)
<i>Less:</i> Provision for Tax	(6,430.14)	(1,570.26)
<b>Profit/(Loss) after Tax</b>	<b>(18,427.65)</b>	<b>(5,409.77)</b>
Profit/ (Loss) brought forward	19,406.96	24,398.01
Add: Other comprehensive income	(377.18)	151.57
Add: Transfer from share options outstanding account	1.29	-
Add: Transfer from change in value of Loan Assets	504.15	267.15
<b>Amount available for appropriation</b>	<b>1106.27</b>	<b>19,406.96</b>
<b>Appropriation</b>		
Transfer to Reserve Fund (u/s 45 IC of the RBI Act 1934)		-
Transfer to Capital redemption reserve	800.82	-
Transfer to change in value of Loan Assets	-	-
<b>Balance carried forward to Balance Sheet</b>	<b>306.75</b>	<b>19,406.96</b>

### **BUSINESS REVIEW**

During the FY ended March 31, 2022, the Company incurred a Loss after Tax of Rs. 18,427.65 lakhs. In view of growing business activities, the profitability of the Company is expected to grow in the coming years.

## **STATE OF COMPANY'S AFFAIRS**

Dhani Loans and Services Limited (DLSL), is a non-deposit taking NBFC registered with the Reserve Bank of India and is a 100% subsidiary of Dhani Services Limited.

## **DIVIDEND**

The Company has not declared any dividend during the financial year 2021-22.

## **COMPLIANCES**

During the year under review your company has complied with all applicable regulations of the Reserve Bank of India. As per Non-Banking Finance Companies RBI Directions, as amended, 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.

Securities and Exchange Board of India (SEBI) vide its notification no. SEBI/LAD-NRO/GN/2021/47, issued on September 7, 2021, amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("SEBI Listing Regulations") and made Regulations 15 to 27 applicable to the Debt Listed Companies having an outstanding value of listed Non-Convertible debt securities of Rs. 500 Crore and above i.e. High Value Debt Listed Entity ("HVDLE"), on comply or explain basis till March 31, 2023. Accordingly, Company has been classified as a HVDLE and the aforementioned Regulations have become applicable to the Company.

The Company is an Unlisted Company as its shares are not listed on any stock exchange. However, as per the provisions of the Companies Act, 2013, the Company is considered as a Listed Company as its Secured, Redeemable, Non-Convertible Debentures and Unsecured Redeemable Non-Convertible Subordinated Debentures (NCDs) issued on private placement basis are listed on Wholesale Debt Market (WDM) segment National Stock Exchange of India Limited and BSE Limited. Further Secured, Redeemable, Non-Convertible Debentures issued through Public issue are Listed on National Stock Exchange of India Limited and BSE Limited. Your Company has thus complied with/is in the process of complying with all the applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **CHANGE OF REGISTERED OFFICE OF THE COMPANY**

The Registered Office of the Company stands shifted from M-62 & 63, First Floor, Connaught Place, New Delhi - 110 001 to 1/1E, First Floor, East Patel Nagar, New Delhi - 110008 w.e.f. May 01, 2022.

## **REGULATORY GUIDELINES**

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.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year 2021-22, Mr. Gagan Banga (DIN: 00010894) ceased to be as Non-Executive Director of the Company. The Board has placed on record its appreciation for his contribution during his tenure as Non-Executive Director on the Board.

Further, Ms. Preetinder Virk (DIN: 02398827), Mr. Ajit Kumar Mittal (DIN: 02698115) and Mr. Nafees Ahmed (DIN: 03496241), ceased to be as Non-Executive Directors of the Company effective from April 4, 2022, April 26, 2022 and July 1, 2022 respectively. The Board has placed on record its appreciation for their contributions during their tenure as Non-Executive Directors on the Board.

Further, Ms. Ritu Kapoor Puri (DIN: 09559548), was appointed as an Additional Director designated as whole-time director and key managerial personnel of the company w.e.f. April 4, 2022, Mr. Akhil Gupta (DIN: 09285050) was appointed as an Additional Director designated as Non-Executive director of the Company w.e.f. April 26, 2022 and Mr. Vipin Chaudhary (DIN: 09588893) was appointed as an Additional Director designated as Non-Executive director of the Company w.e.f. July 01, 2022.

Thereafter, the appointments of Ms. Ritu Kapoor Puri (DIN: 09559548), Mr. Akhil Gupta (DIN: 09285050) and Mr. Vipin Chaudhary (DIN: 09588893), were approved by the shareholders of the Company at their Extra ordinary General Meeting held on July 02, 2022 and they are liable to retire by rotation.

Further, in compliance with the applicable regulations, Mr. Pinank Jayant Shah (DIN: 07859798), Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

To ensure the continuity of guidance, vast experience, knowledge and managerial skills, on the recommendation of the Nomination & Remuneration Committee, the Board has re-appointed Mr. Pinank Jayant Shah (DIN: 07859798) as Whole-time Director & Key managerial personal designated as Executive Director and Brig. Labh Singh Sitara (Retd.) (DIN: 01724648) as Independent Director of the Company, for a further period of five years w.e.f. September 14, 2022 to September 13, 2027 and has recommended the same for the approval of the shareholders of the Company, at their ensuing Annual General Meeting.

All the Independent Directors of the Company have given declaration that they meet the criteria of independence laid down under Section 149 (6) of the Companies Act 2013 along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and that they hold the highest standards of integrity. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors of the Company have registered themselves with the data bank of Independent Directors created and maintained by the Indian Institute of Corporate Affairs, Manesar.

Mr. Pinank Jayant Shah (DIN: 07859798), Executive Director & CEO, Ms. Ritu Kapoor Puri, Executive Director, Mr. Rajeev Lochan Agrawal, Chief Financial Officer (CFO) and Mr. Manish Rustagi, Company Secretary (CS), are the KMPs of the Company.

## **RATING**

As on March 31, 2022, Dhani Loans and Services Limited [DLSL] has Long term credit rating of BWR AA (Stable) rating from Brickwork Ratings, IVR AA (Stable) rating from Infomerics Valuation and Rating & CARE A (CWD) rating from CARE Ratings. Also, the Company has Short term Credit rating of BWR A1+ from Brickwork Ratings.

## **SHARE CAPITAL**

During the Financial Year 2021-22, the Company at its Extra-ordinary General meeting held on December 15, 2021 had reclassified the authorised share capital of the Company from ₹855,000,000 divided into 80,000,000 equity shares of ₹10 each and 5,500,000 preference shares of ₹10 each, to ₹855,000,000 divided into 77,000,000 equity shares of ₹10 each and 8,500,000 preference shares of ₹10 each.

Further, the Company on December 16, 2021, had allotted of 8,008,178 redeemable convertible preference shares of face value of ₹10 each ("RCPS"), at an issue price of ₹765 per RCPS (including a premium of ₹755 per RCPS), for an aggregate consideration of ₹6,126,256,170, to Dhani Services Limited (formerly Indiabulls Ventures Limited). However, the Company on March 30, 2022, had redeemed these RCPS of face value of ₹10 each at ₹765 per preference share (including the premium of ₹755 per RCPS).

The paid up equity share capital of the Company as on March 31, 2022, was Rs. 61,18,80,000/- comprising of 6,11,88,000 equity shares of face value of Rs. 10/- each.

## **DEMATERIALIZATION OF SHARES**

As on March 31, 2022, 99.99% of the shareholding of the Company is in Demat mode.

## **BORROWINGS**

The Company primarily sources funds through Term Loans, Non-Convertible Debentures (NCDs) and Securitisation. The outstanding debt (as per Ind AS) as on March 31, 2022 was Rs. 1,72,252.52 Lakh (Including accrued interest) as compared to Rs. 3,15,853.70 Lakh (Including accrued interest) as on March 31, 2021.

## **NON-CONVERTIBLE DEBENTURES**

During the year under review, the Company through Public Issue has raised Rs. 19,057.22 lakh by issue of Secured, Redeemable, Non-Convertible Debentures ("NCDs") of face value of INR 1,000/- each ("NCDs"). The Company has redeemed total NCDs amounting to Rs. 41,448.50 lakh during the year under review. As on March 31, 2022 total outstanding NCDs were amounting to Rs. 54,506.33 lakh issued through public issue and no debenture was issued on Private placement basis.

These NCDs are listed on National Stock Exchange of India Limited and BSE Limited.

## **ADDRESS FOR CORRESPONDENCE**

### **(i) Registered Office:**

1/1 E, First Floor,  
East Pate Nagar,  
New Delhi-110008 Email: support@dhani.com  
Tel: 011- 41052775, Fax: 011- 42137986  
Website: [www.dhniloansandservices.com](http://www.dhniloansandservices.com)

### **(ii) Corporate Office:**

One International Centre (Formerly IFC),  
Senapati Bapat Marg, Elphinstone Road,  
Mumbai – 400 013

## **DEBENTURE TRUSTEES**

(I) IDBI Trusteeship Services Limited  
17, R. Kamani Marg, Ballard Estate,  
Mumbai – 400 001  
Tel: 022 40807000  
Fax: 022 66311776  
Email: [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com)  
Website: [www.idbitrustee.co](http://www.idbitrustee.co)

(II) Beacon Trusteeship Limited  
4 C&D, Siddhivinayak Chambers,  
Opp. MIG Cricket Club, Gandhi Nagar,  
Bandra (East), Mumbai- 400 051  
Telephone No: 022 2655 8759  
Email: [contact@beacontrustee.co.in](mailto:contact@beacontrustee.co.in)  
Website: [www.beacontrustee.co.in](http://www.beacontrustee.co.in)

## **REGISTRAR & TRANSFER AGENT**

KFIN Technologies Limited  
(formerly known as KFin Fintech Private Limited)  
Selenium, Tower B,  
Plot No – 31 & 32, Financial District,  
Nanakramguda, Serilingampally, Hyderabad  
Rangareddi – 500 032, Telangana, India  
Telephone No.: +91 40 6716 2222  
Facsimile No.: +91 40 2343 1551  
Email: [dhniloans.ncdipo@kfintech.com](mailto:dhniloans.ncdipo@kfintech.com)

## **PUBLIC DEPOSITS**

Being a Non Deposit taking Non-Banking Financial Company, your Company has not accepted any deposits from the public under Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

## **AUDITORS**

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

During the year, the RBI had issued guidelines for the appointment of statutory auditors and relevant FAQs (RBI guidelines). Pursuant to the said RBI guidelines, M/s Walker Chandio & Co LLP (Grant Thornton) were not be eligible to continue as the Statutory Auditors of the Company with effect from the second half of the current financial year and hence vide their letter dated August 13, 2021, they have tendered their resignation w.e.f. August 13, 2021.

Further the shareholders of the Company have appointed M/s HEM Sandeep & Co, Chartered Accountants (Firm Registration No. 009907N) as statutory auditor of the Company in 27<sup>th</sup> Annual General Meeting (AGM) held on August 13, 2021, for a period of 3 (three) consecutive years to hold office from the conclusion of the 27<sup>th</sup> to 30<sup>th</sup> AGM of the Company.

The Notes to the Accounts referred to in the Auditors' Report are self – explanatory and therefore do not call for any further explanation. No frauds have been reported by the Auditors of the Company in terms of Section 143(12) of the Companies Act, 2013. The Audit Reports does not contain any qualification, reservation or adverse remark.

### **(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 Say & Associates (*formerly known as M/s A. K. Kuchhal & Co.*), 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 Secretarial Audi Report and Secretarial Compliance Report for the Financial Year 2021-22, are annexed as **Annexure 1 & Annexure 1A** respectively, forming part of these Reports. The Reports are self-explanatory and therefore do not call for any further explanation.

### **(c) Cost Records**

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

### **(d) Internal Auditor**

The Company had appointed M/s SARH and Associates, Chartered Accountants, as internal auditor of the Company

## **CORPORATE GOVERNANCE REPORT**

Pursuant to Regulation 34 of the SEBI LODR Regulations, Corporate Governance Practices followed by the Company, together with a certificate from a practicing Company Secretary confirming compliance, is presented in a separate section forming part of this Annual Report.

## **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; and
- e) that proper internal financial controls were in place and that such financial controls were adequate and were operating effectively.
- 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 at [https://www.dhani loans and services.com/policies/MGT-7\\_Annual\\_Return\\_31.03.2022.pdf](https://www.dhani loans and services.com/policies/MGT-7_Annual_Return_31.03.2022.pdf).

#### **BOARD MEETINGS**

During the FY 2021-22, 5 (Five) Board Meetings were convened by the Board of Directors of the Company.

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

During the FY 2021-22, 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**

As required under Regulation 23(1) of the SEBI Listing Regulations, the Company has formulated a ‘Policy on Related Party Transactions’ for proper conduct and documentation of all related party transactions. The same is available on the website of the Company at <https://www.dhani loans and services.com/policies-and-codes>. The Company also has in place a Framework on Related Party Transactions for the purpose of identification, monitoring and approving of such transactions as per the provisions of the Companies Act, 2013 and SEBI

Listing Regulations. Further, the disclosure as per Regulation 53(f) read with Schedule V of SEBI Listing Regulations is attached as **Annexure-2**.

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. There are no materially significant related party transactions 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. None of the transactions with related parties fall under the scope of Section 188(1) of the Act and hence the informations on transactions with related parties pursuant to Section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules 2014 required to be given in the prescribed form AOC -2 are not applicable.

Further, Your Directors wish to draw attention of the members to Notes 44 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**

Apart from the information provided/disclosures made elsewhere in the Boards' Report including Annexures thereof, there are no material changes and commitments affecting the financial position of the Company, occurred between the date of end of the financial year of the Company i.e. March 31, 2022 till 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.

During the financial year 2021-22 the Company received notice from NSE and BSE for Non Compliance with clause 54(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Non-disclosure of extent and nature of security created and maintained with respect to secured listed Non-Convertible Debentures (NCD's) in the financial statements and imposed penalty of Rs. 24,840 /- (including GST). The company paid the said penalty to both the stock exchange i.e. NSE and BSE.

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

The Company being a Non-Banking Finance Company is not required to use much of energy and technology absorption, however in compliance of Section 134(3) read with Rule – 8 of Companies (Accounts) Rules, 2014, the necessary reporting with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo, is an 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**

The Company has incurred expense Rs. 1,480 Lakh in foreign currency 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**

Pursuant to the applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures on Managerial Remuneration are provided in “**Annexure - 3**” forming part of this Report.

Further, the information of employees of the Company, employed by the Company through the year or part thereof, as 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 3A**.

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

As on March 31, 2022, the Company have four subsidiaries:

1. Transerv Limited (Formerly Transerv Private Limited)
2. Indiabulls Investment Advisors Limited (IIAL)
3. Indiabulls Distribution Services Limited (IDSL)
4. Indiabulls Alternative Investment Limited, as a subsidiary of IDSL

The statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC - 1 relating to Statement containing salient features of the financial statement of subsidiary has been attached to this report and forms part of the financial statements as “**Annexure 4**”.

## **NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES OR ASSOCIATE COMPANIES**

During the FY 2021-22, no new company became or ceased to be subsidiary or joint venture or associate of the Company.

## **COMMITTEES OF THE BOARD**

The Board has constituted Committees with specific terms of reference to focus on specific areas. These include Audit Committee, Nomination & Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee.

The details with respect to composition, powers, roles, terms of reference, etc. of Committees constituted under the Companies Act, 2013 and SEBI Listing Regulations are given in the Corporate Governance Report forming part of this Annual Report.

## **POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY**

The Nomination and Remuneration 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/KMP 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.
- e. In case of re-appointment, the Board shall take into consideration, the performance evaluation of the Director and his engagement level.

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.

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects in the area of Health Care (free distribution of medicines including health care services), as per its CSR Policy and the details given in "Annexure 5", forming part of this Report. The project is in accordance with Schedule VII of the Companies Act, 2013 read with the relevant rules.

The CSR policy of the Company is available on the Company's website <https://www.dhaniloansandservices.com/csr-policy>.

### **CORPORATE GOVERNANCE REPORT**

Pursuant to the applicable provisions of the SEBI Listing Regulations, Corporate Governance Practices followed by the Company, together with a certificate from a practicing Company Secretary confirming compliance, is presented in a separate section forming part of this Annual Report.

### **BOARD EVALUATION**

The Nomination and Remuneration Committee (NRC) of the Board reassessed the framework, methodology and criteria for evaluating the performance of the Board as a whole, including Board committee(s), as well as performance of each director(s)/Chairman. The existing parameters includes 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, contribution, role of the Chairman and management of conflict of interest. On the basis of these parameters, the NRC had reviewed at length the performance of each director individually and expressed satisfaction on the process of evaluation and the performance of each Director. The performance evaluation of the Board as a whole and its committees as well as the performance of each director individually, including the Chairman was carried out by the entire Board of Directors. The performance evaluation of the Chairman, Executive Directors and Non-Executive Directors was carried out by the Independent Directors in their meeting held on March 14, 2022. The Directors expressed their satisfaction with the evaluation process.

### **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.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- i. number of complaints filed during the financial year - Nil
- ii. number of complaints disposed of during the financial year - Nil
- iii. number of complaints pending as on end of the financial year- Nil

Further, the Company has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress complaints received, if any, regarding sexual harassment.

### **SECRETARIAL STANDARDS**

The Board of Directors state that the Company has complied with the applicable Secretarial Standards (SS-1 and SS-2) respectively relating to Meetings of the Board, its Committees and the General Meetings as issued by the Institute of Company Secretaries of India.

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

During the year, 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, there was no instance of one-time settlement with Banks or Financial Institutions . Therefore, reasons of difference in the valuation at the time of one-time settlement and valuation done while taking loan from the Banks or financial institutions are not 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.- The details of the Whistle Blower Policy are available on the website of the Company at <https://www.dhaniloansandservices.com/whistleblower-policy>.

## 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 all those who were connected with the Company, for their support during the year.

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

Date: August 12, 2022  
Place: Gurugram

Sd/-  
**Pinank Jayant Shah**  
Whole-time Director & CEO  
DIN : 07859798

Sd/-  
**Akhil Gupta**  
Director  
DIN : 09285050

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

*FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 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,

**Dhani Loans and Services Limited**

*(Formerly known as Indiabulls Consumer Finance Limited)*

**CIN - U74899DL1994PLC062407**

**1/1E, First Floor, East Patel Nagar,  
New Delhi - 110008**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dhani Loans and Services Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute 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 31<sup>st</sup> March, 2022 complied with the 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, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions (including amendments) of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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 and Guidelines 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 *(Not applicable to the Company during the review period)*;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 *(Not applicable to the Company during the review period)*;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 *(Not applicable to the Company during the review period)*;
  - (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) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *(Not applicable to the Company during the review period)*;
  - (g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; *(Not applicable to the Company during the review period)*;
  - (h) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (j) 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;
  - (k) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 *(Not applicable to the Company during the review period)*;
- (vi) The Management has identified the following other laws, as applicable:
- (a) All the Rules, Regulations, Directions, Guidelines and Circulars including Master Direction – Non-Banking Financial Company – Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, issued by the Reserve Bank of India, as amended from time to time;
  - (b) Credit Information Companies (Regulation) Act, 2005 and Rules.
  - (c) Prevention of Money Laundering Act, 2002 and the Rules and Guidelines notified there under by SEBI / Regulatory Authorities.

We have also examined compliance with the applicable clauses of Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director 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.
- ii. The compliance of Regulations 17(1)(b) of SEBI LODR, 2015 made applicable to the Company effective from September 7, 2021 on a comply or explain basis until March 31, 2023, the Company has been providing the necessary explanation in the quarterly compliance report on Corporate Governance submitted to the Stock Exchanges under Regulation 27(2)(a) of SEBI LODR, 2015.
- iii. Adequate notice is given to all directors to schedule the Board and its Committee Meetings and agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, 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.
- iv. All the decisions of the Board and Committees thereof were carried out with the consent of all the directors present in the meetings.

**We further report that** based on review of compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the Company which is 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 the Company has:

- (a) Appointed M/s Hem Sandeep & Co., Chartered Accountants, as Statutory Auditors of the Company, in place of M/s Walker Chandiok & Co LLP, Chartered Accountants.
- (b) Allotted 19,05,722 Secured, Redeemable Non-Convertible Debentures amounting to Rs. 190.57 Cr through public issue which were listed on National Stock Exchange of India Limited and BSE Limited.
- (c) Updated various policies of the Company as per applicable regulatory provisions.

(d) Reclassified its authorized share capital from Rs. 85,50,00,000/- divided into 8,00,00,000 Equity Shares of Rs. 10/- each and 55,00,000 Preference Shares of Rs. 10/- each, to Rs. 85,50,00,000/- divided into 7,70,00,000 Equity Shares of Rs. 10/- each and 85,00,000 Preference Shares of Rs. 10/- each.

**For Say & Associates**  
**Company Secretaries**  
(Formerly known as A.K. Kuchhal & Co  
Company Secretaries)

**Sd/-**  
**(Priyanshu Yadav)**  
**Partner**  
**CP No. 23043**  
**FRN. P2011UP000800**  
Date: 07/07/2022  
Place: Noida  
UDIN:A061820D000583385

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed and forms an integral part of this report.

## ANNEXURE TO SECRETARIAL AUDITORS' REPORT

To,

The Members,

**Dhani Loans and Services Limited**

*Formerly known as Indiabulls Consumer Finance Limited*

**CIN - U74899DL1994PLC062407**

**1/1E, First Floor, East Patel Nagar,  
New Delhi - 110008**

Our Secretarial Audit Report of even date, for the financial year 2021-22 is to be read along with this letter.

**Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

5. 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.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

**For Say & Associates**

**Company Secretaries**

*(Formerly known as A.K. Kuchhal & Co  
Company Secretaries)*

**Sd/-**

**(Priyanshu Yadav)**

**Partner**

**CP No. 23043**

**FRN. P2011UP000800**

Date: 07/07/2022

Place: Noida

UDIN: A061820D000583385

**SECRETARIAL COMPLIANCE REPORT OF  
“DHANI LOANS AND SERVICES LIMITED”  
Formerly known as Indiabulls Consumer Finance Limited  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

The provisions of regulation 16 to 27 of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been made applicable to high value debt listed entities with effect from September 7, 2021 and accordingly, We, M/s Say & Associates, Practicing Company Secretaries having office at C-154, Sector-51, Noida-201301 have conducted the Secretarial Compliance Audit of **DHANI LOANS AND SERVICES LIMITED** (Formerly known as Indiabulls Consumer Finance Limited) (“the Listed Entity”) in terms of the applicable SEBI Regulations and the circulars/guidelines issued thereunder for the Financial Year ended 31<sup>st</sup> March 2022. The audit was conducted in a manner that provided us a reasonable basis for evaluating the statutory compliances and expressing our opinion thereon.

We have examined:

- (a) the documents and records made available to us and explanation provided by the Listed Entity,
- (b) the filings/ submissions made by the Listed Entity to the stock exchanges,
- (c) website of the Listed Entity,
- (d) other document/ filing, as may be relevant, which has been relied upon to make this certification.

for the year ended 31<sup>st</sup> March, 2022 (“**Review Period**”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (*Not applicable to the Company during the review period*)
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (*Not applicable to the Company during the review period*)
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (*Not applicable to the Company during the review period*)

- e) 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; *(Not applicable to the Company during the review period)*
- f) 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;
- g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; *(Not applicable to the Company during the review period);*
- h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) The Securities and Exchange Board of India (Depository Participant) Regulations, 2018;

and circulars/ guidelines issued thereunder;

and based on the above examination, We hereby report that, during the Review Period:

- (a) The Listed Entity has complied with the applicable provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr.No .	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Reg- 54(2) of SEBI(LODR) Regulations, 2015	Non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs in the financial statements.	The Company has taken corrective steps and deposited the penalty.

- (b) The Listed Entity has maintained proper records under the applicable provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) The following are the details of actions taken against the Listed Entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges *(including under the Standard Operating Procedures issued by SEBI through various circulars)* under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken	Details of violation	Details of action taken E.g. fines,	Observations/ remarks of the Practicing Company Secretary, if any.
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	by		warning letter, debarment, etc.	
1	BSE	Non Compliance with Regulation 54(2) of SEBI (LODR ) Regulations, 2015 – Non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs in the financial statements	Imposed penalty of Rs. 27,140/- (Including GST)	BSE has instructed to pay a penalty of Rs. 27,140/- (Including GST) and Company had paid the said penalty to Exchange.
1	NSE	Non Compliance with Regulation 54(2) of SEBI (LODR ) Regulations, 2015 – Non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs in the financial statements	Imposed penalty of Rs. 27,140/- (Including GST)	NSE has instructed to pay a penalty of Rs. 27,140/- (Including GST) and Company had paid the said penalty to Exchange.

(d) The Listed Entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the Listed Entity, if any	Comments of the Practicing Company Secretary on the actions taken by the Listed Entity
Not Applicable				

**For Say & Associates, Company Secretaries**  
(Formerly known as A. K. Kuchhal & Co., Company Secretaries)

**Sd/-**  
**(Priyanshu Yadav)**  
**Partner**  
**CP No. 23043**  
**FRN. P2011UP000800**  
**Date: 26.05.2022**  
**Place: Noida**  
**UDIN: A061820D000394141**

## Annexure-2

Figures in Lakh

Particulars	Holding company		Subsidiaries	
	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Loans and advances in the nature of loans to Subsidiaries:</b> (Maximum balance outstanding during the year):				
Transerv Limited	-	-	2,663.16	1,004.69
<b>Investment in the shares of subsidiaries:</b>				
Indiabulls Distribution Services Limited	-	-	45,000.12	45,000.12
Indiabulls Investment Advisors Limited	-	-	35,550.00	35,550.00
Transerv Limited	-	-	12,579.39	12,579.39

For and on behalf of the Board of Directors

Sd/-

Pinank Jayant Shah

DIN: 07859798

Whole Time Director &amp; Chief Executive Officer



### Annexure 3

## Disclosures on Managerial Remuneration

Details of remuneration as required under Rule 5.1 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are as under –

### Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2021-22

Designation	Ratio of remuneration to the median employees' remuneration
Whole time Director & CEO	76.14:1

The details of fee for attending Board meetings and other incentives, if any, paid to Independent and Non- Executive Directors have been disclosed in Corporate Governance Report, forming part of this Annual Report.

No remuneration was paid to other Director(s) during the FY 2021-22 and hence, not forming part of this clause.

### Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in FY 2021-2022

Designation	Increase in Remuneration (%)
Whole time Director & CEO	66.67% (-5% when compared to FY2020**)
Company Secretary	10.00%

\*\*There was a voluntary salary cut taken by the Whole Time Director & CEO in FY2021 due to the COVID 19. The remuneration paid in FY2022 is lower than the pre COVID remuneration paid in FY2020

No remuneration was paid to other Director(s) during the Financial Year 2021-22 hence not forming part of this clause.

### The percentage increase in the median remuneration of employees in the FY 2021-22

There has been an increase of 18.97% in the median remuneration of all the employees (including KMPs), in the FY 2021-22.

**Number of permanent employees on the rolls of Company.**

The Company had 4639 employees on its permanent rolls, as on March 31, 2022

**Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

There has been average percentile increase of 0.19% in the salaries of total employees other than the key managerial personnel in the FY 2021-22. While the average increase in the percentile remuneration of key managerial personnel is 0.53% .

The Company follows prudent remuneration practices under the guidance of the Board and Nomination & Remuneration Committee. The Company's approach to remuneration is intended to drive meritocracy and is linked to various parameters including its performance, growth, individual performance, peer comparison of other companies, within the framework of prudent Risk Management.

There were no exceptional circumstances which warranted an increase in managerial remuneration, which was not justified, by the overall performance of the Company.

The change in remuneration of Key Managerial Personnel is based on the overall performance of the Company. With the macro-economic headwinds facing the financial sector for most of the last few years, the Company has focused on conserving capital and liquidity, and consequent rationalisation of the balance sheet. The management has also looked at cost structures, taking voluntary pay cuts and reducing other operating expenses.

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

Date: August 12, 2022  
Place: Gurugram

Sd/-  
**Pinank Jayant Shah**  
Whole-time Director & CEO  
DIN : 07859798

Sd/-  
**Akhil Gupta**  
Director  
DIN : 09285050

## Annexure - 3A

**Dhani Loans and Services Limited****DETAILS REGARDING REMUNERATION TO THE EMPLOYEES AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

(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 (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	Amit Ajit Gandhi	Business Head	12846984	Permanent	MBA/PGDBA	17.04.2017	46	Indiabulls Housing Finance Ltd	NA	NA
2	Pinank Jayant Shah	Chief Executive Officer	19444952	Permanent	MS	19.06.2017	43	Indiabulls Housing Finance Ltd	NA	NA

(B) Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month

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	Ashok Kumar Vishwakarma	VP Engineering	61,78,182.01	Permanent	Secondary school	01.03.2021	33	Info edge (Naukri.com)	NA	NA
2	Shivendra Singh Meena	Head	79,34,041.32	Permanent	BE/B tech	12.07.2021	39	Innoviti	NA	NA
3	Suchit Subodh Mishra	Chief Information Officer	1,29,56,991.77	Permanent	MS	08.08.2021	45	Hear.com	NA	NA
4	Kumar Digvijay Singh	VP Product	65,33,333.30	Permanent	ME/M tech	15.09.2021	39	Innoviti Payments	NA	NA
5	Rishabh Chhajer	Head	49,72,225.42	Permanent	BE / B. Tech	08.11.2021	33	Gameskraft	NA	NA
6	Rajagopalan Parthasarathy	Senior Engineer	44,22,225.22	Permanent	M.Sc	17.11.2021	49	Wells Fargo	NA	NA
7	Sudarshan Ganapathi	Head	31,41,562.18	Permanent	ME / M. Tech	10.01.2022	51	Ivanti / PulseSecure	NA	NA
8	Priyanka Azad	Head	23,39,285.72	Permanent	BE / B. Tech`	07.02.2022	38	Adobe Systems	NA	NA
9	Akash Purohit	Deputy General Manager	16,22,024.74	Permanent	BSC	17.02.2022	33	Grab	NA	NA
10	Pratiksha Fernandes	National Head	14,54,282.00	Permanent	B Com	15.02.2022	42	Mahindra Holidays	NA	NA
11	Kumar Gaurav	Lead	14,76,190.83	Permanent	BE / B. Tech	25.02.2022	29	Qualcomm	NA	NA
12	Ashish Gulabrao Jadhav	Security Architect	7,23,387.09	Permanent	ME / M. Tech	07.03.2022	30	Qualcomm	NA	NA
13	Chetan Maheshwari	Senior Program Manager	9,43,549.03	Permanent	BE / B. Tech	02.03.2022	40	Upstox	NA	NA
14	Raghavendra Javali	Senior Engineer	7,83,458.07	Permanent	ME / M. Tech	07.03.2022	36	Cisco Systems India Pvt Ltd	NA	NA



(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	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	Pinank Jayant Shah	Chief Executive Officer	1,94,44,952	Permanent	MS	19-Jun-17	43	Indiabulls Housing Finance Ltd	NA	NA
2	Suchit Subodh Mishra	Chief Information Officer	1,29,56,991.77	Permanent	MS	08-Aug-21	45	Hear.com	NA	NA
3	Amit Ajit Gandhi	Business Head	1,28,46,984	Permanent	PGDMA	17-Apr-17	46	Indiabulls Housing Finance Ltd	NA	NA
4	Gaurav Kagdiyal	Executive Vice President	1,00,62,677.22	Permanent	B.Sc	08-Sep-17	46	IB Commercial Credit Ltd	NA	NA
5	Vipin Chaudhary	Head	83,58,902	Permanent	M.B.A	08-Sep-17	48	Indiabulls Housing Finance Ltd	NA	NA
6	Sanjeev Kashyap	Chief General Manager	83,11,971	Permanent	MBA	01-Nov-18	50	Indiabulls Housing Finance Ltd	NA	NA
7	Shivendra Singh Meena	Head	79,34,04,1.32	Permanent	BE/B tech	12-Jul-21	39	Innoviti	NA	NA
8	Ritu Kapoor Puri	Chief General Manager	65,61,717	Permanent	MIBM	01-Dec-20	49	Indiabulls Housing Finance Ltd	NA	NA
9	Manpreet Singh	Chief General Manager	65,34,250	Permanent	MA	01-Nov-20	58	IB Constructions Limited	NA	NA
10	Kumar Digvijay Singh	VP Product	65,33,333.3	Permanent	ME/M tech	15-Sep-21	39	Innoviti Payments	NA	NA

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

**Annexure-4**

**Annexure: Statement containing the salient features of the financial statements of subsidiaries / associate companies / joint ventures**

[Form AOC-1: Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014]

**Part A: Subsidiaries**

(All amounts in Indian Rupees in lakh unless stated otherwise)

Sr. No.	Name of the Subsidiary Companies	Date of acquisition of subsidiary	Year	Reporting Currency	Share Capital	Other equity (Surplus / (Deficit))	Total Assets excluding investments	Total Liabilities #	Investments	Turnover	Profit / (Loss) before Taxation	Provision for Taxation / (Tax Credit)	Profit / (Loss) after Taxation	Proposed Dividend (including Corporate Dividend Tax)	% of shareholding
1	Indiabulls Investment Advisors Limited	20.03.2020	2021-22	₹	35,550.00	(12,517.66)	23,475.84	443.50	-	1,542.71	(3,899.69)	266.74	(4,166.43)	-	100.00%
2	Indiabulls Distribution Services Limited	26.03.2020	2021-22	₹	35.82	45,137.77	73,746.07	29,077.48	505.00	5,887.31	(1,048.73)	(9.84)	(1,038.89)	-	86.04%
3	Indiabulls Alternate Investments Limited *	26.03.2020	2021-22	₹	505.00	420.36	703.15	5.80	228.01	113.61	(26.34)	(6.63)	(19.71)	-	86.04%
4	TranServ Limited	01.04.2019	2021-22	₹	647.92	4,899.49	44,082.01	38,534.60	-	15,014.10	404.03	(191.19)	595.22	-	100.00%

# Total liabilities exclude share capital and other equity

\* Wholly owned subsidiary of Indiabulls Distribution Services Limited

**Part "B" Associates - Not applicable**

For and on behalf of the Board of Directors

Sd/-  
**Pinank Jayant Shah**  
DIN: 07859798  
Whole Time Director & Chief Executive Officer

Sd/-  
**Ritu Kapoor Puri**  
DIN: 09559548  
Director

Sd/-  
**Rajeev Lochan Agrawal**  
Chief Financial Officer

Sd/-  
**Manish Rustagi**  
Company Secretary

Place: Gurugram  
Date: 30 May 2022

## ANNEXURE-5

### Annual Report on CSR Activities for Financial Year Ending March 31, 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 nutrition, sanitation, education, health, animal welfare 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:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Brig. Labh Singh Sitara (Retd.)	Chairman (Independent Director)	2	1
2	Mr. Pinank Jayant Shah	Member (Executive Director)	2	2
3	Mr. Ajit Kumar Mittal	Member (Non-Executive Director)	2	2
4	Ms. Preetinder Virk	Member (Non-Executive Director)	2	2

#### 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.

Composition of the CSR committee shared above and is available on the Company's website at [https://www.dhniloansandservices.com/policies/Board\\_Directors\\_and\\_Committees\\_of\\_DLSL.pdf](https://www.dhniloansandservices.com/policies/Board_Directors_and_Committees_of_DLSL.pdf) and Policy of the Company is available at <https://www.dhniloansandservices.com/csr-policy>

#### 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





		Act.							(in Rs.).			
1.	Free Distribution of Medicines including Health care Services	(i)	Yes	Pan India	Pan India	3 Years	3,33,50,000	3,33,50,000	N.A	No	Indiabulls Foundation	CSR000 00380
2.												
3.												
	<b>Total</b>						<b>3,33,50,000</b>	<b>3,33,50,000</b>	<b>N.A</b>			

(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	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
2.	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
3.	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
	<b>Total</b>					<b>N.A</b>			

(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. 3,33,50,000/-

(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)	3,33,50,000
(ii)	Total amount spent for the Financial Year	



	<b>Total</b>				<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	
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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):  
No Assets Created during the Year.

- (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 Dhani Loans and Services Limited**

	<b>Sd/-</b>	<b>Sd/-</b>
	<b>Pinank Jayant Shah</b>	<b>Brig. Labh Singh Sitara (Retd.)</b>
Place: Gurugram	Whole-time Director & CEO	Chairman – CSR Committee
Date: August 12, 2022	DIN: 07859798	DIN: 01724648

# REPORT ON CORPORATE GOVERNANCE

## THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The fundamental principle of Corporate Governance is achieving sustained growth ethically and in the best interest of the Company ("Dhani Loans") and all its stakeholders. It is not a mere compliance of laws, rules and regulations but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings to achieve the objects of the Company, enhance stakeholders value and discharge its social responsibility.

The Company is committed towards achieving the highest standards of Corporate Governance by emphasizing on a corporate culture of integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business. The Company believes that good governance brings sustained corporate growth and long-term benefits for all its stakeholders.

Dhani Loans engages in a credible and transparent manner with all its stakeholders and clearly communicates its long-term business strategy. All its actions are governed by its values and principles, which are reinforced at all levels of the Company. This is the path to consistent, competitive, profitable and responsible growth, and for creating long-term value for its shareholders, its employees and business partners.

The Board of Directors ('the Board') is responsible for and is committed to sound principles of Corporate Governance of the Company and plays a crucial role in overseeing how the management serves the short and long-term interests of stakeholders. As you aware that the COVID-19 pandemic has caused an unprecedented health and economic crisis across the globe due to which the severity of its impact on business activity is still evolving. Your Company is nimble-footed and continuously evolving its strategies to deal with the emergent challenges with the help of depth experience of management team.

Dhani Loans keeps its governance practices under continuous review and benchmark itself to best practices. This belief is reflected in its governance practices, under which it strives to maintain an effective, informed and independent Board.

The Company is in compliance with the Master Direction – Non-Banking Financial Company and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), to the extent applicable.

### 1. BOARD OF DIRECTORS

#### (A) Composition and size of the Board

The Company's Board is constituted of highly experienced professionals from diverse backgrounds. The Board's constitution is in compliance with the Companies Act, 2013, SEBI LODR Regulations to the extent applicable, and Listing Agreement executed by the Company with the Stock Exchanges and is in accordance with the highest standards of Corporate Governance, which ensures an appropriate mix of Executive/Non-Executive, Woman Director and Independent Directors with demonstrated skill sets and relevant experience in diverse fields viz. finance, banking, regulatory and public policy etc., thereby bringing an enabling environment for value creation through sustainable business growth.

Presently, as on the date of this report, the Board consists of six directors, of which two are Executive Directors and two are Non-Executive, Non Independent Directors. The remaining two directors are, namely, Brig. Labh Singh Sitara(Retd.), bachelor in economics from the Punjab University (appointed as Non-Executive Independent Director w.e.f. September 14, 2017) and Dr. Narendra Damodar Jadhav (former Member Planning Commission) (appointed as Non-Executive Independent Director w.e.f. November 17, 2020).

No Director is related to any other Director on the Board. The Board comprises directors that bring a wide range of skills, expertise and experience which enhance overall board effectiveness.

The Board has identified skills and domain expertise required by the Directors of the Company which includes Banking & Finance, Business Strategy, Corporate Governance, Corporate Social Responsibility, Human Resources, Marketing, Operations and Process Optimization, Policy Making, Regulatory Compliances, Risk Management, Stakeholder Management, Taxation and Treasury. The Directors of the Company have mapped their skills based on the board skill matrix.

Details of Directors, directorship in listed companies, number of directorships held by them in other companies and also the number of their memberships and chairmanships on various Board Committees, including skill sets/ expertise/competencies/practical knowledge, as on March 31, 2022, are as under:

Sl. No	Name of the Director	Nature of Office	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies	Names of the other listed entities where the person is a director	Category of directorship in other listed entities where the person is a director	No. of Directorships in other Listed Companies	No. of Directorship in other Companies*	No. of Memberships/ Chairmanships in Board Committees of various companies (including this Company)**	
								Memberships	Chairmanships
1	Mr. Pinank Jayant Shah (DIN: 07859798)	Whole-time Director & CEO	Banking and Finance, Business Strategy, Risk Management, Treasury, Marketing, Corporate Governance, Corporate Social Responsibility, Stakeholder Management, Operations and Process Optimization	Dhani Services Limited (Formerly known as Indiabulls Venture Limited)	Executive Director	1	1	1	0
2	Mr. Nafees Ahmed (DIN: 03496241)	Non-Executive Director	Banking and Finance, Business Strategy, Risk Management, Treasury, Marketing, Corporate Governance, Corporate Social Responsibility, Stakeholder Management, Operations and Process Optimization	NIL	NA	0	7	NIL	NIL
3	Ms. Preetinder Virk (DIN: 02398827)	Non-Executive Director	Banking and Finance, Business Strategy, Regulatory / legal & Risk Management, Treasury, Foreign Exchange Recovery, Marketing, Corporate Governance, Corporate Social Responsibility, Stakeholder Management, Operations and Process Optimization	Indiabulls Commercial Credit Limited***	NIL	1	3	NIL	NIL
4	Mr. Ajit Kumar Mittal (DIN: 02698115)	Non-Executive Director	Taxation, Regulatory Compliances, Business Strategy, Regulatory / legal & Risk Management, Marketing, Corporate Governance, Corporate Social Responsibility, Stakeholder Management, Operations and Process Optimization	1. Yaari Digital Integrated Services Limited (formerly Yaarii Digital Integrated Services Limited & Indiabulls Integrated Services Limited) (Resigned w.e.f. April 8, 2022) 2. Indiabulls Housing Finance Limited 3. Indiabulls Commercial Credit Limited***	Non-Executive Director  Executive Director  Non-Executive Director	3	3	2	2
5	Brig. Labh Singh Sitara (Retd.) (DIN: 01724648)	Non-Executive-Independent Director	Business Strategy, Risk Management, Treasury, Marketing, Corporate Governance, Corporate Social Responsibility, Stakeholder Management, Operations and Process Optimization	Soril Infra Resources Limited	Non-Executive Director	1	0	1	NIL
6	Dr. Narendra Damodar Jadhav (DIN:02435444)	Non-Executive-Independent Director	Risk Management, Corporate Governance, Operations and Process Optimization	1. Jain Irrigation Systems Limited 2. Tata Teleservices (Maharashtra) Limited 3. Dhani Services Limited	Non Executive Director  Non Executive Director  Non Executive Director	3	2	7	2

*Note1: Mr. Gagan Banga (DIN: 00010894), Ms. Preetinder Virk (DIN: 02398827), Mr. Ajit Kumar Mittal (DIN: 02698115) and Mr. Nafees Ahmed (DIN: 03496241) the Non-Executive Directors of the Company resigned from Directorship of the Company w.e.f. March 14, 2022, April 4, 2022, April 26, 2022 and July 1, 2022 respectively.*

*Note 2: Ms. Ritu Kapoor Puri (DIN: 09559548), was appointed as whole-time director and key managerial personnel designated as Executive Director of the company w.e.f. April 4, 2022, Mr. Akhil Gupta (DIN: 09285050) was appointed as Non-Executive director of the Company w.e.f. April 26, 2022 and Mr. Vipin Chaudhary (DIN: 09588893) was appointed as Non-Executive director of the Company w.e.f. July 01, 2022.*

*\*Includes directorship(s) held in foreign companies & private limited companies and Companies under section 8 of the Companies Act, 2013.*

*\*\*Only memberships of the Audit Committee / Stakeholders' Relationship Committee in various public limited companies and chairmanship of the Audit Committee / Stakeholders' Relationship Committee in various equity listed limited companies excluding High Value Debt Listed Entity, as per Regulation 26 of the SEBI LODR. The Company being 'High Value Debt Listed Entity', the membership and chairmanship of Audit Committee and Stakeholder Relationship Committee in the Company have not been considered, in terms of Regulation 26(1) of Listing Regulations.*

*\*\*\*Only debt securities of these companies are listed on NSE & BSE.*

The Board do hereby confirms that all the present Independent Directors of the Company fulfill the conditions specified in the SEBI LODR and are independent of the management of the Company.

The Board had accepted all recommendations of committees of the Board which are mandatorily required, during the financial year 2021-22

During FY2021-22, 1 (one) meeting of the Independent Directors was held on March 14, 2022 where in all the Independent Directors attended the meeting. The Independent Directors inter-alia, reviewed the performance of the Non-Independent Directors, Board as a whole, taking into account the views of Executive Director and Non- Executive Directors.

None of the Directors are related inter-se.

None of the Non-Executive Directors held any equity share and/or convertible security of the Company during the financial year ended March 31, 2022.

The Board periodically reviews the compliance reports of all laws applicable to the Company. During FY 2021-22, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

The Company has familiarization programme for Independent Directors with regard to their roles, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programme along with details of the same imparted to the Independent Directors during the year are available on the website of the Company at <https://www.dhaniloansandservices.com/policies/DLSL-Board-Familiarisation-Programme.pdf>

#### **(B) Number and Dates of Board Meetings held, attendance of Directors thereat and at the last AGM held**

The Board meetings of the Company are held in a highly professional manner, after giving proper notice, Board papers, agenda and other explanatory notes / relevant information to each of the directors of the Company, well in advance. At least one meeting is held in every quarter, to review the quarterly performance and the financial results of the Company.

Senior management including the CFO was invited to attend the board meetings so as to provide additional inputs on the items being discussed by the Board. At the board meetings, the Executive Directors and senior management make presentations on various matters including the financial results, operations related issues, risk management, the economic and regulatory environment, compliance, investors' perceptions etc.

5 (Five) Board Meetings were held during the year under review and the gap between two meetings did not



exceed one hundred and twenty days. The said meetings were held on June 09, 2021, June 18, 2021, August 06, 2021, November 11, 2021 and February 14, 2022. The necessary quorum was present for all the meetings.

**The last Annual General Meeting of the Company was held on August 13, 2021.**

Attendance of Directors at the Board Meetings held during the FY 2021-22 and at the last Annual General Meeting are as under:

Sr. no.	Name of the Director	No. of Board meetings attended	Attendance at the last AGM
1.	Mr. Pinank Jayant Shah (DIN:07859798)	4	No
2.	Mr. Ajit Kumar Mittal (DIN:02698115)	4	No
3.	Mr. Gagan Banga (DIN:00010894)	4	No
4.	Mr. Nafees Ahmed (DIN: 03496241)	5	Yes
4	Ms. Preetinder Virk (DIN: 02398827)	5	No
5.	Brig. Labh Singh Sitara (Retd.) (DIN:01724648)	5	Yes
6.	Dr. Narendra Damodar Jadhav (02435444)	5	No

*\*During the FY 2021-22, Mr. Gagan Banga (DIN:00010894) resigned as the Non-Executive, Non-Independent Director of the Company with effect from March 14, 2022.*

**2. 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. Further, terms of reference were revised to align with the provisions of Companies Act, 2013, SEBI LODR and RBI Act.

The role and the composition of these Committees including number of meetings held during the financial year and participation of the members at the meetings of the committees, during the year are as under:

**(A) Audit Committee Composition**

**Composition**

The Audit Committee comprises of three members, namely, Brig. Labh Singh Sitara (Retd.) (Independent Director) as the Chairman and Dr. Narendra Damodar Jadhav (Independent Director) and Mr. Akhil Gupta (Non-Executive Director) as members, as other two members.

**Terms of reference of the Audit Committee**

To oversee the financial reporting process and disclosure of financial information;

- To oversee the financial reporting process and disclosure of financial information;
- To review with management, annual financial statements and ensure their accuracy and correctness before submission to the Board;
- To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans/reports and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations;
- To recommend the appointment of the auditors and their remuneration;
- To review and approve required provisions to be maintained as per IRAC norms and write off decisions and regulatory requirements on Balance Sheet Disclosures;
- To hold discussions with the Auditors;
- Review and monitoring of the auditor' independence and performance and effectiveness of the audit process;
- Examination of the auditor' report on financial statements of the Company (in addition to the examination of the financial statements) before submission to the Board;
- Approval of any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings and assets of the Company, wherever it is necessary;

- Monitoring the end use of funds raised through public offers and related matters as and when such funds are raised and also reviewing the utilization of the funds so raised for purposes other than those stated in the relevant offer document, if any, and making appropriate recommendations to the Board in this regard;
- Review and monitoring of the performance of the statutory auditors and effectiveness of the audit process;
- To hold post audit discussions with the auditors to ascertain any area of concern;
- To review the whistle blower mechanism; and
- Approval to the appointment of the Chief Financial Officer after assessing the qualifications , experience and background etc. of the candidate.
- Review of information system audit of the internal systems and processes to access the operational risks faced by the Company and also ensures that the information system audit of the internal systems and processes is conducted periodically.

### Meetings and Attendance during the year

During the financial year ended March 31, 2022 the Committee met four times. The dates of the meetings being June 18, 2021, August 06, 2021, November 11, 2021 and February 14, 2022

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Brig. Labh Singh Sitara (Retd.)	Non- Executive Independent Director	4	4
Dr. Narendra Damodar Jadhav	Non- Executive Independent Director	4	4
Mr. Ajit Kumar Mittal <sup>§</sup>	Non- Executive Director	4	3

<sup>§</sup>Mr. Ajit Kumar Mittal (DIN: 00017480) Non-Executive Directors of the Company resigned from Directorship of the Company w.e.f. April 26, 2022.

### (B) Nomination & Remuneration Committee Composition

#### Composition

The Nomination & Remuneration Committee comprises of three members, namely, Brig. Labh Singh Sitara (Retd.) (Independent Director) as the Chairman, and Dr. Narendra Damodar Jadhav (Independent Director) and Mr. Vipin Chaudhary, Non-Executive Director, as other two members.

#### Terms of reference

The terms of reference of Nomination & Remuneration Committee, inter-alia, include:

- To ensure 'fit and proper' status of all the directors on a continuing basis;
- To identify and advice Board in the matter of appointment of new Directors and senior management personnel's;
- To recommend to the Board, appointment, removal and compensation terms of the Executive Directors;
- To assist the Board in determining and implementing the Company's Policy on the remuneration of Executive Directors; and
- To review the evaluation of director's performance.

### Meetings and Attendance during the year

During the financial year ended March 31, 2022 the Committee met one time held on June 09, 2021.

**The attendance of Committee members in these meetings is as under:**

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Brig. Labh Singh Sitara (Retd.)	Non- Executive/ Independent Director	1	1
Dr. Narendra Damodar Jadhav	Non- Executive/ Independent Director	1	1
Mr. Nafees Ahmed <sup>§</sup>	Non- Executive Director	1	1

<sup>§</sup>Mr. Nafees Ahmed (DIN: 03496241) the Non-Executive Directors of the Company resigned from Directorship of the Company w.e.f. July 01, 2022.

## **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/KMP 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.
- e. In case of re-appointment, the Board shall take into consideration, the performance evaluation of the Director and his engagement level.

## **Evaluation of the Board and Directors**

The Independent Directors play a key role in the decision-making process of the Board as they approve the overall strategy of the Company and oversee performance of the management. The Independent Directors are committed to act in the best interest of the Company and its stakeholders. The Independent Directors bring a wide range of experience, knowledge and judgment. Their wide knowledge of both, their field of expertise and boardroom practices brings in varied, unbiased, independent and experienced outlook. All Independent Directors have committed and allocated sufficient time to perform their duties effectively. All the Independent Directors of the Company have confirmed that they have registered themselves in the databank created for Independent Directors, well within the stipulated time frame.

The performance evaluation criteria for Independent Directors is based on various factors which includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

The Nomination and Remuneration Committee (NRC) of the Board reassessed the framework, methodology and criteria for evaluating the performance of the Board as a whole, including Board committee(s), as well as performance of each director(s)/Chairman. The existing parameters includes 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, contribution, role of the Chairman and management of conflict of interest. On the basis of these parameters, the NRC had reviewed at length the performance of each director individually and expressed satisfaction on the process of evaluation and the performance of each Director. The performance evaluation of the Board as a whole and its committees as well as the performance of each director individually, including the Chairman was carried out by the entire Board of Directors. The performance evaluation of the Chairman, Executive Directors and Non-Executive Directors was carried out by the Independent Directors in their meeting held on March 14, 2022. The Directors expressed their satisfaction with the evaluation process.

## **(C) Stakeholders Relationship Committee Composition**

### **Composition**

The Stakeholders Relationship Committee comprises of three members, namely, Brig. Labh Singh Sitara (Retd.), Independent Director as the Chairman, and Mr. Vipin Chaudhary, Non-Executive Director and Ms. Ritu Kapoor Puri, Executive Director, as other two members.

### **Terms of Reference**

- To approve requests for share transfers and transmissions.

- To approve the requests pertaining to remat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc.
- To oversee all matters encompassing the shareholders' / investors' related issues.
- Resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

#### Meetings and Attendance during the year

During the financial year ended March 31, 2022 the Committee met four times. The dates of the meetings being June 18, 2021, August 6, 2021, November 11, 2021 and February 12, 2022

The attendance of Committee members in these meetings is as under:

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Brig. Labh Singh Sitara (Retd.)	Non-Executive Director	4	4
Ms. Preetinder Virk <sup>s</sup>	Non- Executive/ Independent Director	4	4
Mr. Nafees Ahmed <sup>s</sup>	Non- Executive/ Independent Director	4	4

<sup>s</sup>Ms. Preetinder Virk (DIN: 02398827) and Mr. Nafees Ahmed (DIN: 03496241) the Non-Executive Directors of the Company resigned from Directorship of the Company w.e.f. April 4, 2022 and July 01, 2022 respectively.

**Name and designation of the Compliance Officer:** Mr. Manish Rustagi, Company Secretary is the Compliance Officer pursuant to Regulation 6(1) of SEBI Listing Regulations.

- During FY 2021-22, no complaints were received from the Equity Shareholders of the Company.
- Details of queries / complaints received and resolved pertaining to Non-Convertible Debentures of the Company during the year 2021-22:-

Sl. No.	Particulars	Opening	Received	Disposed	Pending
1	Legal Cases / Cases before Consumer Forums	0	0	0	0
2	Letters from SEBI / Stock Exchange.	0	1	1	0
3	Status of applications lodged for public issue(s)	0	0	0	0
4	Non-receipt of Interest	0	103	103	0
5	Non-receipt of annual report	0	0	0	0
6	Non-receipt of Refund order	0	0	0	0
7	Non-credit/receipt of NCDs in demat account	0	0	0	0
8	Non-receipt of securities after transfer	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>104</b>	<b>104</b>	<b>0</b>

#### (D) Integrated Risk Management Committee Composition

##### Composition

The Risk Management Committee current composition of three members namely Mr. Akhil Gupta, Non-Executive Director as the Chairman, Mr. Amit Ajit Gandhi, Mr. Sanjeev Kashyap, Mr. Mahesh Arora, Mr. Manish Rustagi and Mr. Nikhil Chari, as other members.

##### Terms of reference of the Integrated Risk Management Committee

- Approve the Credit/Operation Policy and its review / modification from time to time.
- Review of Customer complaints received by Regulators, Courts, Legal body or internal complaints.
- Review of Grievance Redressal Mechanism and Customers Services.
- Review of applicable regulatory requirements.
- Approve all the functional policies of the Company.
- Review of Branch Audit Report/Concurrent Audit Report of Treasury.
- Review Compliances of lapses.
- Place appropriate mechanism in the system to cater Fraud while dealing with customers/approval of loans etc.
- Review of profile of the high loan Customers and periodical review of the same.
- Review of implementation of FPCs, KYC and PMLA guidelines.
- Define loan sanctioning authorities for various types/values of loans.
- Any other matter involving Risk to the asset /business of the Company.
- Evaluation of the risk management systems (in addition to the internal control systems).

During the financial year ended March 31, 2022 the Committee met Nine times. The dates of the meetings being May 12, 2021, June 02, 2021, June 30, 2021, August 17, 2021, September 28, 2021, October 27, 2021, February 24, 2022, March 29, 2022 and March 31, 2022.

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Mr. Ajit Kumar Mittal <sup>§</sup>	Non-Executive Director	9	9
Mr. Amit Ajit Gandhi	Member	9	9
Mr. Sanjeev Kashyap	Member	9	9
Mr. Mahesh Arora	Member	9	9
Mr. Manish Rustagi	Member	9	9

<sup>§</sup>Mr. Ajit Kumar Mittal (DIN: 00017480) ceased to be the Non-Executive Director of the Company w.e.f. April 26, 2022.

#### (E) Corporate Social Responsibility (CSR) Committee Composition

##### Composition

The Corporate Social Responsibility Committee comprises of four members namely Brig. Labh Singh Sitara (Retd.) Independent Director, as the Chairman, Mr. Akhil Gupta, Non Executive Director, Mr. Pinank Jayant Shah and Ms. Ritu Kapoor Puri, Executive Director, as other three members. Terms of Reference of the Corporate Social Responsibility Committee

The Terms of reference of the CSR Committee inter-alia, include:

- To recommend to the Board, the CSR activity to be undertaken by the Company;
- To approve the expenditure to be incurred on the CSR activity;
- To oversee and review the effective implementation of the CSR activity; and
- To ensure compliance of all related applicable regulatory requirements.

##### Meetings and Attendance during the year

During the financial year ended March 31, 2022 the Committee met two times. The date of the meetings being February 11, 2022 and March 31, 2022.

Name of the Member(s)	Category	No. of Meetings	
		Held	Attended
Brig. Labh Singh Sitara (Retd.), Chairman	Non- Executive/ Independent Director	2	1
Mr. Ajit Kumar Mittal, Member <sup>§</sup>	Non- Executive Director	2	2
Mr. Pinank Jayant Shah, Member	Executive Director	2	2

Ms. Preetinder Virk, Member <sup>5</sup>	Non- Executive Director	2	2
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<sup>5</sup>Ms. Preetinder Virk and Mr. Ajit Kumar Mittal the Non-Executive Directors of the Company resigned from Directorship of the Company w.e.f. April 4, 2022 and April 26, 2022 respectively.

#### 4. Director's Remuneration:

##### (a) Non-Executive Directors:

During the Financial Year ended March 31, 2022, the Non- Executive Independent Directors have been paid, sitting fees for attending the Board meetings of the Company, and profit linked incentives in term of the existing shareholders authorization, the details of which are available on the website of the Company at [https://www.dhaniloansandservices.com/policies/MGT-7\\_Annual\\_Return\\_31.03.2022.pdf](https://www.dhaniloansandservices.com/policies/MGT-7_Annual_Return_31.03.2022.pdf)

The Non-Executive Directors of the Company do not have any pecuniary relationships or transactions with the Company or its directors, senior management, subsidiary or associate companies, other than in the normal course of business.

##### (b) Remuneration paid to Executive Directors and CEO

Details of remuneration paid to the Executive director(s) during the year under review are provided in the Annual Return as on March 31, 2022, which is available on the Company's website at [https://www.dhaniloansandservices.com/policies/MGT-7\\_Annual\\_Return\\_31.03.2022.pdf](https://www.dhaniloansandservices.com/policies/MGT-7_Annual_Return_31.03.2022.pdf)

#### 5. General Body Meetings

##### (A) Location and time of last three Annual General Meetings (AGMs) and number of special resolutions passed thereat:

Year	Meeting	Location	Date	Time	Number of special resolutions passed
2018-19	25th AGM	M-62 & 63, First Floor, Connaught Place, New Delhi - 110001	September 27, 2019	3.00 P.M.	Three
2019-20	26th AGM	M-62 & 63, First Floor, Connaught Place, New Delhi - 110001	September 23, 2020	3.00 P.M.	One
2021-22	27th AGM	M-62 & 63, First Floor, Connaught Place, New Delhi - 110001	August 13, 2021	5.30 P.M.	Two

##### (B) Extraordinary General Meeting ("EGM"):

EGM were held on:

- June 17, 2021 at 11:30 A.M. at registered office at M-62 & 63, 1<sup>st</sup> Floor, Connaught place, New Delhi-110001 for considering waiver of excess managerial remuneration paid to Mr. Pinank Jayant shah, Whole-Time Director, (DIN: 07859798).
- December 15, 2021 at 6:30 P.M. at registered office at M-62 & 63, 1<sup>st</sup> Floor, Connaught place, New Delhi-110001 for i) Re-classification of Authorised Share Capital of the Company, ii) Approval to the appointment of Brig. Labh Singh Sitara (Retd.) as Independent Director, who has attained the age of more than seventy five years and iii) Authority to offer, issue and allot Redeemable Convertible Preference Shares (RCPS) of the Company.

**(C) Postal Ballot during the FY 2021-22:**

During the year 2021-22, no resolution was passed by the Company through Postal Ballot. No Special Resolution requiring Postal Ballot is being proposed on or before the ensuing AGM of the Company.

**6. Means of Communication**

The Investor Information & Financials sections on the Company's website <https://www.dhaniloansandservices.com/> keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports, Contact details of persons responsible for investor grievances, etc.

**7. General Shareholders Information**

**(A) Company Registration Details**

The Company is registered in the State of Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U74899DL1994PLC062407.

**(B) Date, Time and Venue of AGM**

The 28<sup>th</sup> AGM of the Company would be held on the day, date and time as mentioned in the Notice convening the said AGM.

**(C) Financial year**

The financial year of the Company is a period of twelve months beginning on 1st April every calendar year and ending on 31st March the following calendar year.

**(D) Dividend Payment Date:**

The Company has not declared any dividend during the financial year 2021-22.

**(E) Listing on Stock Exchanges**

The Equity Shares of the Company are not listed. Only Secured Redeemable Non-Convertible Debentures (NCDs), issued through public issue and private placement basis are list on National Stock Exchange of India and BSE Limited:

BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	National Stock Exchange of India Ltd (NSE) “Exchange Plaza”, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051
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The listing fees for the financial year 2021-2022 & 2022-23, have been paid to BSE and NSE.

**(F) Stock Code/S: NSE: DHANILOANS**

**BSE: 936498**

**(G) Market Price data- high, low during each month in last financial year – Not Applicable**

**(H) Market Price data- high, low during each month in last financial year – Not Applicable**

**(I) Performance of the Company's share in comparison to broad-based indices –Not Applicable**

**(J) In case of securities are suspended from trading, the directors report shall explain the reason thereof – Not Applicable**

**(K) Share Transfer System**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. 99.99 % equity shares of the Company are in dematerialized form, hence, transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

**Distribution of shareholding as on March 31, 2022 – Not Applicable (Dhani Loans and Services Limited is wholly owned subsidiary of Dhani Services Limited)**

**(L) Registrar and Transfer Agents**

**KFin Technologies Limited**

*(Formerly known as KFin Technologies Private Limited)*

Unit: Dhani Loans and Services Limited

Selenium Tower B, Plot 31-32, Financial District, Nanakramguda,

Serilingampally Mandal, Hyderabad – 500 032, Telangana

Toll free number - 1- 800-309-4001

E-mail: einward.ris@kfintech.com

Website: www.kfintech.com and https://ris.kfintech.com/

**(ii) Shareholding pattern as on March 31, 2022**

Dhani Services Limited holds 6,11,88,000 Equity Shares of Rs. 10 each along with its 6 nominees.

**(M) Dematerialization of shares and liquidity**

99.99% Equity shares of the Company are in dematerialized form as on March 31, 2022. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE614X01012.

**(N) Outstanding global depository receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity:** Not Applicable

**(O) Commodity price risk or foreign exchange risk and hedging activities:** Not Applicable

**(P) Plant Locations:** Not Applicable

**(Q) Address for Correspondence**

**(i) Registered Office:**

1/1 E, First Floor,

East Patel Nagar,

New Delhi-110008,

Email: support@dhani.com

Tel: 011- 41052775, Fax: 011- 42137986

Website: [www.dhaniloansandservices.com](http://www.dhaniloansandservices.com)

**(ii) Corporate Office:**

One International Centre (Formerly IFC),

Senapati Bapat Marg, Elphinstone Road,

Mumbai – 400 013

**(R) Debenture Trustees**

**(I) IDBI Trusteeship Services Limited**

17, R. Kamani Marg, Ballard Estate,

Mumbai – 400 001

Tel: 022 40807000

Fax: 022 66311776

Email: [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com)

Website: [www.idbitrustee.co](http://www.idbitrustee.co)

**(II) Beacon Trusteeship Limited**

4 C&D, Siddhivinayak Chambers,

Opp. MIG Cricket Club, Gandhi Nagar,

Bandra (East), Mumbai- 400 051

Telephone No: 022 2655 8759

Email: [contact@beacontrustee.co.in](mailto:contact@beacontrustee.co.in)

Website: [www.beacontrustee.co.in](http://www.beacontrustee.co.in)



**(S) Profiles of the directors seeking appointment / re-appointment have been captured in the Notice convening the 28<sup>th</sup> AGM of the Company.**

**(T) Credit Ratings and Change/ Revisions in Credit Ratings for Debt Instruments:-**

As on March 31, 2022, Dhani Loans and Services Limited [DLSL] has Long term credit rating of BWR AA (Stable) rating from Brickwork Ratings, IVR AA (Stable) rating from Infomerics Valuation and Rating & CARE A (CWD) rating from CARE Ratings. Also, the Company has Short term Credit rating of BWR A1+ from Brickwork Ratings.

**(U) Details of utilization of funds raised through preferential allotment or qualified institutions placement – Not Applicable**

**(V) Other Disclosures**

Particulars	Details
Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;	There were no material related party transactions during the year that have a conflict with the interest of the Company. Further, the Company also has a policy on dealing with related party transactions which is disclosed on its website at <a href="https://www.dhaniloansandservices.com/policies/DLSL-Policy-on-Related-Party-Transactions.pdf">https://www.dhaniloansandservices.com/policies/DLSL-Policy-on-Related-Party-Transactions.pdf</a>
Details of non - compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets, during the last three years;	During the financial year 2021-22 the Company received notice from NSE and BSE for Non Compliance with Regulation 54(2) of SEBI (LODR ) Regulations, 2015 – Non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs in the financial statements and imposed penalty of Rs. 24,840 /-. The company paid the said penalty to both NSE and BSE.
Details of establishment of vigil mechanism / whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;	The Company has a Whistle Blower Policy and has established necessary Vigil Mechanism for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee. The details of the Whistle Blower Policy are available on the website of the Company at <a href="https://www.dhaniloansandservices.com/whistleblower-policy">https://www.dhaniloansandservices.com/whistleblower-policy</a> .
Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;	Details of compliance with non-mandatory and mandatory requirements are mentioned in point no. 9 and 10 of this report respectively.
Web link where policy for determining 'material' subsidiaries is disclosed;	Not Applicable as the Company do not have any material subsidiaries.
Web link where policy on dealing with related party transactions	The Company has a policy on dealing with related party transactions which is disclosed on its website at <a href="https://www.dhaniloansandservices.com/policies/DLSL-Policy-on-Related-Party-Transactions.pdf">https://www.dhaniloansandservices.com/policies/DLSL-Policy-on-Related-Party-Transactions.pdf</a>
Disclosure of commodity price risks and commodity hedging activities	Not Applicable
Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A).	Not Applicable
Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority	The Company has obtained certificate from Practising Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The same is reproduced at the end of this report and marked as <b>Annexure I</b> .
Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:	The Board had accepted all recommendations of committees of the Board which are mandatorily required, during the financial year 2021-22.
Total fees for all services paid by the listed entity and its subsidiaries (excluding GST), for FY 2021-22, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory	The particulars of payment of fees to Statutory Auditors' is given below:

auditor is a part.	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount(Rs.) [Refer note (1)]</th> <th>Amount(Rs.) [Refer note (2)]</th> </tr> </thead> <tbody> <tr> <td>(i) Audit fees</td> <td>5,00,000</td> <td>30,00,000</td> </tr> <tr> <td>(ii) Certification Fee</td> <td>-</td> <td>-</td> </tr> <tr> <td>(iii) Out of pocket expenses</td> <td>-</td> <td>-</td> </tr> <tr> <td>(iv) In connection with the issue of securities</td> <td>-</td> <td>5,00,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>5,00,000/-</b></td> <td><b>35,00,000/-</b></td> </tr> </tbody> </table>			Particulars	Amount(Rs.) [Refer note (1)]	Amount(Rs.) [Refer note (2)]	(i) Audit fees	5,00,000	30,00,000	(ii) Certification Fee	-	-	(iii) Out of pocket expenses	-	-	(iv) In connection with the issue of securities	-	5,00,000	<b>Total</b>	<b>5,00,000/-</b>	<b>35,00,000/-</b>
	Particulars	Amount(Rs.) [Refer note (1)]	Amount(Rs.) [Refer note (2)]																		
(i) Audit fees	5,00,000	30,00,000																			
(ii) Certification Fee	-	-																			
(iii) Out of pocket expenses	-	-																			
(iv) In connection with the issue of securities	-	5,00,000																			
<b>Total</b>	<b>5,00,000/-</b>	<b>35,00,000/-</b>																			
<p><b>Notes:</b></p> <p>(1) Fees paid to Walker Chandiook &amp; Co LLP (outgoing auditors)  (2) Fees paid to Hem Sandeep &amp; Co (incoming auditors)</p> <p>Further, no fees were paid to any entity in the network firm/network entity of which the Statutory Auditor is a part.</p>																					
Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	<b>Number of complaints filed during the financial year.</b>	<b>Number of complaints disposed of during the financial year.</b>	<b>Number of complaints pending as on end of the financial year.</b>																		
	Nil	NA	NA																		
Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount'	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. Further, Your Directors wish to draw attention of the members to Notes to the financial statement which sets out related party disclosures.																				
Familiarization Program: Details of familiarisation programmes imparted to Independent Directors is disclosed on its website at <a href="https://www.dhani loans and services.com/policies/DLSL-Board-Familiarisation-Programme.pdf">https://www.dhani loans and services.com/policies/DLSL-Board-Familiarisation-Programme.pdf</a>																					
Summary Minutes	A summary of the minutes of the meetings of the Board of the subsidiary companies is placed before the Board for noting on a quarterly basis.																				

#### Unclaimed Amount

8. As on March 31, 2022, there was no unpaid amount with respect to the Interest / Dividend /Redemption of NCDs of the Company.
9. Non-compliance of any requirement of corporate governance report of sub-paras above, with reasons thereof shall be disclosed:  
Currently, the composition of the Board is in compliance with the requirements under the Companies Act, 2013. In view of the provisions under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("SEBI Listing Regulations") relating to Board composition which have been made applicable to High Value Debt Listed entities, the Company shall reconstitute its Board within the specified timelines.
10. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.

The Company has adopted the following discretionary requirements as specified in Part E of Schedule II

- i. The Company has adopted regime of financial statement with unmodified audit opinion.
- ii. The Internal Auditor of the Company directly reports to Audit Committee of the Company.

11. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (a) to (i) of Regulation 62 (1A) of SEBI Listing Regulations shall be made in the section on corporate governance of the annual report.

The Company is in compliance with/is in the process of complying with all the mandatory requirements specified in Regulation 17 to 27 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 which have become applicable to the Company as a High Value Debt Listed Entity (“HVDLE”) w.e.f September 7, 2021 on a ‘comply or explain’ basis until March 31, 2023 except Regulation 17(1)(b) for which the Company has been providing the necessary explanation in the quarterly compliance report on Corporate Governance submitted to the Stock Exchange.

12. Declaration signed by the Whole Time Director & CEO stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.

The Company has adopted a Code of Conduct for its employees including the Whole Time Director & CEO. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company’s website <https://www.dhaniloansandservices.com/policies/DLSL-Code-of-Conduct-of-the-Board-of-Directors-and-Senior-Management-Personnel.pdf>

All the Directors of the Board and Senior Management Personnel of the Company have affirmed compliance with the respective Codes. A declaration signed by the Whole Time Director & CEO to this effect is reproduced at the end of this report and marked as **Annexure II**.

13. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors’ report.

The Company has obtained compliance certificate from the Practising Company Secretaries on corporate governance. The same is reproduced at the end of this report and marked as **Annexure-III**

14. Disclosures with respect to demat suspense account / unclaimed suspense account: Not Applicable

**CERTIFICATE**

(pursuant to Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
**Dhani Loans and Services Limited**  
**1/1E, First Floor, East Patel Nagar,**  
**New Delhi West Delhi-110008.**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Dhani Loans and Services Limited** having CIN **U74899DL1994PLC062407** and having registered office at 1/1E, First Floor, East Patel Nagar, New Delhi West Delhi-110008. (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment in Company*</b>
1.	Mr. Pinank Jayant Shah	07859798	14/09/2017
2.	Mr. Gagan Banga**	00010894	22/03/2018
3.	Ms. Preetinder Virk**	02398827	04/12/2018
4.	Mr. Ajit Kumar Mittal**	02698115	14/09/2017
5.	Mr. Nafees Ahmed**	03496241	14/09/2017
6.	Dr. Narendra Damodar Jadhav	02435444	17/11/2020
7.	Brig. Labh Singh Sitara (Retd.)	01724648	14/09/2017

\*the date of appointment is as per the MCA Portal.

\*\* *Mr. Gagan Banga, Ms. Preetinder Virk, Mr. Ajit Kumar Mittal and Mr. Nafees Ahmed had resigned w.e.f. March 14, 2022, April 04, 2022, April 26, 2022 and July 01, 2022 respectively.*

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For MARG & Associates**  
**Company Secretaries**

**Sd/-**  
**CS Riya Luthra**  
**(Managing Partner)**  
**Membership No.: A-53802**  
**CP No. 24472**  
**UDIN: A053802D000834461**  
**Date: August 23, 2022**  
**Place: New Delhi**

*Annexure II*

**CEO/CFO certification pursuant to regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors  
Dhani Loans and Services Limited

As required by Regulation 17(8) read with Part-B of Schedule-II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm to the Board that:

- A. We have reviewed financial statements including the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
- (1) There were no significant changes in internal control over financial reporting during the year;
  - (2) There were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: May 30, 2022  
Place: Gurugram

Sd/-  
**Pinank Jayant Shah**  
Chief Executive Officer

Sd/-  
**Rajeev Lochan Agrawal**  
Chief Financial Officer

**PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members  
**Dhani Loans and Services Limited**

We have examined the compliance of conditions of Corporate Governance by Dhani Loans and Services Limited ("the Company"), for the year ended March 31, 2022, as prescribed in Regulations 17 to 27, clauses (a) to (i) of sub-regulation (1A) of Regulation 62 and para C, D & E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and as made applicable to the Company effective September 7, 2021 on a comply or explain basis until March 31, 2023, and the necessary explanation in the quarterly compliance report on Corporate Governance submitted to the Stock Exchange under Regulation 27(2)(a) of SEBI Listing Regulations.

We state that the compliance of conditions of Corporate Governance is the responsibility of the Company's management and, our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI LODR.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

We further state that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

**For MARG & Associates**  
**Company Secretaries**

**Sd/-**  
**CS Riya Luthra**  
**(Managing Partner)**  
**Membership No.:** A-53802  
**CP No.** 24472  
**UDIN:** A053802D000834505  
**Date:** August 23, 2022  
**Place:** New Delhi

**Independent Auditor's Report**

**To The Members of Dhani Loans and Services Limited  
(formerly Indiabulls Consumer Finance Limited)**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) (the "Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

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

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Emphasis of matter**

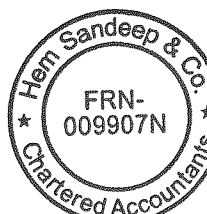
We draw attention to Note 6 to the accompanying Standalone Financial Statements which describes the effects of uncertainties relating to COVID – 19 pandemic outbreak on the Company's operations, that are dependent upon future developments, and the impact thereof on the Company's estimates of impairment of loans to customers outstanding as at March 31, 2022, and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.



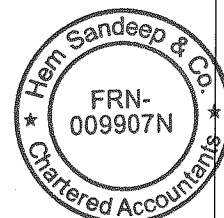
## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Financial Statements.

Key Audit Matters	Auditor's Response
<p>a) Impairment of Loans (expected credit loss - ECL) (Refer note 6 to the Financial Statements)</p> <p>In accordance with the requirements of Ind AS 109, the Company is required to provide for impairment of its financial assets using the expected credit loss ('ECL') approach which involves an estimation of the probability of loss on the financial assets over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management in respect of following matters:</p> <p>(i) Classification and staging of loan portfolio, and estimation of behavioural life.</p> <p>(ii) Estimation of losses in respect of those classes of loans which had no or minimal historical defaults.</p> <p>(iii) Management overlay for macro-economic factors and the impact of CoVID -19 pandemic and estimation of their impact on the credit quality of the loans. In accordance with the guidance in Ind AS 109, the management overlay estimate takes into account reasonably and supportable information without incurring significant cost. The actual credit losses for the next 12 months could be significantly different than the ECL estimates prepared by the Company depending upon the impact and duration of the pandemic and various regulatory and policy measures announced by the Government.</p> <p>(iv) Further, the Company has restructured loans on account of COVID-19 related regulatory measures. This has resulted in increased management estimation over determination of provision for such restructured loans.</p>	<p>Principal Audit Procedures</p> <ul style="list-style-type: none"><li>• Read and assessed the Company's accounting policies for the process of estimation of impairment of financial assets and whether such policy was in accordance with the requirements of Ind AS 109 and the governance framework approved by the Board of Directors pursuant to the applicable Reserve Bank of India guidelines/directions.</li><li>• Evaluated the appropriateness of the Company's assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets and their appropriateness for determining the probability of default (PD) and loss-given default (LGD) rates.</li><li>• Tested the operating effectiveness of the controls for application of the staging criteria. Assessed the additional considerations applied by the Management for staging of loans.</li><li>• Performed tests (on sample basis) to verify the completeness and accuracy of the input data used to determine the PD and LGD rates and agreed such data with the underlying books of accounts and records.</li></ul> 

Key Audit Matters	Auditor's Response
<p>a) Impairment of Loans (expected credit loss - ECL) (Refer note 6 to the Financial Statements) (continued)</p> <p>(v) The disclosures (including disclosures prescribed by RBI) regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.</p> <p>The Company has developed a financial model that derives key assumptions used within the provision calculation such as probability of default (PD) and loss given default (LGD). The output of such model is then applied to the calculation for the provision for expected credit loss calculation with other information including the exposure at default (EAD).</p> <p>Given the high degree of management's judgement involved in estimation of ECL, it is an area of material uncertainty and a key audit matter.</p> <p><i>This space has intentionally been left blank</i></p>	<p>Principal audit procedures (continued)</p> <ul style="list-style-type: none"> <li>• Performed inquiries with the Company's management to assess the impact of COVID-19 on the current economic environment and business activities of the Company.</li> <li>• Tested the arithmetical accuracy of calculation of the provision for ECL performed by the Company.</li> <li>• Tested assumptions used by the management in determining the overlay for macro-economic factors (including CoVID-19 pandemic)</li> <li>• Tested key controls and details over restructuring process in respect of eligibility, approval and modification of terms.</li> <li>• Assessed the appropriateness and sufficiency of disclosures in the Financial Statements in respect of provision for EC.</li> </ul>



Key Audit Matters	Auditor's Response
<p>b) De-recognition of financial assets (Refer Note 47 to the Standalone Financial Statements)</p> <p>The Company has, during the year ended March 31, 2022, assigned loans amounting to Rs. 12,684.73 lakhs for managing its funding requirements and recorded net income of Rs. 124.18 lakhs in the Statement of Profit and Loss. In accordance with Ind AS 109, de-recognition of financial assets (loans) transferred by the Company through assignment is based on the 'risk and reward' model and a 'control' model. In case de-recognition criteria are met, the financial assets assigned are de-recognized and difference between carrying value and consideration including the present value of interest payments that it would not give up (excess interest spread (EIS) receivable) is recognized as income in the Statement of Profit and Loss for the year.</p> <p>The Company also records a servicing asset and servicing liability at their fair value for the right retained for servicing the financial asset for the service contract and the related costs to be incurred.</p> <p>The assessment of derecognition criteria being met involves significant judgements and furthermore the measurement of the related EIS receivable income, servicing asset and liability requires significant estimates to be made with respect to the discount rate, expected portfolio life, prepayment and foreclosures. Given the complexity and the volume of such transactions the same has been considered a key audit matter.</p>	<p>Principal audit procedures</p> <ul style="list-style-type: none"> <li>• Assessed (on sample basis) assignment agreements to evaluate whether the de-recognition criteria have been met.</li> <li>• Assessed the significant estimates and judgments, including the discount rate and expected remaining life of the portfolio transferred used by the Company for computation of excess interest spread receivable, servicing asset and servicing liability.</li> <li>• Tested the arithmetical accuracy of computation of the excess interest spread receivable, servicing asset and servicing liability.</li> <li>• Assessed the disclosures included in the Financial Statements with respect to de-recognition in accordance with the requirements of Ind AS 109 and Ind AS 107.</li> </ul>

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

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

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

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

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



## **Management's Responsibilities for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

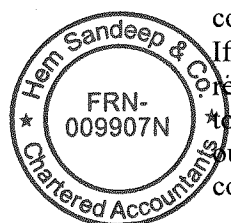
## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

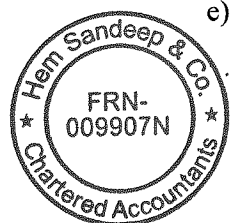
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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.

### **Other Matters**

The Company's financial statements for the year ended March 31, 2021 prepared in accordance with Ind AS were audited by the predecessor auditor whose audit report dated June 18, 2021 expressed an unmodified opinion on those financial statements. Our opinion is not modified in respect of the above matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.

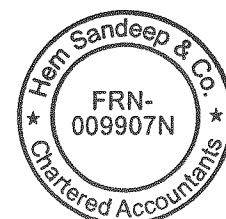


## Report on Other Legal and Regulatory Requirements (continued)

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the matter to be included in the Auditors’ Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has taken requisite approvals in the extra-ordinary general meeting of its members on May 30, 2022, in respect of remuneration paid to a Whole Time Director during the year ended March 31, 2022 which was in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or 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 entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



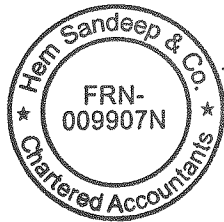
**Report on Other Legal and Regulatory Requirements (continued)**

- v. The Company has not declared/paid any dividend during the year and subsequent to the year-end.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Hem Sandeep & Co.  
Chartered Accountants  
ICAI Firm registration number: 009907N



per Ajay Sardana  
Partner  
Membership No. 089011  
New Delhi, May 30, 2022  
UDIN: 22089011AJYCTS5896



## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)**

We have audited the internal financial controls over financial reporting of Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) (the “Company”) as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

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

### **Auditor’s Responsibility**

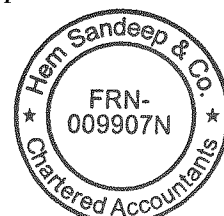
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

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





### **Meaning of Internal Financial Controls over Financial Reporting (continued)**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Hem Sandeep & Co.  
Chartered Accountants  
ICAI Firm registration number: 009907N

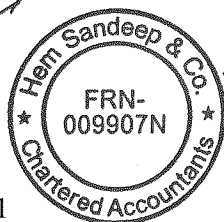


per Ajay Sardana  
Partner

Membership No. 089011

New Delhi, May 30, 2022

UDIN: 22089011AJYCTS5896

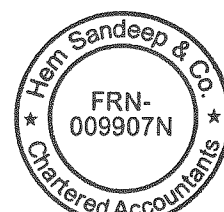


## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Dhani Loans and Services Limited (formerly Indiabulls Consumer Finance Limited) of even date)

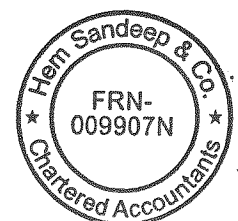
To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) Based on our examination of the property tax receipts and lease agreement for land registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the Standalone Financial Statements included under property, plant and equipment are held in the name of the Company as at the balance sheet date.
  - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
  - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The Company is engaged in the business of a non-banking finance company and does not hold any physical inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable.  
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. During the year, the Company has granted loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. The Company has not made any investments in and has not provided any guarantee or security to any other entity during the year. With respect to such loans and advances:
  - (a) The Company is registered as a Non-Banking Finance Company engaged in the primary business of financing/ granting loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable.



**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (continued)**

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans and advances in the nature of loans granted by the Company (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 3 (j) to the Financial Statements, explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, read with Notes 6 and 49 to the Standalone Financial Statements, loan assets with balances as at March 31, 2022 aggregating Rs. 42,701.41 lakhs were categorized as credit impaired ("Stage 3") and Rs. 77,794.67 lakhs were categorized as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 6, read with Note 50, to the Standalone Financial Statements. Additionally, out of total loans and advances in the nature of loans, balances as at the year-end aggregating Rs. 2,95,541.62 lakhs, where credit risk has not significantly increased since initial recognition were categorized as "Stage 1". Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemized list of loan assets where delinquencies in the repayment of principal and interest have been identified (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause). Further, except for loans where there are delays or defaults in repayment of principal and / or payment of interest as at the balance sheet date, in respect of which the Company has disclosed asset classification / staging in note 6 and 49 to the Financial Statements in accordance with Indian Accounting Standards (Ind AS) and the applicable directions/ guidelines issued by the Reserve Bank of India, in all other cases, the repayment of principal and interest is regular, as applicable.
- (d) According to the information and explanations given to us and upon consideration of management's representations and other relevant evidence, and based on the audit procedures conducted by us, in our opinion, the Company, in pursuance of applicable compliances prescribed under the Act and applicable directions/ guidelines issued by the Reserve Bank of India, particularly relating to Income Recognition, Asset Classification and Provisioning Norms, monitors and reports the total amount overdue including principal and/or interest for more than ninety days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 6, 40 and 49 to the Financial Statements for summarized details of such loans/advances which are not repaid by borrowers as stipulated. However, reasonable steps are taken by the Company for recovery thereof.
- (e) The Company is registered as a Non-Banking Finance Company engaged in the primary business of financing/ granting of loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii) (f) is not applicable.



**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (Continued)**

- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:

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

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

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

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

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Rs. 588.41 lacs	Financial year 2017-2018 (Assessment year 2018-19)	CIT(Appeals)

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender during the year.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained



**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (continued)**


(b) In our opinion and according to the information and explanations given to us, the Company has conducted its business activities of a Non-Banking Financial Company and is duly registered under section 45-IA of the RBI Act, holding certificate of registration (CoR) as a Non-Banking Financial Institution without accepting public deposits under section 45-IA of the said RBI Act.

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

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

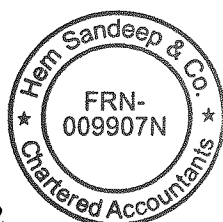
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. The previous statutory auditors of the Company have resigned during the year pursuant to the requirements of the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), 8CBs and NBFCs (including HFCs) dated April 27, 2021, issued by the Reserve Bank of India, and no issues, objections or concerns were raised by the outgoing auditors.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern as disclosed in the Notes to the Financial Statements, other information accompanying the Financial Statements and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report 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. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Hem Sandeep & Co.  
Chartered Accountants  
ICAI Firm registration number: 009907N

  
per Ajay Sardana  
Partner

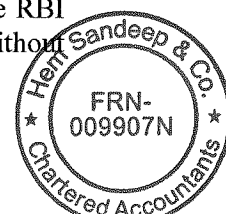
Membership No. 089011  
New Delhi, May 30, 2022

UDIN: 22089011AJYCTS5896



**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (continued)**

- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, as defined in the Act. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended 31 March 2022.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary (as defined under the Act).
- x. (a) The moneys raised during the year by way of public issue of non-convertible debentures were applied by the Company for the purpose for which those funds were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid investments payable on demand.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. (a) During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, there have been instances of fraud on the Company amounting to Rs. 243.40 lakhs. No fraud by the Company has been noticed or reported during the year. We have not been informed of any such case by the management.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) The internal audit is performed as per a planned program approved by the Audit Committee of the Board of Directors of the Company. We have considered, the internal audit reports for the year under audit, issued to the Company during the year.
- xv. In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) According to the information and explanations given to us, the Company is engaged in the business of Non-Banking Financial Institution as defined under section 45-IA of Reserve Bank of India Act, 1934 ("RBI Act") and is duly registered under section 45-IA of the RBI Act, holding certificate of registration (CoR) as a Non-Banking Financial Institution without accepting public deposits under section 45-IA of the said RBI Act.



**DHANI LOANS AND SERVICES LIMITED**  
(Formerly known as Indiabulls Consumer Finance Limited)  
**Standalone Balance Sheet as at 31 March 2022**  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

	Notes	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>1 Financial assets</b>			
(a) Cash and cash equivalents	4	41,959.90	99,614.37
(b) Bank balance other than cash and cash equivalents	5	14,975.06	24,285.85
(c) Loans	6	3,34,454.23	3,72,117.35
(d) Investments	7	1,56,351.43	2,40,940.47
(e) Other financial assets	8	3,120.59	8,373.27
<b>Total financial assets</b>		<b>5,50,861.21</b>	<b>7,45,331.31</b>
<b>2 Non-financial assets</b>			
(a) Current tax assets (net)	9	15,700.69	12,569.45
(b) Deferred tax assets (net)	10	17,035.56	10,478.57
(c) Property, plant and equipment	11(a)	8,370.23	6,012.79
(d) Right-of-use assets	11(b)	17,032.76	12,146.89
(e) Intangible assets under development	11(c)	462.18	380.46
(f) Other intangible assets	11(d)	4,355.81	4,465.36
(g) Other non-financial assets	12	5,235.42	4,219.81
<b>Total non-financial assets</b>		<b>68,192.65</b>	<b>50,273.33</b>
<b>TOTAL ASSETS</b>		<b>6,19,053.86</b>	<b>7,95,604.64</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1 Financial liabilities</b>			
(a) Payables			
(I) Trade payables	13		
(i) Dues of micro enterprises and small enterprises		-	-
(ii) Other than micro enterprises and small enterprises		1,097.24	215.13
(II) Other payables	14		
(i) Dues of micro enterprises and small enterprises		-	-
(ii) Other than micro enterprises and small enterprises		8,734.96	12,685.26
(b) Debt securities	15	54,506.33	77,060.33
(c) Borrowings (other than debt securities)	16	1,17,746.19	2,38,793.37
(d) Lease liabilities	17	18,389.53	13,389.88
(e) Others financial liabilities	18	13,223.33	32,391.61
<b>Total financial liabilities</b>		<b>2,13,697.58</b>	<b>3,74,535.58</b>
<b>2 Non-financial liabilities</b>			
(a) Provisions	19	1,556.22	2,144.46
(b) Other non-financial liabilities	20	2,534.11	1,356.73
<b>Total non-financial liabilities</b>		<b>4,090.33</b>	<b>3,501.19</b>
<b>3 EQUITY</b>			
(a) Equity share capital	21	6,118.80	6,118.80
(b) Other equity	22	3,95,147.15	4,11,449.07
<b>Total equity</b>		<b>4,01,265.95</b>	<b>4,17,567.87</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6,19,053.86</b>	<b>7,95,604.64</b>

The accompanying notes form an integral part of these Standalone Financial Statements.

This is the Standalone Balance Sheet referred to in our report of even date.

For Hem Sandeep & Co  
Chartered Accountants  
Firm's registration no. : 009907N

Ajay Sardana  
Partner  
Membership No.: 089011

Place: New Delhi  
Date: 30 May 2022

For and on behalf of the board of directors

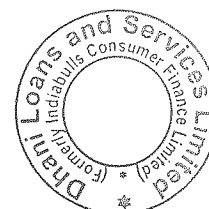
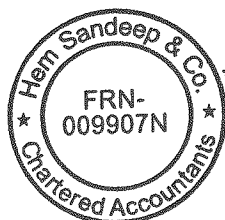
Pinank Jayant Shah  
Whole Time Director &  
Chief Executive Officer  
DIN: 07859798

Place: Mumbai  
Date: 30 May 2022

Ritu Kapoor Puri  
Director  
DIN: 09559548

Rajesh Lochan Agrawal  
Chief Financial Officer

Manish Rustagi  
Company Secretary



**DHANI LOANS AND SERVICES LIMITED**  
**(Formerly known as Indiabulls Consumer Finance Limited)**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2022**  
 (All amounts are in Indian Rupees in lakh unless stated otherwise)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>I Income from operations</b>			
(i) Interest income	23	41,386.63	80,080.85
(ii) Fees and commission income	24	37,914.35	8,363.63
(iii) Net gain on fair value changes	25	1,804.22	3,055.83
(iv) Net gain on derecognition of financial assets	26	124.18	10,017.76
<b>Total Income from operations</b>		<b>81,229.38</b>	<b>1,01,518.07</b>
II Other income	27	3,181.50	4,768.69
<b>III Total Income (I + II)</b>		<b>84,410.88</b>	<b>1,06,286.76</b>
<b>IV Expenses</b>			
(i) Finance costs	28	22,606.32	43,590.94
(ii) Fee and Commission expenses	29	486.01	-
(iii) Impairment on financial assets	30	26,512.62	15,393.44
(iv) Employee benefits expense	31	28,082.14	30,348.36
(v) Depreciation and amortisation	32	6,004.97	5,707.22
(vi) Other expenses	33	25,576.61	18,226.83
<b>Total Expenses</b>		<b>1,09,268.67</b>	<b>1,13,266.79</b>
<b>V Loss before tax (III-IV)</b>		<b>(24,857.79)</b>	<b>(6,980.03)</b>
<b>VI Tax Expense:</b>	34		
(i) Current tax		-	4,160.20
(ii) Deferred tax credit		(6,430.14)	(5,730.46)
		<b>(6,430.14)</b>	<b>(1,570.26)</b>
<b>VII Loss for the year (V-VI)</b>		<b>(18,427.65)</b>	<b>(5,409.77)</b>
<b>VIII Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plans		169.67	559.54
(b) Income tax expense relating to above items		(42.70)	(140.82)
(ii) Items that will be reclassified to profit or loss			
(a) Changes in fair valuation of financial assets		(673.71)	(357.00)
(b) Income tax expense relating to above items		169.56	89.85
<b>Other comprehensive (loss)/income (i + ii)</b>		<b>(377.18)</b>	<b>151.57</b>
<b>IX Total comprehensive loss for the year (VII+VIII)</b>		<b>(18,804.83)</b>	<b>(5,258.20)</b>
<b>X Earnings per equity share</b>	35		
Basic (Rs.)		(30.12)	(8.84)
Diluted (Rs.)		(30.12)	(8.84)

The accompanying notes form an integral part of these Standalone Financial Statements.

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For Hem Sandeep & Co  
 Chartered Accountants  
 Firm's registration no. : 009907N

Ajay Sandeep  
 Partner  
 Membership No.: 089011

Place: New Delhi  
 Date: : 30 May 2022

For and on behalf of the board of directors

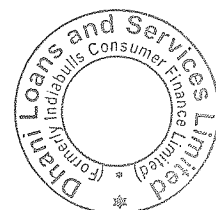
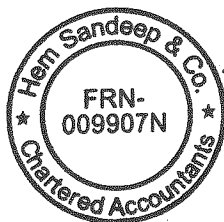
Pinank Jayant Shah  
 Whole Time Director &  
 Chief Executive Officer  
 DIN: 07859798

Place: Mumbai  
 Date: : 30 May 2022

Ritu Kapoor Puri  
 Director  
 DIN: 09559548

Rajesh Lochan Agrawal  
 Chief Financial Officer

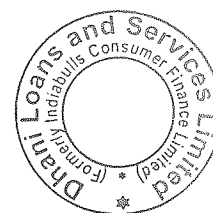
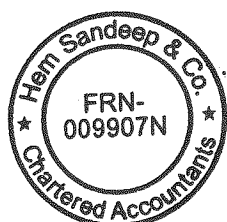
Manish Rustagi  
 Company Secretary





**DHANI LOANS AND SERVICES LIMITED**  
**(Formerly known as Indiabulls Consumer Finance Limited)**  
**Standalone Statement of Cash flows for the year ended 31 March 2022**  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A Cash flow from operating activities:</b>		
<b>Net profit/ (loss) before tax</b>	(24,857.79)	(6,980.03)
Adjustments for :		
Depreciation/ amortisation	6,004.97	5,707.22
(Profit)/ loss on sale of property, plant and equipment	95.52	635.90
Impairment on financial instruments	26,512.62	15,393.44
Provision for gratuity and compensated absences	867.83	448.81
Interest income	(41,386.63)	(80,080.85)
Interest expenses	20,812.38	41,780.32
Interest on lease liabilities	1,627.38	1,674.04
(Profit) /loss on fair value changes	(1,804.22)	(3,055.83)
Profit recognised on sale of assigned portfolio	(124.18)	(10,017.76)
Provision written back	(600.20)	(745.08)
Gain on sale of loan portfolio through assignment	5,343.92	35,737.68
(Gain)/loss on modification/ derecognition of financial asset	(852.88)	(1,096.00)
Effective interest rate adjustment for financial instruments	299.73	2,220.85
Share based payments to employees	2,502.91	(1,041.50)
	<u>19,299.14</u>	<u>7,581.24</u>
<b>Operating profit/ (loss) before working capital changes</b>	<b>(5,558.65)</b>	<b>601.20</b>
Adjustments for:		
Loans	13,064.15	40,286.01
Other financial assets	11,753.32	24,357.04
Other non financial assets	(1,183.64)	6,745.50
Trade payables	882.11	(6,108.39)
Other payables	(3,350.10)	10,420.84
Other financial liabilities	(19,168.28)	18,693.42
Provisions	(1,286.40)	(186.17)
Other non financial liabilities	1,177.38	(3,007.40)
	<u>1,888.54</u>	<u>91,200.85</u>
<b>Cash flow from/(used in) operation</b>	<b>(3,670.11)</b>	<b>91,802.05</b>
Interest received	33,945.25	66,648.77
Interest paid	(21,565.17)	(42,375.09)
Income taxes paid (including tax deducted at source)	(3,131.23)	(7,635.91)
<b>Net cash flows from/ (used in) operating activities</b>	<b>5,578.74</b>	<b>1,08,439.82</b>
<b>B Cash flows from investing activities:</b>		
Purchase of property, plant and equipment, intangible assets under development and intangible assets	(5,162.27)	(1,352.74)
Investment made in Subsidiary/ Associates	-	(7,606.48)
Sale/ (Purchase) of other investments (net)	86,393.26	(36,286.70)
Interest received	2,530.86	6,475.16
<b>Net cash flow from/ (used in) investing activities</b>	<b>83,761.85</b>	<b>(38,770.76)</b>
<b>C Cash flows from financing activities:</b>		
Proceeds from issue of preference shares (including premium)	61,262.56	-
Redemption of preference shares (including premium)	(61,262.56)	-
Proceeds from debt securities	19,057.22	52,500.00
Repayment of debt securities	(41,448.49)	(57,145.00)
Proceeds from borrowings other than debt securities	52,500.00	20,500.00
Repayment of borrowings other than debt securities	(1,73,256.84)	(1,78,960.87)
Payment of lease liabilities	(3,846.94)	(3,635.75)
<b>Net cash flows from/(used in) financing activities</b>	<b>(1,46,995.06)</b>	<b>(1,66,741.62)</b>
<b>D Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(57,654.46)</b>	<b>(97,072.56)</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>99,614.37</b>	<b>1,96,686.93</b>
<b>F Cash and cash equivalents at the end of the year (D + E)</b>	<b>41,959.90</b>	<b>99,614.37</b>



**DHANI LOANS AND SERVICES LIMITED**  
**(Formerly known as Indiabulls Consumer Finance Limited)**  
**Standalone Statement of Cash flows for the year ended 31 March 2022**  
 (All amounts are in Indian Rupees in lakh unless stated otherwise)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Reconciliation of cash and cash equivalents as above with other bank balances</b>		
Cash and Cash equivalents at the end of the year as per above	41,959.90	99,614.37
Add: Fixed deposits with original maturity over 3 months	14,975.06	24,285.85
<b>Cash and cash equivalents and other bank balance as at the end of the year</b>	<b>56,934.96</b>	<b>1,23,900.22</b>

**Notes:**

1 The above cash flow statement has been prepared under the " Indirect Method " as set out in Indian Accounting Standard (Ind AS) -7 'Statement of Cash Flows' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

2 Cash and cash equivalents as at the end of the year include:

Cash in hand	0.32	0.18
Balances with banks:		
- in current accounts	31,207.22	39,079.33
- in term deposits with original maturity of less than three months*	10,752.36	60,534.86
<b>Cash and cash equivalents at the end of the year</b>	<b>41,959.90</b>	<b>99,614.37</b>


\*[Rs. 8,174.69 lakh (31 March 2021: ₹ 3,788.42 lakh) pledged against overdraft facilities availed by the Company

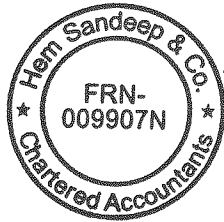
3 For disclosures relating to changes in liabilities arising from financing activities, refer note 46

The accompanying notes form an integral part of these Standalone Financial Statements.

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



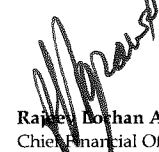

For Hem Sandeep & Co  
 Chartered Accountants  
 Firm's registration no. : 009907N

  
 Ajay Sardana  
 Partner  
 Membership No.: 089011

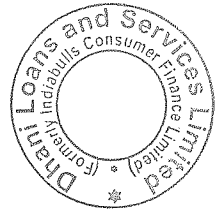


Place: New Delhi  
 Date: 30 May 2022

For and on behalf of the board of directors

     
 Pankaj Jayant Shah Ritu Kapoor Puri Rajeev Bohan Agrawal Manish Rustagi  
 Whole Time Director & Director Chief Financial Officer Company Secretary  
 Chief Executive Officer DIN: 09559548  
 DIN: 07859798

Place: Mumbai  
 Date: 30 May 2022



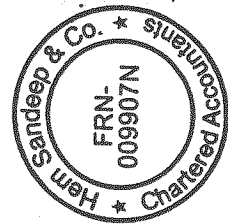
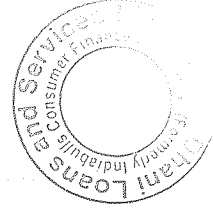
**DHANI LOANS AND SERVICES LIMITED**  
(Formerly known as Indiabulls Consumer Finance Limited)  
Standalone Statement of Changes in Equity for the year ended 31 March 2022  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

(A) Equity share capital			
Particulars	Balance as at 1 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2021
Equity share capital	6,118.80	-	6,118.80
		-	6,118.80
		-	6,118.80

(A) Equity share capital			
Particulars	Balance as at 1 April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2020
Equity share capital	6,118.80	-	6,118.80
		-	6,118.80
		-	6,118.80

**(B) Other equity**

Particulars	Reserves and Surplus						Total
	Securities premium	Capital redemption reserve	Reserve Fund (U/s 45-IC of RBI Act, 1934)	Surplus in the statement of profit and loss	Change in fair value of loan assets through other comprehensive income	Other component of equity	
Balance as at 31 March 2021	3,70,534.35	100.00	13,270.01	19,406.96	525.32	3,652.97	4,11,449.07
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance as at 1 April 2021	3,70,534.35	100.00	13,270.01	19,406.96	525.32	3,652.97	4,11,449.07
Profit/(loss) for the year	-	800.82	-	(18,427.65)	-	-	(377.18)
Transfers to capital redemption reserve during the year	-	-	-	(800.82)	-	-	2,502.91
Other comprehensive income (net of tax)	-	-	-	126.97	(504.15)	-	60,461.74
Share based payment to employees	-	-	-	-	-	-	-
Addition on issue of redeemable convertible preference shares	60,461.74	-	-	-	-	-	(60,461.74)
Utilised on redemption of redeemable convertible preference shares	(60,461.74)	-	-	-	-	-	-
Transfer to other component of equity	-	-	-	1.29	-	-	(1.29)
Transfer to retained earnings	-	-	-	306.75	21.17	3,652.97	4,999.86
Balance as at 31 March 2022	3,70,534.35	900.82	13,270.01	306.75	21.17	3,652.97	3,95,147.15



**DHANI LOANS AND SERVICES LIMITED**  
(Formerly known as Indiabulls Consumer Finance Limited)  
**Standalone Statement of Changes in Equity for the year ended 31 March 2022**  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

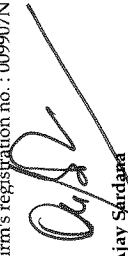
**(B) Other equity (continued)**

Particulars	Reserves and Surplus							Total	
	Securities premium	Capital redemption reserve	Reserve Fund (U/s 45-IC of RBI Act, 1934)	Surplus in the statement of profit and loss	Change in fair value of loan assets through other comprehensive income	Other component of equity	Deemed equity contribution by Holding Company		Share options outstanding account
Balance as at 01 April 2020	3,70,534.35	100.00	13,270.01	24,398.01	792.47	610.35	1,367.40	6,582.36	4,17,654.95
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2020	3,70,534.35	100.00	13,270.01	24,398.01	792.47	610.35	1,367.40	6,582.36	4,17,654.95
Profit/(loss) for the year	-	-	-	(5,409.77)	-	-	-	-	(5,409.77)
Other comprehensive income (net of tax)	-	-	-	418.72	(267.15)	-	-	-	151.57
Share based payment to employees	-	-	-	-	-	-	-	(1,041.50)	(1,041.50)
Transfer to other component of equity	-	-	-	-	-	3,042.62	-	(3,042.62)	-
Equity component of financial guarantee	-	-	-	-	-	-	93.82	-	93.82
Balance as at 31 March 2021	3,70,534.35	100.00	13,270.01	19,406.96	525.32	3,652.97	1,461.22	2,498.24	4,11,449.07


The accompanying notes form an integral part of these Standalone Financial Statements.

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

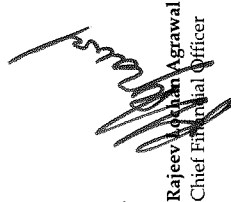
**For Hem Sandeep & Co**  
Chartered Accountants  
Firm's registration no. : 009907N

  
Ajay Sardana  
Partner  
Membership No. : 089011

**For and on behalf of the board of directors**

  
Shank Jayant Shah  
Whole Time Director &  
Chief Executive Officer  
DIN: 07859798

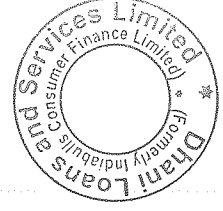
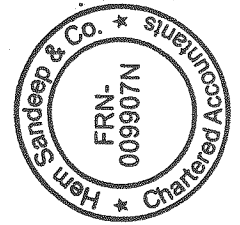
  
Ritu Kapoor Puri  
Director  
DIN: 09559548

  
Rajeev Anand Agrawal  
Chief Financial Officer

  
Manish Rustagi  
Company Secretary

Place: New Delhi  
Date: : 30 May 2022

Place: Mumbai  
Date: : 30 May 2022



**1. Company overview**

Dhani Loans and Services Limited (formerly known as Indiabulls Consumer Finance Limited) ('the Company') is a public limited Company incorporated under the provisions of Companies Act, 1956 and is engaged in the business of financing and investing related activities. The Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve Bank of India Act, 1934. The Company is domiciled in India and its registered office is situated at 1/1E, First Floor, East Patel Nagar, New Delhi West Delhi -110008.

The Registered Office of the Company shifted, within the same city, from its current location 'M - 62 & 63, First Floor, Connaught Place, New Delhi - 110001' to '1/1 E, First Floor, East Patel Nagar, New Delhi-110008', with effect from May 1, 2022.

In accordance with the provisions of Section 4, 13 and 14 and other applicable provisions of the Companies Act 2013 (the 'Act'), the members of the Company at their Extraordinary General Meeting held on 2 July 2020 accorded their approval to change the name of the Company. The Company has since received a fresh certificate of incorporation consequent upon change of name from the Registrar of Companies National Capital Territory of Delhi and Haryana dated 7 July 2020 in respect of the said change. Accordingly the name of the Company was changed from "Indiabulls Consumer Finance Limited" to "Dhani Loans and Services Limited" effective from 7 July 2020.

**2. Basis of preparation**

**(i) Statement of compliance**

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Act, other relevant provisions of the Act, guidelines issued by the RBI as applicable to an NBFCs and other accounting principles generally accepted in India. Any application guidance / clarifications/directions issued by RBI or other regulators are implemented as and when they are issued / applicable. The Company has uniformly applied the accounting policies for all the periods presented in these financial statements.

The standalone financial statements for the year ended 31 March 2022 were authorized and approved for issue by the Board of Directors on : 30 May 2022

**(ii) Presentation of Standalone financial statements**

The Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III of the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS. A summary of the significant accounting policies and other explanatory information is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as specified under Section 133 of the Act including applicable Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India.

**(iii) Historical cost convention**

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

**3. Summary of significant accounting policies**

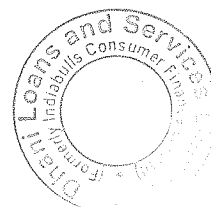
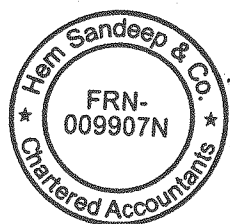
The standalone financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the standalone financial statements.

**a) Property, plant and equipment**

*Recognition and initial measurement*

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss.

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



**3. Summary of significant accounting policies (continued)**

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

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

Asset class	Useful life
Computer equipment	3 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years
Servers and networks	6 years
Leasehold improvements	Lower of useful life of the asset or lease term

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

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

*De-recognition*

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

**b) Intangible assets**

*Recognition and initial measurement*

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

*Subsequent measurement (amortisation method, useful lives and residual value)*

Asset class	Useful life
Software	4 - 10 years

Intangible assets are amortised from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

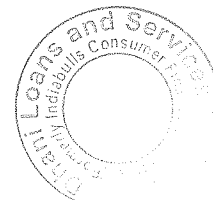
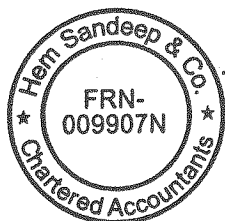
The Company had developed a software that is used to enhance the company's business in e-wallet segment. Useful life of that software were estimated 4 year basis the expected economic benefit from the software. However, the company has reassessed the expected pattern of consumption of economic benefit basis technical estimate of the software and expect benefits will flow to the Company till 10 years.

**c) Intangible assets under development**

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Company can demonstrate following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The Company intends to and has sufficient resources to complete the project
- The Company has the ability to use or sell such intangible asset
- The asset will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.



**3. Summary of significant accounting policies (continued)**

**d) Revenue recognition**

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company recognises revenue from the following sources:

*i. Interest income*

Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. Interest income are recognised using the effective interest method ('EIR'). Calculation of the EIR includes all fees received or cost incurred that are incremental and directly attributable to the acquisition of a financial asset. Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets.

*ii. Net gain on fair value changes*

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

*iii. Dividend income*

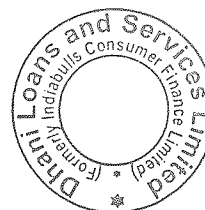
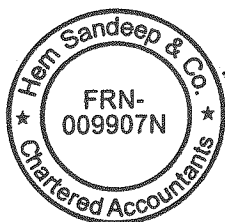
Dividend income is recognised when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

*iv. Fees and commission income*

Revenue from fee and commission is measured at fair value of the consideration received or receivable. Revenue is recognised as and when the Company satisfies the associated performance obligation in accordance with the identified contract with the customers and when there is no uncertainty in the ultimate realisation/collection

*v. Income from assignment*

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss and correspondingly EIS receivable is recognised under head other financial asset. EIS evaluated and adjusted for ECL and expected prepayment.



### 3. Summary of significant accounting policies (continued)

#### e) Borrowing costs

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

#### f) Taxation

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

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

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

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

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

#### g) Employee benefits

##### Short-term employee benefits

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

##### Other long-term employee benefits

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

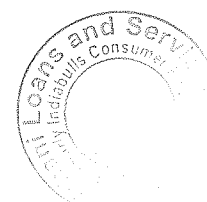
Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

##### Defined contribution plans

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

##### Defined benefit plans

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





### 3. Summary of significant accounting policies (continued)

#### h) Share based payments

Share based compensation benefits are provided to employees via Dhani Services Limited's (Formerly known as Indiabulls Ventures Limited) ('Holding Company') Employee Stock Option Plans (ESOPs). The employee benefits expense is measured using the fair value of the employee stock options and is recognised over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. On the exercise of the employee stock options, the employees of the Company will be allotted Holding Company's equity shares.

#### i) Impairment of non-financial assets

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

#### j) Impairment of financial assets

##### Loan assets

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

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

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

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

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

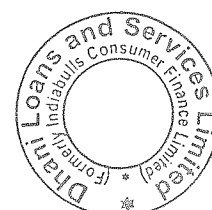
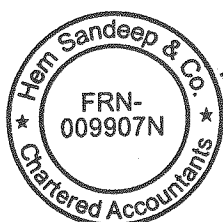
**Exposure at Default (EAD)** - EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default,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

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

##### Other financial assets

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

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



3. Summary of significant accounting policies (*continued*)

*Write-offs*

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

k) Cash and cash equivalents

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

l) Equity investment in associate/subsidiaries

Investments representing equity interest in associate or subsidiaries is measured at cost in accordance with Ind AS 27 'Separate Financial Statements'.

m) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

n) Financial instruments

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

*Initial recognition and measurement*

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

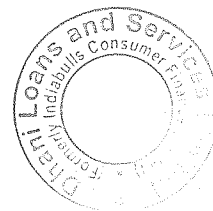
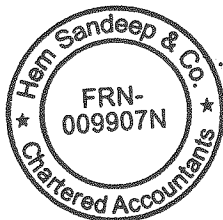
**Non-derivative financial assets**

*Subsequent measurement*

i. **Financial assets carried at amortised cost - a financial asset is measured at the amortised cost if both the following conditions are met:**

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.



3. Summary of significant accounting policies (*continued*)

ii. Financial assets carried at fair value through other comprehensive income (FVOCI):

A financial asset is measured at FVOCI if both the following conditions are met:

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

FVOCI instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and impairment gains or losses are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit or loss.

iii. **Investments in equity instruments** - Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost

iv. **Investments in mutual funds** - Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

*De-recognition of financial assets*

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

**Non-derivative financial liabilities**

*Subsequent measurement*

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

*De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

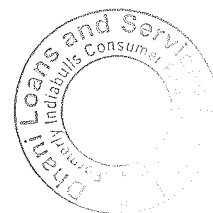
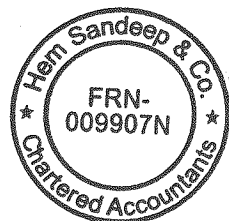
**Financial guarantee**

Financial guarantee contracts are recognised as financial liability at the time guarantee is issued. The liability is initially measured at fair value and subsequently measured at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- The amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with principles of Ind AS.

**Offsetting of financial instruments**

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



3. Summary of significant accounting policies (continued)

o) Earnings per equity share

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

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

p) Segment reporting

The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance.

q) Foreign currency

*Functional and presentation currency*

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

*Transactions and balances*

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

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

r) Classification of leases

The Company enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

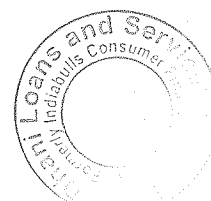
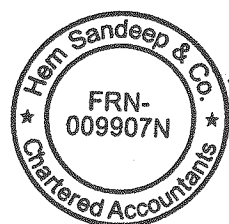
*Recognition and initial measurement*

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

*Subsequent measurement*

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding The Company has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.



3. Summary of significant accounting policies (*continued*)

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

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

*Significant management judgements*

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

**Business model assessment** - The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

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

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

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

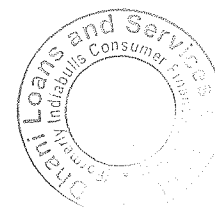
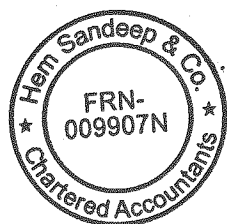
**Provisions** - At each reporting date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

*Significant estimates*

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

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

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



3. Summary of significant accounting policies (*continued*)

t) **New Accounting Pronouncements**

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

**Ind AS 103 - Business Combinations - Reference to Conceptual Framework**

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

**Ind AS 16 - Property, Plant and Equipment - Proceeds before intended use**

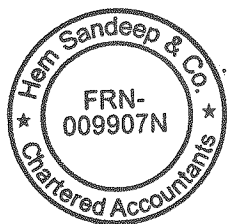
The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.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

**Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Costs of Fulfilling a Contract**

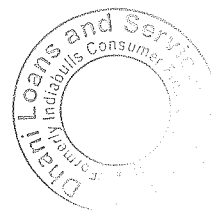
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs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

**Ind AS 109 - Financial Instruments - Annual Improvements to Ind AS (2021)**

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



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**DHANI LOANS AND SERVICES LIMITED**  
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Notes to the standalone financial statements for the year ended 31 March 2022  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note - 4**

**Cash and cash equivalents**

	As at 31 March 2022	As at 31 March 2021
Cash on hand	0.32	0.18
Balances with banks		
- Current accounts	31,207.22	39,079.33
- Fixed deposit with original maturity of three months or less (including interest accrued)	10,752.36	60,534.86
	<u>41,959.90</u>	<u>99,614.37</u>

**Note - 5**

**Bank balance other than cash and cash equivalents**

	As at 31 March 2022	As at 31 March 2021
Fixed deposits with original maturity of more than 3 months (including interest accrued) *	14,975.06	24,285.85
	<u>14,975.06</u>	<u>24,285.85</u>

\* The amount under lien as security against overdraft facility availed, assets securitised and bank guarantee are as follows (included above in Note - 4 and Note - 5):

**Particulars**

	As at 31 March 2022	As at 31 March 2021
Deposits pledged with banks for overdraft facilities availed by the Company	7,166.76	5,901.79
Deposits pledged for securitisation transactions	15,895.96	23,350.24
Deposits pledged with banks against bank guarantees	25.17	25.18
Deposits pledged with bank against corporate credit card	61.86	-
	<u>23,149.75</u>	<u>29,277.21</u>

**Note - 6**

**Loans**

**Term loans**

	As at 31 March 2022 At amortised cost	As at 31 March 2021 At fair value through other comprehensive income	Total
Secured	43,078.60	1,053.85	44,132.45
Unsecured	3,25,785.53	923.12	3,26,708.65
<b>Total - Gross</b>	<b>3,68,864.13</b>	<b>1,976.97</b>	<b>3,70,841.10</b>
Less: impairment loss allowance	(36,371.44)	(15.43)	(36,386.87)
<b>Total - Net</b>	<b>3,32,492.69</b>	<b>1,961.54</b>	<b>3,34,454.23</b>
Secured by tangible assets	43,078.60	1,053.85	44,132.45
Secured by other assets	-	-	-
Unsecured	3,25,785.53	923.12	3,26,708.65
<b>Total - gross</b>	<b>3,68,864.13</b>	<b>1,976.97</b>	<b>3,70,841.10</b>
Less: impairment loss allowance	(36,371.44)	(15.43)	(36,386.87)
<b>Total - net</b>	<b>3,32,492.69</b>	<b>1,961.54</b>	<b>3,34,454.23</b>

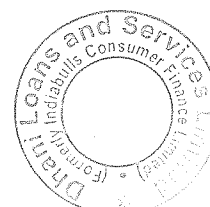
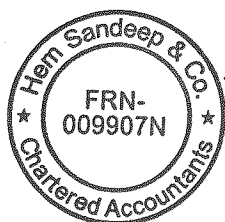
**Loans in India**

(i) Public sector	-	-	-
(ii) Others	3,68,864.13	1,976.97	3,70,841.10
<b>Total - gross</b>	<b>3,68,864.13</b>	<b>1,976.97</b>	<b>3,70,841.10</b>
Less: impairment loss allowance	(36,371.44)	(15.43)	(36,386.87)
<b>Total - net</b>	<b>3,32,492.69</b>	<b>1,961.54</b>	<b>3,34,454.23</b>

**Loans**

**Term loans**

	As at 31 March 2021 At amortised cost	As at 31 March 2021 At fair value through other comprehensive income	Total
Secured	70,325.17	1,633.14	71,958.31
Unsecured	3,27,928.22	16,151.17	3,44,079.39
<b>Total - Gross</b>	<b>3,98,253.39</b>	<b>17,784.31</b>	<b>4,16,037.70</b>
Less: impairment loss allowance	(43,686.26)	(234.09)	(43,920.35)
<b>Total - Net</b>	<b>3,54,567.13</b>	<b>17,550.22</b>	<b>3,72,117.35</b>
Secured by tangible assets	70,325.17	1,633.14	71,958.31
Secured by other assets	-	-	-
Unsecured	3,27,928.22	16,151.17	3,44,079.39
<b>Total - gross</b>	<b>3,98,253.39</b>	<b>17,784.31</b>	<b>4,16,037.70</b>
Less: impairment loss allowance	(43,686.26)	(234.09)	(43,920.35)
<b>Total - net</b>	<b>3,54,567.13</b>	<b>17,550.22</b>	<b>3,72,117.35</b>



**DHANI LOANS AND SERVICES LIMITED**  
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Notes to the standalone financial statements for the year ended 31 March 2022  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

Note - 6  
Loans (continued)

	As at 31 March 2021		Total
	At amortised cost	At fair value through other comprehensive income	
<b>Loans in India</b>			
(i) Public sector	-	-	-
(ii) Others	3,98,253.39	17,784.31	4,16,037.70
<b>Total - gross</b>	<b>3,98,253.39</b>	<b>17,784.31</b>	<b>4,16,037.70</b>
Less: impairment loss allowance	(43,686.26)	(234.09)	(43,920.35)
<b>Total - net</b>	<b>3,54,567.13</b>	<b>17,550.22</b>	<b>3,72,117.35</b>

Disclosure are made where loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties, either severally or jointly with any other person that are (a) repayable on demand or (b) without specifying any term or period of repayment.

Type of Borrower	As at 31 March 2022		As at 31 March 2021	
	Amount	% of the total Loans and Advances	Amount	% of total Loans and Advances
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related parties	-	-	-	-

The outbreak of CoVID-19 virus, and more specifically the ongoing current wave of infections and resultant lockdowns continue to cause significant disruptions and dislocations for individuals and businesses. While the lockdown introduced by the government at the beginning of the year were lifted in a phased manner and was followed by a period of increased economic activity, with the onset of a very severe second wave of infections, state governments have reintroduced lockdowns and have imposed restrictions on movement of people and goods. The Company's performance continues to be dependent on future developments, which are uncertain, including, among other things, including the current wave that has significantly increased the number of cases in India and any action to contain its spread or mitigate its impact.

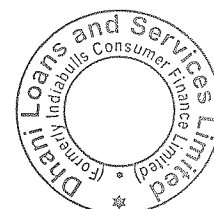
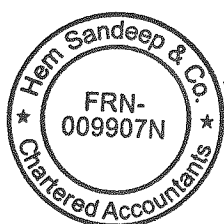
A. In accordance with the Reserve Bank of India's guidelines relating to CoVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020, the Company has granted moratorium of three months on the payment of all instalments falling due between 1 March 2020 and 31 May 2020 to all eligible borrowers who have requested for the moratorium, as per its Board approved policy. The RBI via press release dated May 22, 2020 has permitted lending institutions to extend the moratorium by another three months, i.e., from June 1, 2020 to August 31, 2020. The Company has extended the EMI moratorium to its customers based on requests received from such customers, as per its Board approved policy. In accordance with the guidance from the ICAI and in management's view, the extension of the moratorium to the Company's borrowers by the Company pursuant to the RBI guidelines relating to COVID 19 Regulatory Package dated March 27, 2020 and April 17, 2020 and RBI press release, by itself is not considered to result in a significant credit risk (SICR) of such borrowers.

The Company is mainly engaged in the business of financing by way of loans in the nature of consumer finance and loans against property (LAP), mortgage backed SME loans, and certain other purposes in India. Operations of all these segments were impacted over the past few years and consequent to COVID 19 pandemic are expected to be further significantly impacted, including erosion in the asset values of the collaterals held by the Company. The Company has assessed each of its loan portfolios and performed a comprehensive analysis of the staging of each of its borrower segments. Further, the Company has also analysed its outstanding exposures. Based on the above analysis, the Company has recorded a provision for impairment due to expected credit loss (ECL), of Rs.43,920.35 lakhs in respect of its loans and advances as at 31 March 2022, to reflect, among other things, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. The ECL provision has been determined based on estimates using information available as of the reporting date and given the unique nature and scale of the economic impact of this pandemic, the expected credit loss is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated. As a result of this pandemic, the credit performance and repayment behaviour of the customers' needs to be monitored closely. In the event the impact of pandemic is more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of the financial assets, results of operations and the financial position of the Company.

B. The Company has considered the following key matters in determining its liquidity position for the next 12 months:

- Schemes announced by the Government of India, which will directly benefit Non-Banking Financial Companies through guarantees from the Government of India. The Company has evaluated these schemes and is considering applications to seek fund under the schemes;
- Current status / outcomes of discussions with the Company's lenders, seeking moratorium on the Company's debt service obligations to such lenders;
- Status of its requests for additional funding, from existing lenders as well as others.

Based on the detailed assessment of the monthly cash inflows and outflows for next 12 months and the management has concluded that it will be able to meet its obligations.





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Notes to the standalone financial statements for the year ended 31 March 2022  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note - 7**  
**Investments**

Investments	As at 31 March 2022			
	At amortised cost	At fair value through profit or loss	At deemed cost	Total
Mutual funds	-	35,722.14	-	35,722.14
Debt securities (of subsidiary company)	9,999.78	-	-	9,999.78
Security receipts	-	17,500.00	-	17,500.00
Equity instruments (of subsidiary companies) (refer footnote below)	-	-	93,129.51	93,129.51
<b>Total (A)</b>	<b>9,999.78</b>	<b>53,222.14</b>	<b>93,129.51</b>	<b>1,56,351.43</b>
(i) Investments outside India	-	-	-	-
(ii) Investments in India	9,999.78	53,222.14	93,129.51	1,56,351.43
<b>Total (B)</b>	<b>9,999.78</b>	<b>53,222.14</b>	<b>93,129.51</b>	<b>1,56,351.43</b>
Less: Allowance for Impairment loss (C)	-	-	-	-
<b>Total (D) = (A)-(C)</b>	<b>9,999.78</b>	<b>53,222.14</b>	<b>93,129.51</b>	<b>1,56,351.43</b>

Investments	As at 31 March 2021			
	At amortised cost	At fair value through profit or loss	At deemed cost	Total
Mutual funds	-	1,37,482.83	-	1,37,482.83
Debt securities (of subsidiary company)	9,999.78	-	-	9,999.78
Security receipts	-	2,101.03	-	2,101.03
Equity instruments (of subsidiary companies) (refer footnote below)	-	-	93,129.51	93,129.51
<b>Total (A)</b>	<b>9,999.78</b>	<b>1,39,583.86</b>	<b>93,129.51</b>	<b>2,42,713.15</b>
(i) Investments outside India	-	-	-	-
(ii) Investments in India	9,999.78	1,39,583.86	93,129.51	2,42,713.15
<b>Total (B)</b>	<b>9,999.78</b>	<b>1,39,583.86</b>	<b>93,129.51</b>	<b>2,42,713.15</b>
Less: Allowance for Impairment loss (C)	-	1,772.68	-	1,772.68
<b>Total (D) = (A)-(C)</b>	<b>9,999.78</b>	<b>1,37,811.18</b>	<b>93,129.51</b>	<b>2,40,940.47</b>

**Notes:**

7.1. During the year ended 31 March 2021, the Company has acquired the remaining 58% stake in TranServ Limited for a consideration of ₹ 7,606.48 lakh and accordingly TranServ Limited become a wholly owned subsidiary of the Company.

7.2. Equity investments in subsidiaries are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

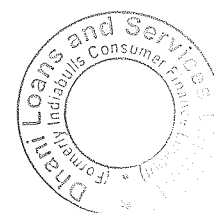
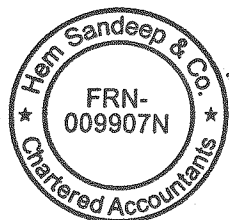
7.3. Equity instruments includes the following investment in equity shares of subsidiaries:

Name of the Subsidiaries	As at 31 March 2022	As at 31 March 2021
TranServ Limited	12,579.39	12,579.39
[No. of equity shares 6,479,129 (31 March 2021: 6,479,129) face value ₹ 10 each]		
Indiabulls Distribution Services Limited	45,000.12	45,000.12
[No. of equity shares 308,220 (31 March 2021: 308,220) face value ₹ 10 each]		
Indiabulls Investment Advisors Limited	35,550.00	35,550.00
[No. of equity shares 355,500,000 (31 March 2021: 355,500,000) face value ₹ 10 each]		
<b>Total investment in equity instruments of subsidiaries</b>	<b>93,129.51</b>	<b>93,129.51</b>

**Note - 8**

**Other financial assets**

	As at 31 March 2022	As at 31 March 2021
Receivable on assigned loans	1,524.79	8,479.86
Less: Impairment loss allowance	(24.44)	(1,635.59)
<b>Net receivable on assigned loans</b>	<b>1,500.35</b>	<b>6,844.27</b>
Security deposits	1,311.24	1,120.64
Advances to employees	128.28	231.25
Others recoverable	180.72	177.11
	<b>3,120.59</b>	<b>8,373.27</b>



**DHANI LOANS AND SERVICES LIMITED**  
**Formerly known as Indiabulls Consumer Finance Limited)**  
**Notes to the standalone financial statements for the year ended 31 March 2022**  
All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note - 9**

**Current tax assets (net)**

Advance income tax/ tax deducted at source  
Net of provision for taxation]

As at 31 March 2022	As at 31 March 2021
15,700.69	12,569.45
<b>15,700.69</b>	<b>12,569.45</b>

**Note - 10**

**Deferred tax assets (net)**

**Deferred Tax Assets**

- Impairment loss allowance  
- Disallowance under Section 40A(7) of the Income-tax Act, 1961  
- Disallowance under Section 43B of the Income-tax Act, 1961  
- Financial assets measured at amortised cost  
- Share based payments  
- Unused tax losses carried forward

As at 31 March 2022	As at 31 March 2021
9,164.00	11,682.59
262.07	357.52
129.60	182.20
410.09	437.72
1,258.36	628.76
6,574.57	-
<b>17,798.69</b>	<b>13,288.79</b>

**Total (A)**

**Less: Deferred Tax Liabilities**

- Derecognition of financial instruments measured under amortised cost category  
- Financial assets measured at fair value through other comprehensive income  
- Financial liabilities measured at amortised cost  
- Depreciation and amortisation

279.93	2,231.70
7.12	176.68
33.38	41.55
442.70	360.29
<b>763.13</b>	<b>2,810.22</b>
<b>17,035.56</b>	<b>10,478.57</b>

**Total (B)**

**Deferred Tax Assets(Net) (A-B)**

**Movement in deferred tax assets**

**Particulars**

**Deferred Tax Assets**

- Impairment loss allowance  
- Disallowance under Section 40A(7) of the Income-tax Act, 1961  
- Disallowance under Section 43B of the Income-tax Act, 1961  
- Financial assets measured at amortised cost  
- Share based payments  
- Unused tax losses carried forward

As at 1 April 2021	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2022
11,682.59	(2,518.59)	-	9,164.00
357.52	(52.74)	(42.70)	262.07
182.20	(52.60)	-	129.60
437.72	(27.63)	-	410.09
628.76	629.60	-	1,258.36
-	6,574.57	-	6,574.57
(2,231.70)	1,951.77	-	(279.93)
(41.55)	8.17	-	(33.38)
(176.68)	-	169.56	(7.12)
(360.29)	(82.41)	-	(442.70)
<b>10,478.57</b>	<b>6,430.14</b>	<b>126.86</b>	<b>17,035.56</b>

**Deferred tax liabilities**

- Derecognition of financial instruments measured under amortised cost category  
- Financial liabilities measured at amortised cost  
- Financial assets measured at fair value through other comprehensive income  
- Depreciation and amortisation

**Total (B)**

**Particulars**

**Deferred tax assets**

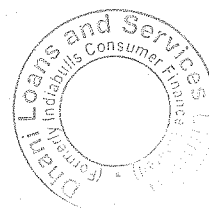
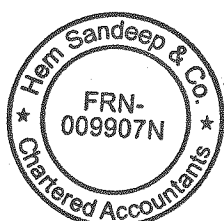
- Impairment loss allowance  
- Disallowance under Section 40A(7) of the Income-tax Act, 1961  
- Disallowance under Section 43B of the Income-tax Act, 1961  
- Financial assets measured at amortised cost  
- Share based payments

As at 1 April 2020	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2021
13,608.59	(1,926.00)	-	11,682.59
389.28	109.06	(140.82)	357.52
225.17	(42.97)	-	182.20
531.55	(93.83)	-	437.72
1,656.65	(1,027.89)	-	628.76
(11,224.15)	8,992.45	-	(2,231.70)
322.71	(364.26)	-	(41.55)
(266.53)	-	89.85	(176.68)
(444.19)	83.90	-	(360.29)
<b>4,799.08</b>	<b>5,730.46</b>	<b>(50.97)</b>	<b>10,478.57</b>

**Deferred tax liabilities**

- Derecognition of financial instruments measured under amortised cost category  
- Financial liabilities measured at amortised cost  
- Financial assets measured at fair value through other comprehensive income  
- Depreciation and amortisation

**Deferred tax assets(net) (A-B)**



**DHANI LOANS AND SERVICES LIMITED**  
(formerly known as Indiabulls Consumer Finance Limited)  
Notes to the standalone financial statements for the year ended 31 March 2022  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note - 11 (a) : Property, plant and equipment**

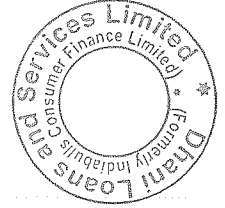
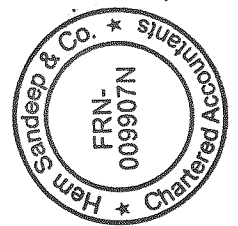
Particulars	Gross Block			Accumulated depreciation			Net Block		
	As at 1 April 2021	Additions	Disposals/ adjustment	As at 31 March 2022	As at 1 April 2021	Additions	Deletion	As at 31 March 2022	As at 31 March 2021
Freehold land	12.98	-	-	12.98	-	-	-	12.98	12.98
Computers	3,258.92	2,676.07	9.18	5,925.81	2,273.21	1,000.84	8.51	2,660.27	985.71
Servers and networks	440.53	508.42	-	948.95	81.80	113.78	-	753.37	358.73
Office Equipment	1,187.26	626.85	7.87	1,806.24	480.98	288.08	2.43	1,039.61	706.28
Furniture	4,518.86	530.44	119.20	4,930.10	627.52	470.53	24.25	3,856.30	3,891.34
Vehicles	81.66	-	-	81.66	23.91	10.05	-	47.70	57.75
<b>Total</b>	<b>9,500.21</b>	<b>4,341.78</b>	<b>136.25</b>	<b>13,705.74</b>	<b>3,487.42</b>	<b>1,883.28</b>	<b>35.19</b>	<b>8,370.23</b>	<b>6,012.79</b>
Particulars	Gross Block			Accumulated depreciation			Net Block		
	As at 1 April 2020	Additions	Disposals/ adjustment	As at 31 March 2021	As at 1 April 2020	Additions	Deletion	As at 31 March 2021	As at 31 March 2020
Freehold land	12.98	-	-	12.98	-	-	-	12.98	12.98
Computers	3,220.35	75.29	36.72	3,258.92	1,431.94	852.50	11.23	985.71	1,788.41
Servers and networks	287.22	153.31	-	440.53	21.44	60.36	-	358.73	265.78
Office equipment	1,191.45	148.02	152.21	1,187.26	286.94	236.61	42.57	706.28	904.51
Furniture	3,494.92	1,633.22	609.28	4,518.86	255.47	428.72	56.67	3,891.34	3,239.45
Vehicles	124.89	-	43.23	81.66	27.69	12.73	16.51	57.75	97.20
<b>Total</b>	<b>8,331.81</b>	<b>2,009.84</b>	<b>841.44</b>	<b>9,500.21</b>	<b>2,023.48</b>	<b>1,590.92</b>	<b>126.98</b>	<b>6,012.79</b>	<b>6,308.33</b>

**Note - 11 (b) : Right-of-use assets**

Particulars	Gross Block			Accumulated depreciation			Net Block		
	As at 1 April 2021	Additions	Disposals/ adjustment	As at 31 March 2022	As at 1 April 2021	Additions	Deletion	As at 31 March 2022	As at 31 March 2021
Buildings	19,245.96	13,066.21	5,080.54	27,231.63	7,099.07	3,099.80	-	17,032.76	12,146.89
<b>Total</b>	<b>19,245.96</b>	<b>13,066.21</b>	<b>5,080.54</b>	<b>27,231.63</b>	<b>7,099.07</b>	<b>3,099.80</b>	<b>-</b>	<b>17,032.76</b>	<b>12,146.89</b>
Particulars	Gross Block			Accumulated depreciation			Net Block		
	As at 1 April 2020	Additions	Disposals/ adjustment	As at 31 March 2021	As at 1 April 2020	Additions	Deletion	As at 31 March 2021	As at 31 March 2020
Buildings	26,141.63	8,505.75	15,401.42	19,245.96	4,046.59	3,052.48	-	12,146.89	22,095.04

Notes:

- There are no immovable properties whose title deeds are not held in the name of the Company.
- The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets).
- There are no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.



**DHANI LOANS AND SERVICES LIMITED**  
(Formerly known as Indiabulls Consumer Finance Limited)  
Notes to the standalone financial statements for the year ended 31 March 2022  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note - 11 (c) : Intangible Assets under Development**

		Gross Block		Accumulated depreciation		Net Block	
As at 1 April 2021	As at 31 March 2022	Disposals/ adjustment	As at 31 March 2022	As at 1 April 2021	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
380.46	462.18	1,832.02	462.18	-	-	462.18	380.46
As at 1 April 2020	As at 31 March 2021	Disposals/ adjustment	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
542.56	380.46	553.05	380.46	-	-	380.46	542.56

**Disclosure of aging schedule of Intangible assets under development:**

Intangible assets under development	As at 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Software	462.18	-	-	-	462.18
<b>Total</b>	<b>462.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>462.18</b>

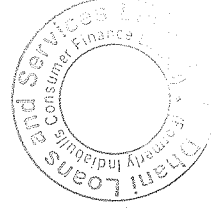
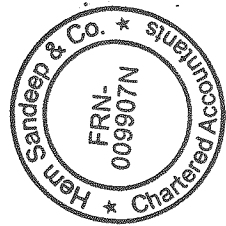
Intangible assets under development	As at 31 March 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Software	226.85	153.61	-	-	380.46
<b>Total</b>	<b>226.85</b>	<b>153.61</b>	<b>-</b>	<b>-</b>	<b>380.46</b>

There are no intangible assets under development which are overdue as per the original completion plan of the intangible assets under development at the balance sheet date.

**Note - 11 (d) : Intangible assets**

		As at		As at		As at		As at	
1 April 2021	31 March 2022	1 April 2021	31 March 2022	1 April 2021	31 March 2022	1 April 2021	31 March 2022	1 April 2021	31 March 2022
9,701.86	10,614.20	5,236.50	6,258.39	4,355.81	4,355.81	4,355.81	4,355.81	4,465.36	4,465.36
9,701.86	10,614.20	5,236.50	6,258.39	4,355.81	4,355.81	4,355.81	4,355.81	4,465.36	4,465.36
As at 1 April 2020	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021
9,052.25	9,701.86	4,172.68	5,236.50	4,465.36	4,465.36	4,465.36	4,465.36	4,879.57	4,879.57
9,052.25	9,701.86	4,172.68	5,236.50	4,465.36	4,465.36	4,465.36	4,465.36	4,879.57	4,879.57

Refer note no. 38 of notes to financial statements for disclosure of capital commitments.



DHANI LOANS AND SERVICES LIMITED  
(Formerly known as Indiabulls Consumer Finance Limited)  
Notes to the standalone financial statements for the year ended 31 March 2022  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

	As at 31 March 2022	As at 31 March 2021
<b>Note - 12</b>		
<b>Other non-financial assets</b>		
Prepaid expenses	2,519.03	739.65
Balance with government authorities	2,111.53	2,336.30
Capital advances	41.47	209.50
Advances to suppliers	563.39	934.36
	<u>5,235.42</u>	<u>4,219.81</u>

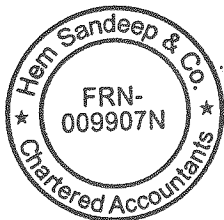
	As at 31 March 2022	As at 31 March 2021
<b>Note - 13</b>		
<b>Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 45 (a))	1,097.24	215.13
Total outstanding dues of creditors other than micro enterprises and small enterprises	<u>1,097.24</u>	<u>215.13</u>

Particulars	As at 31 March 2022				Total
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	1,034.45	-	62.79	-	1,097.24
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

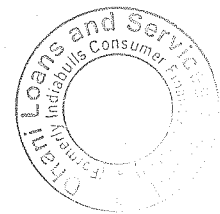
Particulars	As at 31 March 2021				Total
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	123.09	92.04	-	-	215.13
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

	As at 31 March 2022	As at 31 March 2021
<b>Note - 14</b>		
<b>Other Payables</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 45 (b))	8,734.96	12,685.26
Total outstanding dues of creditors other than micro enterprises and small enterprises	<u>8,734.96</u>	<u>12,685.26</u>

	As at 31 March 2022	As at 31 March 2021
<b>Note - 15</b>		
<b>Debt securities (at amortised cost)</b>		
<b>(A) Secured Loans</b>		
Non-convertible debentures (refer notes 15.1 and 15.2 below)	54,506.33	77,060.33
Total	<u>54,506.33</u>	<u>77,060.33</u>
<b>(B) Unsecured Loans</b>		
<b>Out of above</b>		
In India	54,506.33	77,060.33
Outside India	-	-
Total	<u>54,506.33</u>	<u>77,060.33</u>



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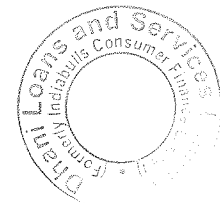
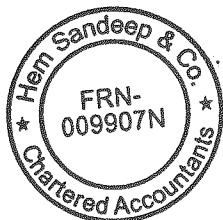
Note - 15  
Debt securities (at amortised cost) (continued)

Note:  
15.1 Secured redeemable non convertible debentures include:

Interest rate/Effective yield	Face value (Amount in ₹)	Issue date	Redemption date	As at 31 March 2022			
				Number of NCDs	Amount	Impact of interest accrued and Ind AS	Total outstanding amount
10.40%	1,000.00	8-Mar-2019	8-May-2022	3,24,981	3,249.81	25.84	3,275.65
10.90%	1,000.00	8-Mar-2019	8-May-2022	7,55,369	7,553.69	65.10	7,618.79
10.90% (Effective yield)	1,000.00	8-Mar-2019	8-May-2022	2,35,842	2,358.42	879.01	3,237.43
10.50%	1,000.00	8-Mar-2019	8-Mar-2024	4,70,084	4,700.84	7.90	4,708.74
11.00%	1,000.00	8-Mar-2019	8-Mar-2024	2,60,712	2,607.12	6.13	2,613.25
11.00% (Effective yield)	1,000.00	8-Mar-2019	8-Mar-2024	1,93,776	1,937.76	717.33	2,655.09
9.95%	1,000.00	27-Jun-2019	27-Jun-2022	1,23,709	1,237.09	(1.74)	1,235.35
10.41%	1,000.00	27-Jun-2019	27-Jun-2022	1,22,095	1,220.95	93.52	1,314.47
10.40% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2022	42,780	427.80	132.39	560.19
10.13%	1,000.00	27-Jun-2019	27-Jun-2024	1,56,425	1,564.25	(36.11)	1,528.14
10.61%	1,000.00	27-Jun-2019	27-Jun-2024	1,28,003	1,280.03	72.20	1,352.23
10.60% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2024	43,856	438.56	129.08	567.64
9.81%	1,000.00	6-Sep-2019	6-Sep-2022	29,704	297.04	2.00	299.04
10.27%	1,000.00	6-Sep-2019	6-Sep-2022	22,470	224.70	13.06	237.76
10.25% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2022	8,556	85.56	24.16	109.72
10.04%	1,000.00	6-Sep-2019	6-Sep-2024	37,907	379.07	0.61	379.68
10.52%	1,000.00	6-Sep-2019	6-Sep-2024	1,18,099	1,180.99	64.06	1,245.05
10.50% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2024	10,362	103.62	29.49	133.11
9.50%	10,00,000.00	17-Nov-2020	17-May-2022	250	2,500.00	83.15	2,583.15
10.00% (Effective yield)	1,000.00	2-Feb-2022	7-Feb-2023	12,86,427	12,864.27	(103.63)	12,760.64
10.50%	1,000.00	2-Feb-2022	2-Feb-2024	38,820	388.20	(2.51)	385.69
10.50% (Effective yield)	1,000.00	2-Feb-2022	2-Feb-2024	47,849	478.49	(4.50)	473.99
10.03%	1,000.00	2-Feb-2022	2-Feb-2024	70,965	709.65	(17.83)	691.82
11.00%	1,000.00	2-Feb-2022	31-Jan-2025	1,13,954	1,139.54	(7.25)	1,132.29
11.00% (Effective yield)	1,000.00	2-Feb-2022	31-Jan-2025	91,679	916.79	(8.59)	908.20
10.49%	1,000.00	2-Feb-2022	31-Jan-2025	2,56,028	2,560.28	(61.06)	2,499.22
<b>Total</b>					<b>52,404.52</b>	<b>2,101.81</b>	<b>54,506.33</b>

Interest rate/Effective yield	Face value (Amount in ₹)	Issue date	Redemption date	As at 31 March 2021			
				Number of NCDs	Amount	Impact of interest accrued and Ind AS	Total outstanding amount
10.75%	1,000.00	8-Mar-2019	8-May-2021	37,74,710	37,747.10	245.41	37,992.51
10.75% (Effective yield)	1,000.00	8-Mar-2019	8-May-2021	2,46,579	2,465.79	576.90	3,042.69
10.40%	1,000.00	8-Mar-2019	8-May-2022	3,24,981	3,249.81	1.80	3,251.61
10.90%	1,000.00	8-Mar-2019	8-May-2022	7,55,369	7,553.69	9.38	7,563.07
10.90% (Effective yield)	1,000.00	8-Mar-2019	8-May-2022	2,35,842	2,358.42	547.36	2,905.78
10.50%	1,000.00	8-Mar-2019	8-Mar-2024	4,70,084	4,700.84	(17.15)	4,683.69
11.00%	1,000.00	8-Mar-2019	8-Mar-2024	2,60,712	2,607.12	(7.71)	2,599.41
11.00% (Effective yield)	1,000.00	8-Mar-2019	8-Mar-2024	1,93,776	1,937.76	445.94	2,383.70
10.27%	1,000.00	27-Jun-2019	27-Jun-2021	71,822	718.22	52.99	771.21
10.25% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2021	34,800	348.00	62.80	410.80
9.95%	1,000.00	27-Jun-2019	27-Jun-2022	1,23,709	1,237.09	(28.45)	1,208.64
10.41%	1,000.00	27-Jun-2019	27-Jun-2022	1,22,095	1,220.95	70.32	1,291.27
10.40% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2022	42,780	427.80	71.02	498.82
10.13%	1,000.00	27-Jun-2019	27-Jun-2024	1,56,425	1,564.25	(57.59)	1,506.66
10.61%	1,000.00	27-Jun-2019	27-Jun-2024	1,28,003	1,280.03	58.00	1,338.03
10.60% (Effective yield)	1,000.00	27-Jun-2019	27-Jun-2024	43,856	438.56	68.40	506.96
10.12%	1,000.00	6-Sep-2019	6-Sep-2021	12,129	121.29	6.87	128.09
10.10% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2021	4,810	48.10	7.02	55.77
9.81%	1,000.00	6-Sep-2019	6-Sep-2022	29,704	297.04	(0.05)	296.99
10.27%	1,000.00	6-Sep-2019	6-Sep-2022	22,470	224.70	11.89	236.59
10.25% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2022	8,556	85.56	13.51	99.07
10.04%	1,000.00	6-Sep-2019	6-Sep-2024	37,907	379.07	(1.22)	377.85
10.52%	1,000.00	6-Sep-2019	6-Sep-2024	1,18,099	1,180.99	60.42	1,241.41
10.50% (Effective yield)	1,000.00	6-Sep-2019	6-Sep-2024	10,362	103.62	16.45	120.07
9.50%	10,00,000.00	17-Nov-2020	17-May-2022	250	2,500.00	49.64	2,549.64
<b>Total</b>					<b>74,795.80</b>	<b>2,264.53</b>	<b>77,060.33</b>

15.2. Non-convertible debentures are secured by way of 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 to the extent as stated in the respective information memorandum/offering documents/prospectus. Further, the Company has maintained asset cover as stated in the respective information memorandum/offering documents/prospectus.

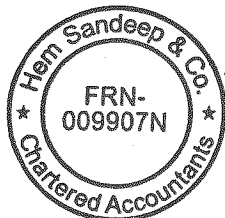


DHANI LOANS AND SERVICES LIMITED  
(Formerly known as Indiabulls Consumer Finance Limited)  
Notes to the standalone financial statements for the year ended 31 March 2022  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

	As at 31 March 2022	As at 31 March 2021
Note - 16		
<b>Borrowings (other than debt securities) at amortised cost</b>		
<b>(A) Secured Loans</b>		
Term loans <sup>(i)</sup>	76,993.53	1,39,541.77
- From banks	25,748.65	57,912.89
- From financial institutions		
Loans repayable on demand	15,004.01	500.00
- From banks		
Other Loans	-	40,838.71
- Securitisation liabilities		
<b>Total (A)</b>	<b>1,17,746.19</b>	<b>2,38,793.37</b>
<b>(B) Unsecured Loans</b>		
Out of above	1,17,746.19	2,38,793.37
In India	-	-
Outside India	1,17,746.19	2,38,793.37
<b>Total (B)</b>	<b>1,17,746.19</b>	<b>2,38,793.37</b>

**i) Term loans from banks and financial institutions include:**

Particulars	Security	As at 31 March 2022		
		Principal outstanding	Impact of interest accrued and Ind AS	Total outstanding amount
<b>Canara Bank (eSyndicate Bank)</b> : This loan is repayable in 16 quarterly equated instalments with moratorium period of 12 months from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	First pari passu charge over standard receivables and current assets (including cash & cash equivalents).	2,500.00	(0.17)	2,499.83
<b>Indian Overseas Bank</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over book debts/ receivables/ loan portfolio/ all current assets (including investments in liquid mutual fund including cash & cash equivalents).	14,927.59	(13.58)	14,914.01
<b>Bank of Baroda (eVijaya Bank)</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	14,947.13	(8.64)	14,938.49
<b>Punjab &amp; Sind Bank</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	24,953.72	(1.37)	24,952.35
<b>Union Bank of India</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	First pari passu charge on standard receivables and current assets.	14,711.89	(8.70)	14,703.19
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in five years with instalments of ₹ 7,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 1,000.00 lakh each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year 2023-24.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	4,000.00	62.15	4,062.15

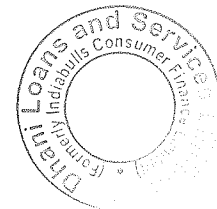
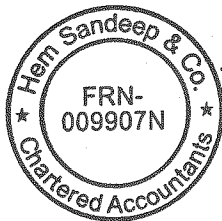


Note - 16  
Borrowings (other than debt securities) at amortised cost (continued)

i) Term loans from banks and financial institutions include (continued):

Particulars	Security	As at 31 March 2022		
		Principal outstanding	Impact of interest accrued and Ind AS	Total outstanding amount
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in five years with instalments of ₹ 4,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 600.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	3,000.00	43.89	3,043.89
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in five years with instalments of ₹ 5,460.00 lakh each to be paid for the first six instalments and instalments of ₹ 728.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	3,640.00	53.35	3,693.35
<b>South Indian Bank</b> : This loan is repayable in 3 equated instalments of ₹ 2,500 lakh each at the end of 3rd, 4th and 5th year after a moratorium period of 24 months.	First pari passu charge over loans and advances, receivables & other current assets (including cash & cash equivalents and investments in debt mutual funds).	5,000.00	(14.33)	4,985.67
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in 20 equated quarterly instalments. Loan repayment commencing from March 2021 with last instalment falling due in year 2025-26.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	15,000.00	(50.75)	14,949.25
<b>Total</b>		1,02,680.33	61.85	1,02,742.18

Particulars	Security	As at 31 March 2021		
		Amount	Impact of interest accrued and Ind AS	Total outstanding amount
<b>Canara Bank (eSyndicate Bank)</b> : This loan is repayable in 16 quarterly equated instalments with moratorium period of 12 months from the date of disbursement. Loan repayment commencing from December 2018 with last instalment falling due in year 2022-23.	First pari passu charge over standard receivables and current assets (including cash & cash equivalents).	5,000.00	(1.24)	4,998.76
<b>Indian Overseas Bank</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over book debts/ receivables/ loan portfolio/ all current assets (including investments in liquid mutual fund including cash & cash equivalents).	30,000.00	(54.26)	29,945.74
<b>Bank of Baroda (eVijaya Bank)</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	30,000.00	(51.84)	29,948.16
<b>Punjab &amp; Sind Bank</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 36 months from the date of disbursement. Loan repayment commencing from September 2021 with last instalment falling due in year 2022-23.	First pari passu charge over receivables & current assets (including cash & cash equivalents and investments).	50,000.00	(5.76)	49,994.24





Note - 16

Borrowings (other than debt securities) at amortised cost (continued)

i) Term loans from banks and financial institutions include (continued):

Particulars	Security	As at 31 March 2021		
		Amount	Impact of interest accrued and Ind AS	Total outstanding amount
<b>Union Bank of India</b> : This loan is repayable in 2 equated annual instalments with moratorium period of 48 months from the date of disbursement. Loan repayment commencing from June 2022 with last instalment falling due in year 2023-24.	First pari passu charge on standard receivables and current assets.	15,000.00	(20.90)	14,979.10
<b>RBL Bank</b> : This loan is repayable in 13 equated quarterly instalments with first instalment due at the end of 3 months from the date of disbursement. Loan repayment commencing from September 2018 with last instalment falling due in year 2021-22.	Pari passu charge on loans and advances, receivables & current assets (including cash and cash equivalents & investment in debt mutual fund).	1,538.46	(0.62)	1,537.84
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in five years with instalments of ₹ 7,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 1,000.00 lakh each to be paid for the last five instalments. Loan repayment commencing from January 2019 with last instalment falling due in year 2023-24.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	12,500.00	197.78	12,697.78
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in five years with instalments of ₹ 4,500.00 lakh each to be paid for the first six instalments and instalments of ₹ 600.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	12,000.00	182.13	12,182.13
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in five years with instalments of ₹ 5,460.00 lakh each to be paid for the first six instalments and instalments of ₹ 728.00 lakh each to be paid for the last five instalments. Loan repayment commencing from July 2019 with last instalment falling due in year 2024-25.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	14,560.00	221.29	14,781.29
<b>South Indian Bank</b> : This loan is repayable in 3 equated instalments of ₹ 2,500 lakh each at the end of 3rd, 4th and 5th year after a moratorium period of 24 months.	First pari passu charge over loans and advances, receivables & other current assets (including cash & cash equivalents and investments in debt mutual funds).	7,500.00	(30.08)	7,469.92
<b>National Bank for Agriculture and Rural Development</b> : This loan is repayable in 20 equated quarterly instalments. Loan repayment commencing from March 2021 with last instalment falling due in year 2025-26.	First pari passu charge on all present and future debt receivables etc. and also future loans & advances.	19,000.00	(80.30)	18,919.70
<b>Total</b>		<b>1,97,098.46</b>	<b>356.20</b>	<b>1,97,454.66</b>

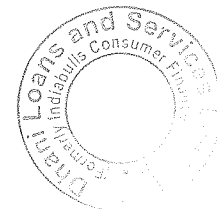
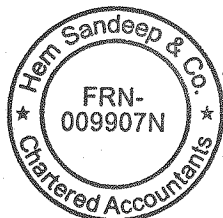
Interest rate on term loans varies from 8.15% to 10.75% per annum (31 March 2021 - 8.15% to 10.75% per annum).

16.2. Loans repayable on demand from banks includes:

Particulars	Security	As at 31 March 2022	As at 31 March 2021
<b>RBL Bank Limited</b> : This Working capital demand loan is repayable between 7 days to 6 Months.	Pari passu charge on loans and advances, receivables & current assets (including cash and cash equivalents & investment in debt mutual fund).	15,004.01	500.00
<b>Total</b>		<b>15,004.01</b>	<b>500.00</b>

Interest rate on loans repayable on demand from banks are 9.80% per annum (31 March 2021 - 9.50% per annum).

ii) In respect of the Company's borrowings from banks or financial institutions on the basis of security of current assets, quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.



Note - 16  
 Borrowings (other than debt securities) at amortised cost (continued)

16.3. Securitisation liabilities :

In the course of its finance activity, the Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty. Securitisation liabilities includes following arrangements:

Particulars	As at 31 March 2022	As at 31 March 2021
ICICI Bank Limited	-	4,393.93
IDFC first bank Limited	-	33,468.54
Axis Bank Limited	-	2,976.24
<b>Total</b>	-	<b>40,838.71</b>

Interest rate on securitisation liabilities varies from 10.00% to 12.06% per annum (31 March 2021 - 10.00% to 12.06% per annum).

Note - 17  
 Lease liability  
 Finance lease obligations (refer note- 37)

	As at 31 March 2022	As at 31 March 2021
	18,389.53	13,389.88
	<b>18,389.53</b>	<b>13,389.88</b>

Note - 18  
 Others financial liabilities  
 Interest accrued on assigned loan  
 Others  
 - Amount payable on assigned/secured loans

	As at 31 March 2022	As at 31 March 2021
	4,231.47	3,902.04
	8,991.86	28,489.57
	<b>13,223.33</b>	<b>32,391.61</b>

18.1. Amount payable on assigned/secured loans represents the amount collected on sell down portfolio where cash flows are required to be passed on to the counterparty either through direct assignment or pass through credit.

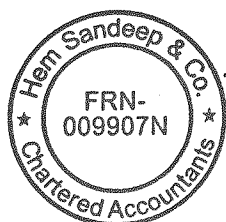
Note - 19  
 Provisions  
 Provision for employee benefits:  
 Provision for gratuity (refer note -36 B)  
 Provision for compensated absences (refer note -36 C)

	As at 31 March 2022	As at 31 March 2021
	1,041.28	1,420.53
	514.94	723.93
	<b>1,556.22</b>	<b>2,144.46</b>

Note - 20  
 Other non-financial liabilities  
 Other advances  
 Advances from customers  
 Others  
 Statutory dues payable

	As at 31 March 2022	As at 31 March 2021
	1,060.06	977.50
	1,474.05	379.23
	<b>2,534.11</b>	<b>1,356.73</b>

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**DHANI LOANS AND SERVICES LIMITED**  
(Formerly known as Indiabulls Consumer Finance Limited)  
Notes to the standalone financial statements for the year ended 31 March 2022  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note - 21**  
**Share capital**

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
<b>A. Authorised</b>				
Equity shares of face value of ₹ 10 each	7,70,00,000	7,700.00	8,00,00,000	8,000.00
Preference shares of face value of ₹ 10 each	85,00,000	850.00	55,00,000	550.00
	<u>8,55,00,000</u>	<u>8,550.00</u>	<u>8,55,00,000</u>	<u>8,550.00</u>

The members of the Company at their extra-ordinary meeting held on 15 December 2021 have approved the reclassification of the authorised share capital of the Company from ₹ 8,550.00 lakhs divided into 8,00,00,000 equity shares of ₹ 10 each and 55,00,000 preference shares of ₹ 10 each, to ₹ 8,550.00 lakh divided into 7,70,00,000 equity shares of ₹ 10 each and 85,00,000 Preference shares of ₹ 10 each.

<b>B. Issued, subscribed and paid up</b>				
Equity shares of face value of ₹ 10 each	6,11,88,000	6,118.80	6,11,88,000	6,118.80
	<u>6,11,88,000</u>	<u>6,118.80</u>	<u>6,11,88,000</u>	<u>6,118.80</u>

**C. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>				
Opening balance at the beginning of the year	6,11,88,000	6,118.80	6,11,88,000	6,118.80
Add: issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<u>6,11,88,000</u>	<u>6,118.80</u>	<u>6,11,88,000</u>	<u>6,118.80</u>

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
<b>Preference Shares</b>				
Opening balance at the beginning of the year	-	-	-	-
Add: issued during the year	80,08,178	800.82	-	-
Less: redeemed during the year	80,08,178	800.82	-	-
<b>Outstanding at the end of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

On 16 December 2021, the Board of Directors of the Company, pursuant to the applicable provisions of Companies Act, 2013, authorized the issue and allotment of 80,08,178 redeemable convertible preference shares ("RCPS") at an issue price of ₹ 765 per RCPS including a premium of ₹ 755 per RCPS and face value of ₹ 10 per RCPS, to Dhani Services Limited, its Holding Company, for consideration received in cash.

In accordance with the terms of the issue of the RCPS, dividend was payable at the coupon rate of 0.001% per annum, payable at the end of each financial year.

The Holding Company, at its sole option, can request the Company to convert into fully paid up equity shares of the Company at any time, on or before 5 years from the date of issue, at the value per equity share of the Company on such date of conversion or redeem the RCPS.

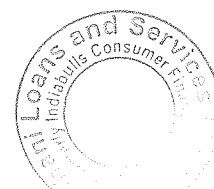
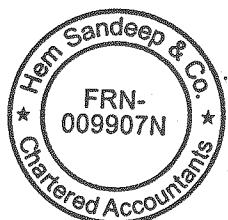
On 30 March 2022, the Company has redeemed the RCPS in full at a premium of Rs. 755 per RCPS by utilising the credit in the Securities Premium Account.

Further, in accordance with the Act, the Company has appropriated ₹ 800.82 lakh to the Capital Redemption Reserve.

**D. Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to received 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.

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**DHANI LOANS AND SERVICES LIMITED**  
(Formerly known as Indiabulls Consumer Finance Limited)  
Notes to the standalone financial statements for the year ended 31 March 2022  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note - 21**  
**Share capital (continued)**

**E. Shares held by shareholders holding more than 5% shares and shares held by promoters:**

Particulars	As at 31 March 2022			As at 31 March 2021		
	No. of shares held	% of holding	% Change during the year	No. of shares held	% of holding	% Change during the year
Dhani Services Limited and its nominees (Holding Company)	6,11,88,000	100%	-	6,11,88,000	100%	-

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

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

G. There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue during the last five years.

H. The Company has not bought back any shares during the current year and five years immediately preceding current year.

**Note - 22**

	As at 31 March 2022	As at 31 March 2021
<b>Other equity</b>		
Statutory reserves	13,270.01	13,270.01
Securities premium	3,70,534.35	3,70,534.35
Capital redemption reserve	900.82	100.00
Share options outstanding account	4,999.86	2,498.24
Retained earnings	306.75	19,406.96
Change in fair value of loan assets through other comprehensive income	21.17	525.32
Deemed equity contribution by Holding Company	1,461.22	1,461.22
Other component of equity	3,652.97	3,652.97
	<u>3,95,147.15</u>	<u>4,11,449.07</u>

**Nature and purpose of other reserve:**

**Statutory reserves (Reserves Fund)**

The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

**Securities premium**

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

**Capital redemption reserve**

The same had been created in accordance with provisions of the Companies Act 2013 on account of redemption of preference shares.

**Share options outstanding account**

The reserve is used to recognise the fair value of the options issued to employees of the Company under Holding Company's ESOP's plan.

**Change in fair value of loan assets through other comprehensive income**

This reserve has been created against change in business model for loan against property ("LAP"), business instalments loan and personal loan from "hold to collect" to "hold to collect and sale".

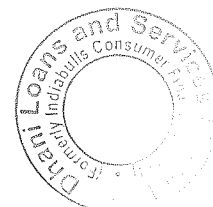
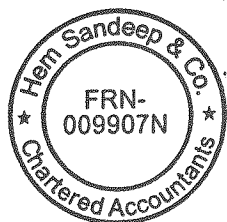
**Deemed equity contribution by Holding Company**

The reserve has been created against initial measurement of financial guarantee (given by Holding Company) at fair value.

**Other component of equity**

The reserve has been created against exercised amount of employee stock option (issued by Holding Company).

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Notes to the standalone financial statements for the year ended 31 March 2022  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note - 23**

**Interest income**

**On financial assets measured at amortised cost**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on loans	38,019.58	67,110.39
Interest on deposits with banks	1,455.20	2,483.38
Other interest income		
- Unwinding of interest income	836.19	6,495.30

**On financial assets classified at fair value through profit or loss**

Interest income from investments	999.98	3,991.78
- Compulsory convertible debentures	75.68	-
- Security receipts		
	<u>41,386.63</u>	<u>80,080.85</u>

**Note - 24**

**Fees and commission income**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Subscription income	31,007.26	2,528.76
Foreclosure fees and other related income	6,907.09	5,834.87
	<u>37,914.35</u>	<u>8,363.63</u>

**Note - 25**

**Net gain on fair value changes**

**Net gain/ (loss) on financial instruments at fair value through profit or loss**

**On trading portfolio**

- Investments	1,804.22	3,055.83
	<u>1,804.22</u>	<u>3,055.83</u>

**Total Net gain/ (loss) on fair value changes**

**Fair Value Changes**

- Realised	1,950.14	2,923.47
- Unrealised	(145.92)	132.36
	<u>1,804.22</u>	<u>3,055.83</u>

**Total Net gain/(loss) on fair value changes**

**Note - 26**

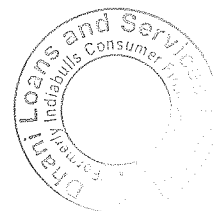
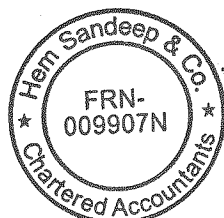
**Net gain on derecognition of financial assets**

Gain on sale of loan portfolio	124.18	10,017.76
	<u>124.18</u>	<u>10,017.76</u>

**Note - 27**

**Other income**

Fees received against customer acquisition	-	2,138.42
Provision write back	600.20	745.08
Charge back for common expenses	1,713.46	791.88
Gain on modification/ derecognition of financial assets (leases)	852.88	1,093.31
Miscellaneous Income	14.96	-
	<u>3,181.50</u>	<u>4,768.69</u>



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**(Formerly known as Indiabulls Consumer Finance Limited)**  
**Notes to the standalone financial statements for the year ended 31 March 2022**  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note - 28**

**Finance costs**

**On financial liabilities measured at amortised cost at amortised cost**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on borrowings	13,666.15	24,211.67
Interest on debt securities	4,779.03	10,044.78
Other interest expenses		
- Interest on securitisation transactions	2,367.20	7,523.87
- Interest on lease liability	1,627.38	1,674.04
- Others	166.56	136.58
	<b>22,606.32</b>	<b>43,590.94</b>

**Note - 29**

**Fee and Commission expenses**

**Commission expenses**

	For the year ended 31 March 2022	For the year ended 31 March 2021
	486.01	-
	<b>486.01</b>	<b>-</b>

**Note - 30**

**Impairment on financial assets**

**Impairment allowance on loans**

**Loans written off**

**Impairment allowance on interest spread on assigned assets**

**Impairment allowance on security receipts**

	For the year ended 31 March 2022	For the year ended 31 March 2021
	21,882.89	(4,514.50)
	8,013.56	18,415.38
	(1,611.15)	(280.12)
	(1,772.68)	1,772.68
	<b>26,512.62</b>	<b>15,393.44</b>

**Note - 31**

**Employee benefits expense**

**Salaries and wages**

**Contribution to provident fund and other funds (refer note 36)**

**Share based payments to employees**

**Staff Welfare Expenses**

	For the year ended 31 March 2022	For the year ended 31 March 2021
	24,872.46	30,620.57
	500.54	701.55
	2,502.91	(1,041.50)
	206.23	67.74
	<b>28,082.14</b>	<b>30,348.36</b>

**Note - 32**

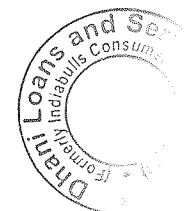
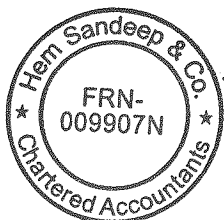
**Depreciation and amortisation**

**Depreciation on property, plant and equipment**

**Amortisation on intangible assets**

**Depreciation on right-of-use assets**

	For the year ended 31 March 2022	For the year ended 31 March 2021
	1,883.28	1,590.92
	1,021.89	1,063.82
	3,099.80	3,052.48
	<b>6,004.97</b>	<b>5,707.22</b>



**DHANI LOANS AND SERVICES LIMITED**  
**(Formerly known as Indiabulls Consumer Finance Limited)**  
**Notes to the standalone financial statements for the year ended 31 March 2022**  
 (All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note - 33**

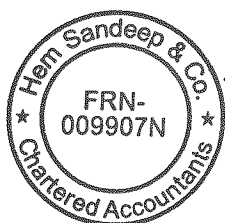
**Other Expenses**

	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
Repair and maintenance	310.91	93.40
Insurance	0.58	21.42
Communication expenses	1,011.14	650.66
Printing and stationery	129.78	75.38
Lease rent	750.28	459.30
Professional charges	7,291.61	5,034.40
Auditors' remuneration - audit fees (refer note (a) below)	38.15	43.60
Rates and taxes	161.21	85.89
Electricity expenses	370.65	228.87
Business promotion	8,828.79	3,681.05
Office maintenance	941.05	903.32
Travelling expenses	624.59	1,350.00
Software expenses	3,730.65	1,569.88
Corporate social responsibility expenses (Refer Note 57)	333.50	662.30
Bank charges	891.52	2,674.59
Web hosting charges	59.61	55.30
Loss on sale of property, plant and equipment	95.52	635.90
Miscellaneous expenses	7.07	1.57
	<b>25,576.61</b>	<b>18,226.83</b>

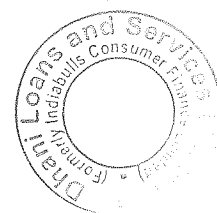
**Note (a): Payment to statutory auditors: (including goods and services tax)**

	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
As auditor	38.15	38.15
- audit and limited review	-	5.45
- for certification	<b>38.15</b>	<b>43.60</b>
- in connection with issue of securities*	5.45	32.70
- for reimbursement of expenses	-	1.63

\*recognised as transaction cost in computing effective interest rate adjustment for the respective borrowings.



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**DHANI LOANS AND SERVICES LIMITED**  
**(Formerly known as Indiabulls Consumer Finance Limited)**  
**Notes to the standalone financial statements for the year ended 31 March 2022**  
 (All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note No.-34**  
**Tax expense**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax	-	4,160.20
Deferred tax credit	(6,430.14)	(5,730.46)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(6,430.14)</b>	<b>(1,570.26)</b>

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.168% (31 March 2021: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

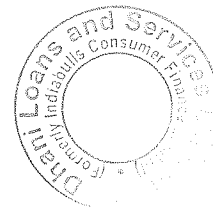
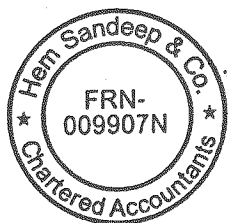
	For the year ended 31 March 2022	For the year ended 31 March 2021
Accounting profit/(loss) before tax expense	(24,857.79)	(6,980.03)
Income tax rate	25.168%	25.168%
Expected tax expense	(6,256.21)	(1,756.73)
<b>Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense</b>		
Tax impact of expenses which will never be allowed	127.30	817.23
Tax impact on items exempt under income tax	(198.15)	(33.31)
Income chargeable under capital gain (difference of tax rates)	-	(793.33)
Others	(103.08)	195.88
<b>Tax expense</b>	<b>(6,430.14)</b>	<b>(1,570.26)</b>

**Note No-35**  
**Earnings per equity share**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit/(loss) available for equity shareholders	(18,427.65)	(5,409.77)
Nominal value of equity share (₹)	10.00	10.00
Weighted-average number of equity shares for basic earnings per share	6,11,88,000	6,11,88,000
Effect of dilution:		
Weighted-average number of equity shares used to compute diluted earnings per share	6,34,91,722	6,11,88,000
Basic earnings per share (₹)	(30.12)	(8.84)
Diluted earnings per share (₹)	(30.12)	(8.84)

\* Anti-dilutive since increasing the EPS

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Note - 36

Employee benefits

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

A Defined contribution plans

The Company pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government of India, which invests the funds in permitted securities. Both the Company and employees make predetermined contributions to the Provident Fund. The contributions are normally based on a certain proportion of the employee's salary. An amount of ₹ 500.54 lakh (31 March 2021 ₹ 701.55 lakh) pertaining to employers' contribution to provident and other fund is recognised as an expense and included in "Employee benefits expense" in the Standalone Statement of Profit and Loss.

B Defined benefit plans

Gratuity

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

Risks associated with plan provisions

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of obligation	1,041.28	1,420.53
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	1,041.28	1,420.53

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

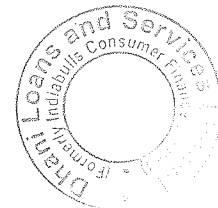
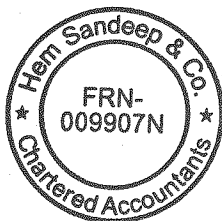
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	463.94	510.79
Past service cost including curtailment gains/losses	-	-
Interest cost on defined benefit obligation	105.58	95.51
Interest income on plan assets	-	-
Net impact on profit/ loss (before tax)	569.52	606.30

(iii) Amount recognised in the other comprehensive income:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial (gain)/loss recognised during the year	(169.67)	(559.54)

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Present value of defined benefit obligation as at the beginning of year	1,420.53	1,546.71
Acquisition adjustment	(659.80)	(50.45)
Current service cost	463.94	510.79
Interest cost	105.58	95.51
Past service cost including curtailment gains/losses	-	-
Benefits paid	(119.30)	(122.49)
Actuarial loss/(gain) on obligation	-	-
Actuarial loss on arising from change in demographic assumption	(60.01)	0.77
Actuarial loss on arising from change in financial assumption	(109.67)	(560.31)
Actuarial (gain)/loss on arising from experience adjustment	-	-
Present value of defined benefit obligation as at the end of the year	1,041.28	1,420.53
Expected contribution for the next Annual reporting period	551.67	985.64



Note - 36  
Employee benefits (continued)

(v) Actuarial assumptions

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Discounting rate	7.18%	6.79%
Future salary increase rate	5.00%	5.00%
Retirement age (years)	60.00	60.00
Withdrawal rate	100% of IALM (2012-14) Withdrawal	100% of IALM (2012-14) Withdrawal
Ages	Rate	Rate
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration	21.22	22.21

(vi) Sensitivity analysis for gratuity liability

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Impact of the change in discount rate		
Present value of obligation at the end of the year	1,041.28	1,420.53
- Impact due to increase of 0.50 %	(71.08)	(111.96)
- Impact due to decrease of 0.50 %	78.25	125.05
Impact of the change in salary increase		
Present value of obligation at the end of the year	1,041.28	1,420.53
- Impact due to increase of 0.50 %	79.55	126.67
- Impact due to decrease of 0.50 %	(72.82)	(114.28)

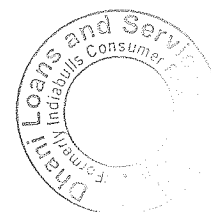
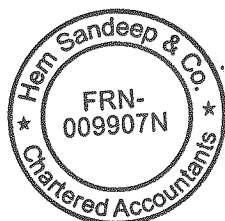
Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.  
Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(vii) Maturity profile of defined benefit obligation

	As at 31 March 2022	As at 31 March 2021
0 to 1 year	15.78	16.27
1 to 2 year	14.02	12.50
2 to 3 year	15.47	18.68
3 to 4 year	35.32	28.10
4 to 5 year	26.81	45.61
5 to 6 year	18.24	31.70
6 year onwards	915.65	1,267.68

C Other long-term employee benefit plans

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. A provision ₹ 298.31 lakh (31 March 2021: ₹ (157.49) lakh) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.



**Note - 37**

**Leases**

The Company has entered into lease arrangements for office buildings. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a corresponding lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

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. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

**A Lease payments not included in measurement of lease liability**

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Short-term leases	750.28	459.30
Leases of low value assets	-	-
Variable lease payments	-	-

**B** Total cash outflow for leases (excluding short term lease) for the year ended 31 March 2022 was ₹ 3,846.94 lakh (31 March 2021: ₹ 3,635.75 lakh ).

**C** The Company has total commitment for short-term leases of ₹ Nil as at 31 March 2022 (31 March 2021: ₹ Nil )

**D Maturity of lease liabilities**

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

31 March 2022	Minimum lease payment due						Total
	Within 1 year	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	More than 5 years	
Lease Payment	4,471.78	4,102.58	3,820.14	3,909.98	3,761.08	5,157.13	25,222.69
Interest Expense	1,789.43	1,521.49	1,253.80	964.26	643.21	660.97	6,833.16
Net Present Value	2,682.35	2,581.09	2,566.34	2,945.72	3,117.87	4,496.16	18,389.53

\*During the year, some lease contracts were terminated/ executed as a result of which the maturity amount has changed as compared to the previous financial year.

31 March 2021	Minimum lease payment due						Total
	Within 1 year	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	More than 5 years	
Lease Payment	3,093.90	2,901.65	2,656.72	2,641.87	2,780.10	4,362.03	18,436.27
Interest Expense	1,314.21	1,115.36	945.06	759.88	542.20	369.68	5,046.39
Net Present Value	1,779.69	1,786.29	1,711.66	1,881.99	2,237.90	3,992.35	13,389.88

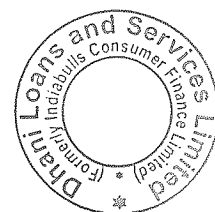
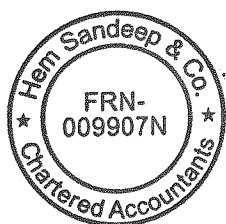
**E** Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2022 is of Rs. Nil (31 March 2021: ₹ Nil ).

**F** The table below describe the nature of the company's lease activities by type of right-of -use asset recognised on balance sheet :

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
As at 31 March 2022						
Office Building	189	6 Months to 106 Months	65 Months	-	-	189

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
As at 31 March 2021						
Office Building	136	6 Months to 105 Months	48 Months	-	-	136

**G** The total future cash outflows as at 31 March 2022 for leases that had not yet commenced is of ₹ 10.82 lakh (31 March 2021: ₹ 95.60 lakh ).



**DHANI LOANS AND SERVICES LIMITED**  
**(Formerly known as Indiabulls Consumer Finance Limited)**  
**Notes to the standalone financial statements for the year ended 31 March 2022**  
**(All amounts are in Indian Rupees in lakh unless stated otherwise)**

**Note - 37**  
**Leases (continued)**

H Following are the changes in the carrying value of right of use assets for the year ended:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening Balance	12,146.89	22,095.04
Additions	13,066.21	8,505.75
Deletion	5,080.54	15,401.42
Depreciation*	3,099.80	3,052.48
<b>Closing Balance</b>	<b>17,032.76</b>	<b>12,146.89</b>

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

The following is the movement in lease liabilities during the year ended :

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening Balance	13,389.88	23,343.26
Additions	13,066.21	8,503.06
Finance cost accrued during the period	1,627.38	1,674.04
Deletion	5,847.00	16,494.73
Payment of lease liabilities	3,846.94	3,635.75
<b>Closing Balance</b>	<b>18,389.53</b>	<b>13,389.88</b>

**Note - 38**  
**Contingent liabilities and commitments**  
**i. Contingent liabilities**

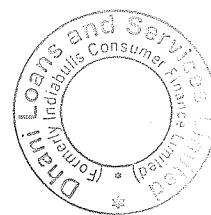
Particulars	As at 31 March 2022	As at 31 March 2021
Claims against the Company not acknowledged as debt;		
a) Income tax demand in respect of assessment year 2013-14 against which the Company' appeal before the CIT (Appeals) was partly allowed vide order dated 28-Feb-2022. Subsequent to the year ended March 31, 2022, the Income Tax Department has preferred an appeal against the aforesaid order before the ITAT, Delhi.	-	95.04
b) Income tax demand in respect of assessment year 2018-19 against which the Company has preferred an appeal before the CIT (Appeals).	588.41	-
<b>Total</b>	<b>588.41</b>	<b>95.04</b>

**ii. Capital commitments**  
**(to the extent not provided for)**

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance paid)	47.66	154.67



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**DHANI LOANS AND SERVICES LIMITED**  
(Formerly known as Indiabulls Consumer Finance Limited)  
Notes to the standalone financial statements for the year ended 31 March 2022  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note - 39**

**Financial instruments**

**A Financial assets and liabilities**

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

Particulars	Note	As at 31 March 2022	As at 31 March 2021
<b>Financial assets measured at fair value</b>			
Investments measured at fair value through profit or loss	Note - 7	53,222.14	1,37,811.18
Loans measured at Fair value through other comprehensive income	Note - 6	1,961.54	17,550.22
<b>Financial assets measured at amortised cost</b>			
Cash and cash equivalents	Note - 4	41,959.90	99,614.37
Bank balance other than cash and cash equivalents	Note - 5	14,973.06	24,285.85
Investments	Note - 7	9,999.78	9,999.78
Loans	Note - 6	3,32,492.69	3,54,567.13
Other financial assets	Note - 8	3,120.59	8,373.27
<b>Financial assets measured at cost</b>			
Investments*	Note - 7	93,129.51	93,129.51
<b>Total</b>		<b>5,50,861.21</b>	<b>7,45,331.31</b>
<b>Financial liabilities measured at amortised cost</b>			
Trade payables	Note - 13	1,097.24	215.13
Other payables	Note - 14	8,734.96	12,685.26
Debt securities (including interest accrued)	Note - 15	54,506.33	77,060.33
Borrowings (other than debt securities) [including interest accrued]	Note - 16	1,17,746.19	2,38,793.37
Lease liabilities	Note - 17	18,389.53	13,389.88
Other financial liabilities	Note - 18	13,223.33	32,391.61
<b>Total</b>		<b>2,13,697.58</b>	<b>3,74,535.58</b>

\* Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements'.

**B Fair values hierarchy**

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

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

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

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

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

As at 31 March 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss	35,722.14	-	-	35,722.14
Mutual fund	-	17,500.00	-	17,500.00
Security receipts	-	-	-	-
Loans measured at fair value through other comprehensive income	-	-	1,961.54	1,961.54
Loans	-	-	-	-

As at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at fair value through profit and loss	1,37,482.83	-	-	1,37,482.83
Mutual funds	-	328.35	-	328.35
Security receipts	-	-	-	-
Loans measured at fair value through other comprehensive income	-	-	17,550.22	17,550.22
Loans	-	-	-	-

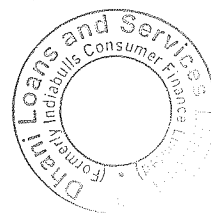
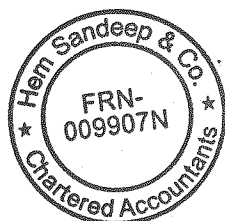
**Valuation process and technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

(a) the use of quoted market prices for quoted equity instruments and debt securities.

(b) the use of quoted market prices for derivative contracts at balance sheet date.

(c) the use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.



Note - 39  
Financial instruments (continued)

b) Movement of loans measured using unobservable inputs (Level 3):

Particulars	As at	As at
	31 March 2022	31 March 2021
Opening balance	17,784.31	49,057.18
Addition during the year	452.06	44,150.97
Disposal during the year	(16,287.69)	(76,125.84)
Gain recognised in statement of profit and loss	28.29	702.00
<b>Closing balance*</b>	<b>1,976.97</b>	<b>17,784.31</b>

\*The above amounts are gross carrying amounts (refer note 6)

c) Sensitivity disclosure for level 3 fair value measurements:

Particulars	Fair value as at		Sensitivity	Impact of change in rates on total comprehensive income statement			
	As at	As at		As at	As at	As at	As at
	31 March 2022	31 March 2021		31 March 2022	31 March 2022	31 March 2021	31 March 2021
				Favourable	Unfavourable	Favourable	Unfavourable
Loans	1,976.97	17,784.31	1%	22.81	(22.32)	151.12	(146.06)

B.2 Fair value of instruments measured at amortised cost

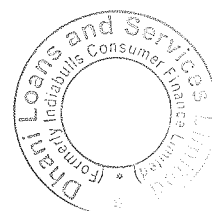
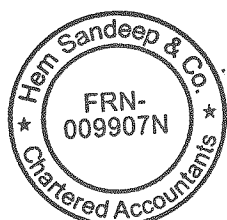
Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	41,959.90	41,959.90	99,614.37	99,614.37
Bank balance other than cash and cash equivalents	14,975.06	14,975.06	24,285.85	24,285.85
Investments	9,999.78	9,999.78	9,999.78	9,999.78
Loans	3,32,492.69	3,32,492.69	3,54,567.13	3,54,567.13
Other financial assets	3,120.59	3,748.04	8,373.27	7,898.16
<b>Total</b>	<b>4,02,548.02</b>	<b>4,03,175.47</b>	<b>4,96,840.40</b>	<b>4,96,365.29</b>
<b>Financial liabilities</b>				
Trade payables	1,097.24	1,097.24	215.13	215.13
Other payables	8,734.96	8,734.96	12,685.26	12,685.26
Debt securities	54,506.33	52,948.19	77,060.33	80,141.20
Borrowings (other than debt securities)	1,17,746.19	1,17,746.19	2,38,793.37	2,39,203.68
Lease liabilities	18,389.53	18,367.48	13,389.88	13,363.96
Other financial liabilities	13,223.33	13,223.33	32,391.61	32,391.61
<b>Total</b>	<b>2,13,697.58</b>	<b>2,12,117.39</b>	<b>3,74,535.58</b>	<b>3,78,000.84</b>

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

Financial instruments measured at fair value and fair value of financial instruments carried at amortised cost

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value and sensitivity
Financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates	Not applicable	Not applicable
Financial assets measured at FVTPL	NAV based method.	Not applicable	Not applicable
Financial assets measured at FVOCI	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates	The discount rate is the average lending rate at which the loans are disbursed	There is an inverse correlation. Higher the discount rate i.e average lending rate for the disbursed loans, lower the fair value of the assets



**Note - 40**  
**Financial risk management**

**i) Risk Management**

As a Non-Banking Financial Company (NBFC), the Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. Company's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value, and required term cover for insurance. The major types of risk Company face in businesses are liquidity risk, credit risk and interest rate risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

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

**A) Credit risk**

Credit risk 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. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, bank balances other than cash and cash equivalents, loan assets and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**a) Credit risk management**

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

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

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, other bank balance, loans, Investment in CCD, Mutual fund & security receipt, security deposits and other financial assets	12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss
High credit risk	Loans and Investment in security receipt	Life time expected credit loss or fully provided for

**Financial assets that expose the entity to credit risk\***

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(i) Low credit risk</b>		
Cash and cash equivalents	41,959.90	99,614.37
Bank balance other than cash and cash equivalents	14,975.06	24,285.85
Loans	1,79,728.64	2,95,541.62
Investments	63,221.92	1,47,482.61
Other financial assets	3,120.59	8,373.27
<b>(ii) Moderate credit risk</b>		
Loans	1,35,959.33	77,794.67
<b>(iii) High credit risk</b>		
Investment	-	328.35
Other financial assets	24.44	1,635.59
Loans	55,153.13	42,701.41

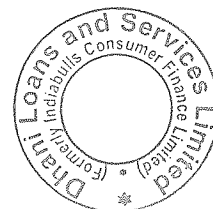
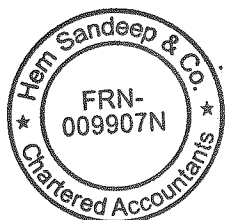
\* These represent gross carrying values of financial assets, without netting off impairment loss allowance.

**Cash and cash equivalents and bank deposits**

Credit risk related to cash and cash equivalents and bank deposits is managed by only placing highly rated deposits in banks and financial institutions across the country.

**Other financial assets measured at amortized cost**

Other financial assets measured at amortized cost includes loans to employees, security deposits, interest spread on assigned assets and other recoverable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.



**Note - 40**  
**Financial risk management (continued)**

**Loans**

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

The major guidelines for selection of the client includes:

- The client's income and indebtedness levels
- The client must possess the required Know Your Customer (KYC) documents
- Client must agree to follow the rules and regulations of the Company
- Credit bureau check - In order to deal with the problem of over extension of credit and indebtedness of the client, the Company undertakes credit bureau checks for every client. The credit bureau check helps the Company in identifying clients with poor repayment histories and multiple loans.

Category*	Inputs	Assumptions
Corporate borrowers	1. Historical data as per industry trends	1. Recoverability assumptions for stage 3 loan assets and related assessment with value of collateral
Retail borrowers	2. Supplemental external information that could affect the borrowers behaviour	2. Management judgement is applied to determine the economic scenarios and the application of probability weights
	3. Discount rate is based on internal rate of return on the	

\* The Company has used forward looking information in form of GDP growth rate and unemployment rate specific to the sector.

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

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

As at 31 March 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	41,959.90	-	41,959.90
Bank balance other than cash and cash equivalents	14,975.06	-	14,975.06
Investments	1,56,351.43	-	1,56,351.43
Other financial assets	3,145.03	24.44	3,120.59

As at 31 March 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	99,614.37	-	99,614.37
Bank balance other than cash and cash equivalents	24,285.85	-	24,285.85
Investments	2,42,713.15	1,772.68	2,40,940.47
Other financial assets	10,008.86	1,635.59	8,373.27

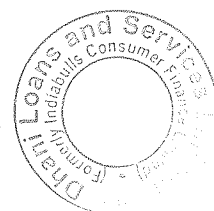
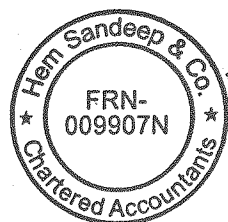
ii) **Expected credit loss for loans**

*Definition of default:*

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

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

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at 01 April 2020	4,39,628.26	22,201.47	9,094.92
Assets originated	4,45,157.79	-	-
Net transfer between stages and de-recognition	(5,89,244.43)	55,593.20	52,021.87
Assets written-off	-	-	(18,415.38)
Gross carrying amount as at 31 March 2021	2,95,541.62	77,794.67	42,701.41
Assets originated	8,13,059.86	-	-
Net transfer between stages and de-recognition	(9,28,866.48)	58,226.63	63,529.44
Assets written-off	(6.36)	(61.97)	(51,077.72)
Gross carrying amount as at 31 March 2022	1,79,728.64	1,35,959.33	55,153.13





Note - 40  
Financial risk management (continued)

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

Reconciliation of loss allowance	Stage 1	Stage 2	Stage 3
Loss allowance as on 01 April 2020	40,991.10	6,343.86	5,635.15
Increase of provision due to assets originated and purchased during the year	2,443.43	-	-
Net transfer between stages and written back	(41,314.47)	2,343.38	42,409.49
Loss allowance written-off	-	-	(14,931.59)
Loss allowance as at 31 March 2021	2,120.06	8,687.24	33,113.05
Increase of provision due to assets originated during the year	9,617.22	-	-
Net transfer between stages and written back	(9,863.62)	3,390.23	32,456.02
Loss allowance written-off	(0.10)	(6.20)	(43,127.03)
Loss allowance as at 31 March 2022	1,873.56	12,071.27	22,442.04

- c) **Concentration of loans**  
Prudent risk management involves the minimisation of concentration risk by diversifying the loan portfolio. Setting up exposure limit for particular industry, sector, geographical area, product, etc. is essential to reduce the concentration of the loan portfolio.

Particulars	As at	As at
	31 March 2022	31 March 2021
Corporate borrowers	56,256.70	1,17,311.17
Retail borrowers	3,14,584.40	2,98,726.53
Total	3,70,841.10	4,16,037.70

- d) **Loans secured against collateral**  
Company's secured portfolio has security base as follows:

Particulars	Value of loans	
	As at	As at
	31 March 2022	31 March 2021
Secured by tangible assets*	44,132.45	71,958.31
Secured by other assets	-	-

\* Equitable mortgage of property / hypothecation of assets

Wherever required, the Company holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, pledge of securities, guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts, etc.

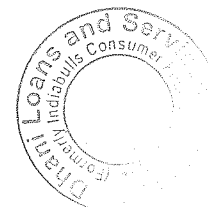
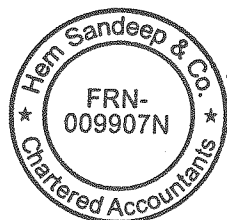
The Company does not physically possess properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are more than 90 days past due, possession of property may be initiated. Possessed property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

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

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

- (f) **Financing arrangements**  
The Company had access to the following funding facilities:

	Total facility	Undrawn
As at 31 March 2022		
- Expiring within one year	25,000.00	10,000.00
Total	25,000.00	10,000.00
As at 31 March 2021		
- Expiring within one year	25,000.00	24,500.00
Total	25,000.00	24,500.00



Note - 40  
 Financial risk management (continued)

(ii) Maturities of financial assets and liabilities

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

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

As at 31 March 2022	Less than 1 year	1-3 years	More than 3 years	Total
<b>Financial assets</b>				
Cash and cash equivalents	41,959.90	-	-	41,959.90
Bank balance other than cash and cash equivalents	14,975.06	-	-	14,975.06
Loans	3,01,334.15	71,802.59	1,32,418.51	5,05,555.25
Investments	45,721.92	-	1,10,629.51	1,56,351.43
Other financial assets	1,943.65	1,412.52	1,267.98	4,624.15
<b>Total undiscounted financial assets</b>	<b>4,05,934.68</b>	<b>73,215.11</b>	<b>2,44,316.00</b>	<b>7,23,465.79</b>
<b>Financial liabilities</b>				
Debt Securities	36,157.38	23,056.21	-	59,213.59
Borrowings (other than debt securities)	20,571.24	9,463.30	96,288.23	1,26,322.77
Trade payables	1,097.24	-	-	1,097.24
Other payable	8,734.96	-	-	8,734.96
Lease liabilities	4,471.78	7,922.72	12,828.19	25,222.69
Other financial liabilities	13,223.33	-	-	13,223.33
<b>Total undiscounted financial liabilities</b>	<b>84,255.93</b>	<b>40,442.23</b>	<b>1,09,116.42</b>	<b>2,33,814.58</b>
<b>Net financial assets/(liabilities)</b>	<b>3,21,678.75</b>	<b>32,772.88</b>	<b>1,35,199.58</b>	<b>4,89,651.21</b>

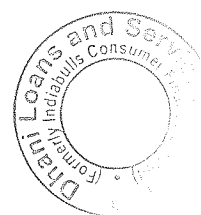
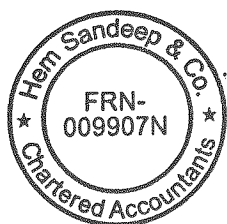
The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2021	Less than 1 year	1-3 year	More than 3 years	Total
<b>Financial assets</b>				
Cash and cash equivalents	99,614.37	-	-	99,614.37
Bank balance other than cash and cash equivalents	24,285.85	-	-	24,285.85
Loans	1,60,832.05	2,26,573.86	2,31,334.98	6,18,740.89
Investments	1,47,810.96	-	93,129.51	2,40,940.47
Other financial assets	8,922.93	2,381.59	711.41	12,015.93
<b>Total undiscounted financial assets</b>	<b>4,41,466.16</b>	<b>2,28,955.45</b>	<b>3,25,175.90</b>	<b>9,95,597.51</b>
<b>Financial liabilities</b>				
Debt securities	46,714.21	33,805.68	5,620.73	86,140.62
Borrowings (other than debt securities)	1,42,008.92	1,13,245.78	9,055.66	2,64,310.36
Trade payables	215.13	-	-	215.13
Other payable	12,685.26	-	-	12,685.26
Lease liabilities	3,093.90	5,558.38	9,783.99	18,436.27
Other financial liabilities	32,391.61	-	-	32,391.61
<b>Total undiscounted financial liabilities</b>	<b>2,37,109.03</b>	<b>1,52,609.84</b>	<b>24,460.38</b>	<b>4,14,179.25</b>
<b>Net financial assets/(liabilities)</b>	<b>2,04,357.13</b>	<b>76,345.61</b>	<b>3,00,715.52</b>	<b>5,81,418.26</b>

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.

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



**Note - 40**  
**Financial risk management (continued)**

**a) Interest rate risk**  
**i) Liabilities**

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2022, the Company is exposed to changes in market interest rates borrowings other than debt securities at variable interest rates.

**Interest rate risk exposure**

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

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Fixed rate liabilities*</b>		
Debt securities	53,914.70	76,193.89
Borrowings (other than debt securities)	25,640.00	98,751.60
<b>Variable rate liabilities*</b>		
Borrowings (other than debt securities)	91,915.64	1,39,373.24
<b>Total</b>	<b>1,71,470.34</b>	<b>3,14,318.73</b>

\* Above borrowing amounts exclude accrued interest

**Sensitivity**

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Interest sensitivity*</b>		
Interest rates - increase by 0.50%	459.58	696.87
Interest rates - decrease by 0.50%	(459.58)	(696.87)

\* Holding all other variables constant

**ii) Assets**

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

**b) Price risk**  
**i) Exposure**

The Company's exposure price risk arises from investments held and classified in the balance sheet at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

**ii) Sensitivity**

The table below summarises the impact of increases/decreases of the index on the Company's loss for the year:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Impact on profits/(loss) before tax</b>		
<b>Mutual funds</b>		
Net assets value - increase by 5%	1,786.11	6,874.14
Net assets value - decrease by 5%	(1,786.11)	(6,874.14)

**Note - 41**

**Capital management**

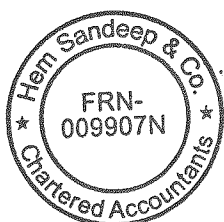
The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

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

Particulars	As at 31 March 2022	As at 31 March 2021
Net debt*	1,30,292.62	2,16,239.33
Total equity	4,01,265.95	4,17,567.87
Net debt to equity ratio	0.32	0.52

\* Net debt includes debt securities + borrowings other than debt securities + interest accrued- cash & cash equivalents



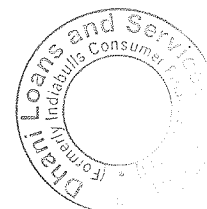
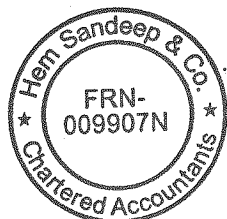
**DHANI LOANS AND SERVICES LIMITED**  
(Formerly known as Indiabulls Consumer Finance Limited)  
Notes to the standalone financial statements for the year ended 31 March 2022  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note - 42**

**Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

	As at 31 March 2022		As at 31 March 2021	
	Within 12 months	After 12 months	Within 12 months	After 12 months
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	41,959.90	-	99,614.37	-
Bank balance other than cash and cash equivalents	14,975.06	-	24,285.85	-
Loans	2,210.49	3,32,243.74	1,37,742.50	2,34,374.85
Investments	45,721.92	1,10,629.51	1,47,810.96	93,129.51
Other financial assets	1,758.71	1,361.88	5,947.36	2,425.91
	<u>1,06,626.08</u>	<u>4,44,235.13</u>	<u>4,15,401.04</u>	<u>3,29,930.27</u>
<b>Non-financial assets</b>				
Current tax assets (net)	15,700.69	-	12,569.45	-
Deferred tax assets (net)	-	17,035.56	-	10,478.57
Property, plant and equipment	-	8,370.23	-	6,012.79
Right-of-use assets	3,398.19	13,634.57	2,490.91	9,655.98
Intangible assets under development	-	462.18	-	380.46
Other intangible assets	-	4,355.81	-	4,465.36
Other non-financial assets	4,649.17	586.25	2,835.77	1,384.04
	<u>23,748.05</u>	<u>44,444.60</u>	<u>17,896.13</u>	<u>32,377.20</u>
<b>TOTAL ASSETS</b>	<u>1,30,374.14</u>	<u>4,88,679.72</u>	<u>4,33,297.17</u>	<u>3,62,307.47</u>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial liabilities</b>				
<b>Payables</b>				
<b>Trade payables</b>				
(i) Total outstanding dues of micro enterprises and small	-	-	-	-
(ii) Total outstanding dues of creditors other than micro				
enterprises and small enterprises	1,097.24	-	215.13	-
<b>Other payables</b>				
(i) Total outstanding dues of micro enterprises and small	-	-	-	-
enterprises				
(ii) Total outstanding dues of creditors other than micro				
enterprises and small enterprises	8,734.96	-	12,685.26	-
Debt securities	32,855.99	21,650.34	42,924.47	34,135.86
Borrowings (other than debt securities)	91,068.41	26,677.78	1,49,732.28	89,061.09
Lease liabilities	2,682.35	15,707.18	1,779.69	11,610.19
Other financial liabilities	13,223.33	-	32,391.61	-
	<u>1,49,662.28</u>	<u>64,035.30</u>	<u>2,39,728.44</u>	<u>1,34,807.14</u>
<b>Non-financial liabilities</b>				
Provisions	28.99	1,527.23	35.56	2,108.90
Other non-financial liabilities	2,534.11	-	1,356.73	-
	<u>2,563.10</u>	<u>1,527.23</u>	<u>1,392.29</u>	<u>2,108.90</u>
<b>TOTAL LIABILITIES</b>	<u>1,52,225.38</u>	<u>65,562.53</u>	<u>2,41,120.73</u>	<u>1,36,916.04</u>
<b>Net equity</b>	<u>-21,851.24</u>	<u>4,23,117.19</u>	<u>1,92,176.44</u>	<u>2,25,391.43</u>



**DHANI LOANS AND SERVICES LIMITED**  
**Formerly known as Indiabulls Consumer Finance Limited)**  
**Notes to the standalone financial statements for the year ended 31 March 2022**  
 All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note - 43**

**Operating segments**

**General information**

The Company operates in a single reportable segment i.e. financing and investing related activities, which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", is considered to be the only reportable business segment. The Company derives its major revenues from financing activities and its customers are widespread. Further, The Company is operating in India which is considered as a single geographical segment.

**Note - 44**

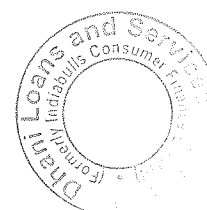
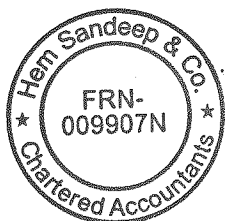
**Related party disclosure**

**a) Details of related parties:**

Description of relationship	Names of related parties
Holding company	Dhani Services Limited (formerly known as Indiabulls Ventures Limited)
Subsidiary companies (including step-down subsidiaries)	TranServ Limited (formerly known as TranServ Private Limited) Indiabulls Distribution Services Limited Indiabulls Alternate Investments Limited Indiabulls Investment Advisors Limited
Fellow subsidiary companies (with whom transactions took place)	ARC Trust XVII Dhani Healthcare Limited
Key management personnel	Mr. Pinank Jayant Shah, Whole Time Director and Chief Executive Officer Mr. Gagan Banga, Director (till 14 March 2022) Mr. Alok Kumar Mishra, Director (till 21 March 2021) Mr. Nafees Ahmed, Director Mr. Ajit Kumar Mittal, Director Mr. Labh Singh Sitara, Director Mrs. Preetinder Virk, Director Dr. Narendra Damodar Jadhav, Director Mr. Rajeev Lochan Agrawal, Chief Financial Officer Mr. Divyesh B Shah, Chief Operating Officer and Whole Time Director of Dhani Services Limited Mr. Sameer Gehlaut, Chief Executive Officer and Chairman of Dhani Services Limited

**(b) Statement of transactions with related parties during the year:**

Particulars	Holding company		Subsidiaries/Fellow subsidiaries/ Step-down subsidiaries		Key management personnel	
	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Finance</b>						
- Loans given	-	-	16,400.00	5,500.00	-	-
(Maximum balance outstanding during the year):						
- Loans taken	-	-	-	-	-	-
(Maximum balance outstanding during the year):						
- Corporate Counter Guarantee given to third parties by	-	20,000.00	-	-	-	-
<b>Share capital</b>						
Issue of redeemable convertible preference shares (including premium)	61,262.56	-	-	-	-	-
Redemption of redeemable convertible preference shares (including premium)	61,262.56	-	-	-	-	-
<b>Investment/redemption</b>						
- Investment/(redemption) in compulsorily convertible debentures	-	-	-	(40,000.28)	-	-
- Investment/(redemption) in security receipts (net)	-	-	-	2,101.03	-	-
<b>Liabilities</b>						
- Employee benefits transfer paid	-	-	1,162.85	2,063.90	-	-
<b>Income</b>						
- Interest income from loan	-	-	610.73	237.95	-	-
- Interest income from Compulsorily Convertible Debentures	-	-	999.98	3,991.78	-	-
- Foreclosure fees and other related income	-	-	10.17	10.17	-	-
- Fees received against customer acquisition	-	-	-	2,138.42	-	-
- Net gain on derecognition of financial assets	-	-	-	10,150.57	-	-
- Charge back for common expenses	2.40	-	1,711.06	791.88	-	-
<b>Expenses</b>						
- Professional charges	-	-	71.67	258.03	-	-
Reimbursement of expenses paid/(received)	-	86.47	(9,616.51)	(662.78)	-	-
<b>Compensation to key management personnel (refer foot note - (ii))</b>						
- Short term employee benefits	-	-	-	-	207.17	136.77
- Sitting fees	-	-	-	-	10.90	18.53
- Post employee benefits- gratuity	-	-	-	-	(0.66)	0.18
- Other long-term benefits- compensated absences	-	-	-	-	9.58	(14.46)
- Share based payment expenses	-	-	-	-	521.08	(197.38)



**DHANI LOANS AND SERVICES LIMITED**  
Formerly known as Indiabulls Consumer Finance Limited)  
Notes to the standalone financial statements for the year ended 31 March 2022  
All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note - 44**  
Related party disclosure (continued)

**c) Outstanding at year ended 31 March 2022:**

Nature of transaction	Holding company		Subsidiaries/Fellow subsidiaries	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Investment in compulsorily convertible debentures	-	-	9,999.78	9,999.78
Corporate Counter Guarantee given to third parties by Holding Company (refer foot note - (i))	73,014.72	1,30,560.00	-	-
Other payables	-	-	-	1,276.53

**d) Disclosure related to Fair value of Corporate Guarantee taken from holding as per IND As 109, "Financial Instruments":**

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>Deemed cost of fair value of corporate guarantee</b>		
- Dhani Services Limited	156.97	269.25
<b>Total</b>	156.97	269.25
<b>Addition to fair value of corporate guarantee</b>		
- Dhani Services Limited	-	93.82
<b>Total</b>	-	93.82
<b>Unamortised portion of deemed cost for corporate guarantees</b>		
- Dhani Services Limited	107.77	264.74
<b>Total</b>	107.77	264.74

Note (i):  
During the year ended 31 March 2022, the Company has obtained borrowings from banks and financial institution, out of which ₹ Nil (31 March 2021: ₹ 20,000.00 lakh) is guaranteed by Dhani Services Limited (Holding Company) and guarantee released during the year amounts to ₹ 57,545.28 Lakh (31 March 2021: ₹ 77,170.00 lakh). The corporate guarantee outstanding as on 31 March 2022 is ₹ 73,014.72 lakh (31 March 2021: ₹ 1,30,560.00 lakh).

Note (ii):  
In respect of managerial remuneration paid to a Whole Time Director during the year ended 31 March 2022, members of the Company, at their extra-ordinary general meeting held on 30 May 2022, accorded their approval for waiver of recovery of such amount of managerial remuneration paid in excess of the limit laid down under Section 197 of the Act.

**Note - 45**  
Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

**(a) Details of trade payable dues to micro and small enterprises as defined under the MSMED Act, 2006**

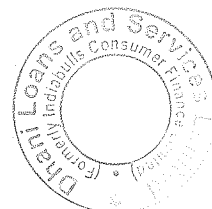
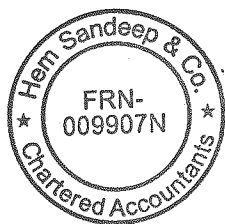
Particulars	As at 31 March 2022	As at 31 March 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

**(b) Details of other payable dues to micro and small enterprises as defined under the msmed act, 2006**

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

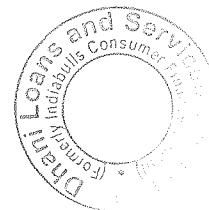


**DHANI LOANS AND SERVICES LIMITED**  
**Formerly known as Indiabulls Consumer Finance Limited)**  
**Notes to the standalone financial statements for the year ended 31 March 2022**  
 All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note - 46**  
**Reconciliation of liabilities arising from financing activities**  
**The changes in the Company's liabilities arising from financing activities can be classified as follows:**

Particulars	Debt securities	Borrowings (other than debt)	Lease liabilities	Total
<b>1 April 2020</b>	80,427.81	3,96,999.50	23,343.26	5,00,770.57
Cash flows:				
- Proceeds	52,500.00	20,500.00	-	73,000.00
- Repayment	(57,145.00)	(1,78,960.87)	(3,635.75)	(2,39,741.62)
Non cash:				
- Amortisation of upfront fees and others	1,161.65	965.38	-	2,127.03
- Addition during the year	-	-	8,503.06	8,503.06
- Addition/(reduction) in interest accrued	115.87	(710.64)	-	(594.77)
- Others	-	-	(14,820.69)	(14,820.69)
<b>31 March 2021</b>	<b>77,060.33</b>	<b>2,38,793.37</b>	<b>13,389.88</b>	<b>3,29,243.58</b>
Cash flows:				
- Proceeds	19,057.22	52,500.00	-	71,557.22
- Repayment	(41,448.50)	(1,73,256.84)	(3,846.94)	(2,18,552.28)
Non cash:				
- Amortisation of upfront fees and others	112.09	187.64	-	299.73
- Addition during the year	-	-	13,066.21	13,066.21
- Addition/(reduction) in interest accrued	(274.81)	(477.98)	-	(752.79)
- Others	-	-	(4,219.62)	(4,219.62)
<b>31 March 2022</b>	<b>54,506.33</b>	<b>1,17,746.19</b>	<b>18,389.53</b>	<b>1,90,642.05</b>

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**DHANI LOANS AND SERVICES LIMITED**  
 (Formerly known as Indiabulls Consumer Finance Limited)  
 Notes to the standalone financial statements for the year ended 31 March 2022  
 (All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note - 47**

**Transfer of financial assets**

**A) Securitisation**

In the course of its business, the Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The Company has securitized its loan assets to an unrelated and unconsolidated entities. As per the terms of the respective agreements with counterparties, the Company is exposed to first loss default guarantee and cash collateral ranging from 14% to 18% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying receivables. Hence, these loan assets are not derecognised and proceeds received are presented as other financial liabilities.

The table below outlines the carrying amounts and fair values of financial assets transferred that are not derecognised in their entirety and their associated liabilities:

Securitisations	As at	As at
	31 March 2022	31 March 2021
Gross carrying amount of securitised assets (at amortised cost)	-	31,721.65
Gross carrying amount of associated liabilities	-	40,838.71
Carrying value and fair value of securitised assets	-	48,935.05
Carrying value and fair value of associated liabilities	-	40,838.71
<b>Net position</b>	-	<b>8,096.34</b>

The carrying amount of above assets and liabilities is a reasonable approximation of their respective fair values.

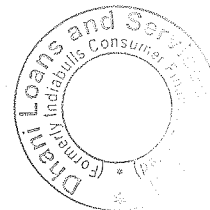
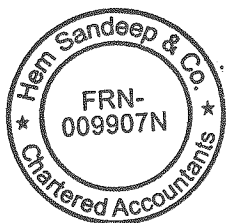
**B) Assignment**

During the year ended March 31, 2022, the Company has sold certain loans by way of direct bilateral assignment, as a source of finance. As per the terms of such deals, since the derecognition criteria as per Ind AS 109 are met, (including transfer of substantial risks and rewards) relating to assets being transferred to the buyer, the assets have been derecognised from the books of the Company.

Particulars	As at	As at
	31 March 2022	31 March 2021
Carrying amount of de-recognised financial assets	12,684.73	36,711.03
Gain on sale of the de-recognised financial assets	124.18	2,549.69

Since the Company has derecognized the above loan assets in entirety, the whole of the interest spread at the present value (discounted over the expected life of the assets) is recognised on the date of derecognition itself as interest-only strip receivable and corresponding profit on derecognition of financial assets is recognized in the Statement of Profit and Loss.

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**Note - 48**

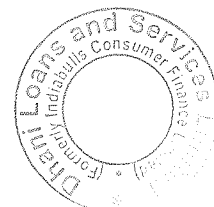
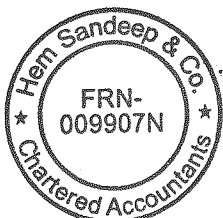
Disclosures pursuant to paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank)

Directions, 2016 as at and for the year ended 31 March 2022:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
<b>Liabilities Side:</b>				
<b>1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>				
a) Debentures : Secured	54,506.33	-	77,060.33	-
: Unsecured	-	-	-	-
other than falling within the meaning of public deposits)	-	-	-	-
b) Deferred credits	-	-	-	-
c) Term loans	1,02,742.18	-	1,97,454.66	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial paper	-	-	-	-
f) Public Deposits	-	-	-	-
g) Other loans	15,004.01	-	500.00	-
- Loan repayable on demand	-	-	40,838.71	-
- Securitisation liabilities	-	-	-	-
<b>(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</b>				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-

Assets side:	Amount outstanding as at 31 March 2022	Amount outstanding as at 31 March 2021
	<b>(3) Break-up of loans and advances including bills receivables [other than those included in (4) below]:</b>	
(a) Secured	44,132.45	71,958.31
(b) Unsecured	3,26,708.65	3,44,079.39
Less: impairment loss allowance	(36,386.87)	(43,920.35)
<b>Total</b>	<b>3,34,454.23</b>	<b>3,72,117.35</b>
<b>(4) Break up of leased assets and stock on hire and other assets counting towards asset financing activities</b>		
(i) Lease assets including lease rentals under sundry debtors	-	-
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors	-	-
(a) Assets on hire	-	-
(b) Repossessed assets	-	-
(iii) Other loans counting towards asset financing activities	-	-
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
<b>(5) Break-up of Investments :</b>		
<b>Current investments:</b>		
<b>Current Investments</b>		
<b>1. Quoted:</b>		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	-
<b>2. Unquoted:</b>		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	35,722.14	1,37,482.83
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	-

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Note - 48  
Disclosures pursuant to paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as at and for the year ended 31 March 2022: (continued)

Assets side:	Amount outstanding as at 31 March 2022	Amount outstanding as at 31 March 2021
<b>Long Term Investments</b>		
<b>1. Quoted:</b>		
i) Shares: (a) Equity	-	-
(b) Preference	-	-
ii) Debentures and bonds	-	-
iii) Units of mutual funds	-	-
iv) Government securities	-	-
v) Others	-	-
<b>2. Unquoted:</b>		
(i) Shares: (a) Equity	-	-
(b) Preference	9,999.78	9,999.78
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
<b>(v) Others</b>	93,129.51	93,129.51
(a) Equity investment in subsidiaries	17,500.00	328.35
(b) Investment in security receipts	-	-
(b) Investment in associate	-	-

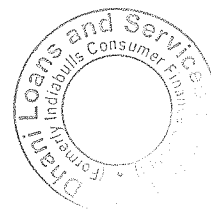
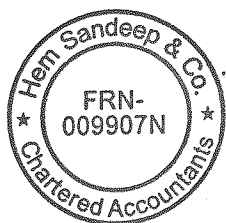
Category	Amount (including impairment of loss allowance)			
	As at 31 March 2022		As at 31 March 2021	
	Secured	Unsecured	Secured	Unsecured
<b>1. Related parties</b>				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
<b>2. Other than related parties*</b>	44,132.45	3,26,708.65	71,958.31	3,44,079.39
<b>Total</b>	44,132.45	3,26,708.65	71,958.31	3,44,079.39

\*Includes provision against loan assets of ₹ 36,386.87 lakh (31 March 2021 ₹ 43,920.35 lakh)

Category	As at 31 March 2022		As at 31 March 2021	
	Market Value	Book Value (net of allowance for impairment)	Market Value	Book Value (net of allowance for impairment loss)
	<b>1. Related parties</b>			
(a) Subsidiaries	1,03,129.29	1,03,129.29	1,03,129.29	1,03,129.29
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
<b>2. Other than related parties</b>	35,722.14	35,722.14	1,37,482.83	1,37,482.83
<b>Total</b>	1,38,851.43	1,38,851.43	2,40,612.12	2,40,612.12

Particulars	As at 31 March 2022	As at 31 March 2021
	<b>(I) Gross non-performing assets</b>	
(a) Related parties	-	-
(b) Other than related parties	55,153.13	42,701.41
<b>(II) Net non-performing assets</b>		
(a) Related parties	-	-
(b) Other than related parties	32,711.09	9,588.36

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Note - 49

Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.no 109/22.10.106/2019-20 dated 13 March 2020 pertaining to Asset Classification as per RBI norms and Income Recognition, Asset Classification and Provisioning ("IRACP") norms.

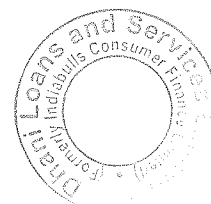
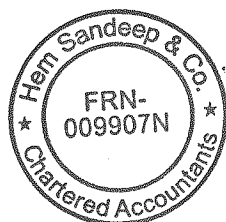
As at 31 March 2022

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 Assets	Stage 1	1,79,728.64	1,873.56	1,77,855.08	771.65	1,101.91
	Stage 2	1,35,959.33	12,071.27	1,23,888.06	540.15	11,531.12
<b>Sub- Total</b>		<b>3,15,687.97</b>	<b>13,944.83</b>	<b>3,01,743.14</b>	<b>1,311.80</b>	<b>12,633.03</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	53,204.03	21,929.66	31,274.37	5,320.40	16,609.26
Doubtful - up to 1 year	Stage 3	1,869.41	480.50	1,388.91	480.50	-
1 to 3 years	Stage 3	79.69	31.88	47.81	31.88	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Sub- Total For Doubtful</b>		<b>1,949.10</b>	<b>512.38</b>	<b>1,436.72</b>	<b>512.38</b>	<b>-</b>
<b>Loss</b>	Stage 3	-	-	-	-	-
<b>Sub- Total For NPA</b>		<b>55,153.13</b>	<b>22,442.04</b>	<b>32,711.09</b>	<b>5,832.78</b>	<b>16,609.26</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Sub- Total</b>		<b>1,79,728.64</b>	<b>1,873.56</b>	<b>1,77,855.08</b>	<b>771.65</b>	<b>1,101.91</b>
<b>Total</b>	Stage 1	<b>1,79,728.64</b>	<b>1,873.56</b>	<b>1,77,855.08</b>	<b>771.65</b>	<b>1,101.91</b>
	Stage 2	<b>1,35,959.33</b>	<b>12,071.27</b>	<b>1,23,888.06</b>	<b>540.15</b>	<b>11,531.12</b>
	Stage 3	<b>55,153.13</b>	<b>22,442.04</b>	<b>32,711.09</b>	<b>5,832.78</b>	<b>16,609.26</b>
	<b>Total</b>	<b>3,70,841.10</b>	<b>36,386.87</b>	<b>3,34,454.23</b>	<b>7,144.58</b>	<b>29,242.29</b>

As at 31 March 2021

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 Assets	Stage 1	2,95,541.62	2,120.06	2,93,421.56	1,176.19	943.87
	Stage 2	77,794.67	8,687.24	69,107.43	309.06	8,378.18
<b>Sub- Total</b>		<b>3,73,336.29</b>	<b>10,807.30</b>	<b>3,62,528.99</b>	<b>1,485.25</b>	<b>9,322.05</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	38,112.96	28,594.00	9,518.96	3,811.30	24,782.70
Doubtful - up to 1 year	Stage 3	4,588.45	4,519.05	69.40	4,516.43	2.62
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Sub- Total For Doubtful</b>		<b>4,588.45</b>	<b>4,519.05</b>	<b>69.40</b>	<b>4,516.43</b>	<b>2.62</b>
<b>Loss</b>	Stage 3	-	-	-	-	-
<b>Sub- Total For NPA</b>		<b>42,701.41</b>	<b>33,113.05</b>	<b>9,588.36</b>	<b>8,327.73</b>	<b>24,785.32</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Sub- Total</b>		<b>2,95,541.62</b>	<b>2,120.06</b>	<b>2,93,421.56</b>	<b>1,176.19</b>	<b>943.87</b>
<b>Total</b>	Stage 1	<b>2,95,541.62</b>	<b>2,120.06</b>	<b>2,93,421.56</b>	<b>1,176.19</b>	<b>943.87</b>
	Stage 2	<b>77,794.67</b>	<b>8,687.24</b>	<b>69,107.43</b>	<b>309.06</b>	<b>8,378.18</b>
	Stage 3	<b>42,701.41</b>	<b>33,113.05</b>	<b>9,588.36</b>	<b>8,327.73</b>	<b>24,785.32</b>
	<b>Total</b>	<b>4,16,037.70</b>	<b>43,920.35</b>	<b>3,72,117.35</b>	<b>9,812.98</b>	<b>34,107.37</b>

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**Note - 50**

Disclosures in terms of Annex XVI of the RBI Directions, 2016 :

**i. Disclosure for capital to risk assets ratio (CRAR):-**

Items	As at	As at
	31 March 2022	31 March 2021
(i) CRAR (%)	63.91%	58.24%
(ii) CRAR - Tier I Capital (%)	63.91%	58.24%
(iii) CRAR - Tier II Capital (%)	-	0.00%
(iv) Amount of subordinated debt raised as Tier-II capital	Nil	Nil
(v) Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

**ii. Investments**

(Amount in ₹ crore)

Particulars	As at	As at
	31 March 2022	31 March 2021
<b>A. Value of investments</b>		
(I). Gross value of investments		
a) In India	1,563.51	2,427.13
b) Outside India	-	-
(II) Provision for depreciation		
a) In India	-	17.73
b) Outside India	-	-
(III) Net value of investments		
a) In India	1,563.51	2,409.40
b) Outside India	-	-
<b>B. Movement of provisions held towards depreciation on investments.</b>		
Opening balance	17.73	-
Add : Provisions made/(reversal) during the year	(17.73)	20.30
Less : Write-off of excess provisions during the year	-	2.57
Closing balance	-	17.73

**iii. Disclosures relating to derivatives:**

The Company does not have any forward rate agreement / interest rate swaps / exchange traded interest rate (IR) derivatives during the year. (31 March 2021: ₹ Nil)

**iv. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities**

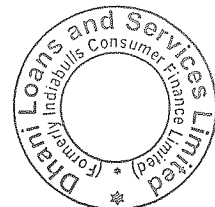
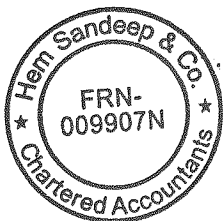
**v. Disclosures relating to securitisation:**

a. Outstanding amount of securitised assets as per books of the SPVs sponsored by the NBFC and total amount of exposure retained by the NBFC as on the date of balance sheet towards the Minimum Retention Requirements (MRR)

Particulars	As at	As at
	31 March 2022	31 March 2021
1. No of SPVs sponsored by the NBFC for securitisation transactions	-	7
2. Total amount of securitised assets as per books of SPVs sponsored	-	40,838.71
3. Total amount of exposures retained by the NBFC towards the MRR as on the date of balance sheet	-	-
i) Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
ii) On-balance sheet exposures towards credit concentration		
- First loss	-	23,350.24
- Others	-	-
4. Amount of exposures to securitisation transactions other than MRR		
i) Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
ii) On-balance sheet exposures		
- First loss	-	-
- Others	-	-

**b. Details of Financial assets sold to Securitisation/Reconstruction Company for Asset Reconstruction**

Particulars	As at	As at
	31 March 2022	31 March 2021
i) No. of accounts	-	6,99,785
ii) Aggregate value (net of provisions) of accounts sold to SC/RC	-	2,349.43
iii) Aggregate consideration	-	12,500.00
iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
v) Aggregate gain/loss over net book value	-	10,150.57



Note - 50

Disclosures in terms of Annex XVI of the RBI Directions, 2016 :

1. Details of Assignment transactions undertaken by NBFCs		
Particulars	As at 31 March 2022	As at 31 March 2021
i. No. of accounts (nos)	77	98,656
ii) Aggregate value (net of provisions) of accounts assigned	12,684.73	36,711.03
iii) Aggregate consideration	12,684.73	36,711.03
iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
v) Aggregate gain/loss over net book value	-	-

1. Details of non-performing financial assets purchased:		
Particulars	As at 31 March 2022	As at 31 March 2021
i) No. of accounts purchased during the year	-	-
ii) Aggregate outstanding	-	-
iii) Of these, number of accounts restructured during the year	-	-
iv) Aggregate outstanding	-	-

2. Details of non-performing financial assets sold:		
Particulars	As at 31 March 2022	As at 31 March 2021
i). No. of accounts sold	-	6,99,785
ii) Aggregate outstanding	-	6,737.50
iii) Aggregate consideration received	-	12,500.00

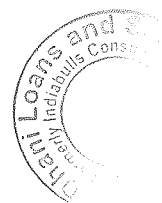
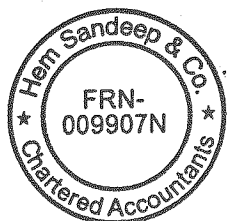
(v) Exposure to real estate sector:-		
Category	As at 31 March 2022	As at 31 March 2021
(Amount in ₹ crore)		
<b>Direct exposure</b>		
(i) Residential mortgages: Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	21,706.24	34,006.91
(ii) Commercial real estate*: Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	7,977.30	10,019.50
(iii) Investments in mortgage backed securities (MBS) and other securitised exposures:		
a. Residential	-	-
b. Commercial real estate	-	-

\* as per contractual receivables at balance sheet date.

(vi) Exposure to capital markets*		
Particulars	As at 31 March 2022	As at 31 March 2021
(Amount in ₹ crore)		
i. direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
ii. advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii. advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv. advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
v. secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi. loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii. bridge loans to companies against expected equity flows / issues;	-	-
viii. all exposures to venture capital funds (both registered and unregistered)	-	-
<b>Total exposure to capital market</b>	-	-

\* as per contractual receivables at balance sheet date.

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Note - 50

Disclosures in terms of Annex XVI of the RBI Directions, 2016 :

**ii. Maturity pattern of assets and liabilities as at 31 March 2022:**

In accordance with the Reserve Bank of India ("RBI") guidelines for Assets Liability Management System in NBFC, the maturity pattern of Assets and Liabilities has been estimated based on the behavioural pattern of assets and liabilities on the basis of past data available with the Company.

(Amount in ₹ crore)

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years
<b>Liabilities</b>										
Borrowings	37.50	37.50	75.00	165.30	121.23	593.65	208.24	446.37	29.91	-
<b>Assets</b>										
Advances	162.25	162.25	324.49	576.88	432.66	409.22	383.24	675.51	313.56	268.36
Investments	-	-	357.22	-	-	100.00	-	-	175.00	931.30

**Maturity pattern of assets and liabilities as at 31 March 2021:**

(Amount in ₹ crore)

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years
<b>Liabilities</b>										
Borrowings	5.00	-	-	657.28	35.14	749.17	166.73	989.36	132.13	-
<b>Assets</b>										
Deposits	-	-	-	-	-	-	-	-	-	-
Advances	32.50	32.50	65.00	129.00	128.00	378.00	775.00	1,850.00	300.00	470.38
Investments	-	-	203.28	500.00	150.00	624.83	-	-	-	931.30

Note:

- (a) The above borrowings exclude accrued interest.  
(b) The advances comprises of gross loan portfolio, accrued interest and other Ind AS adjustments.  
(c) Advances and borrowings are adjusted for moratorium granted pursuant to RBI guidelines relating to COVID-19 Regulatory Package dated 27 March 2020, 07 April 2020 and 23 May 2020

**viii. Registration under other financial sector regulators**

- The Company is not registered under any other financial sector regulator other than Reserve Bank of India.

**ix. Penalties imposed by RBI and other Regulators**

- Penalties imposed by RBI on the company for the year amounted to ₹ Nil (FY 2020-21: ₹ Nil).

**x. Disclosure on frauds pursuant to RBI Master direction**

- The frauds detected and reported for the year amounted to ₹ 243.40 lakh (FY 2020-21: ₹ 77.15 lakh).

**xi. Details of financing of parent company products**

- There is no financing during the current year.

**xii. Details of Single Borrower Limits (SBL) / Group Borrower Limits (GBL) exceeded**

- The Company has not exceeded the SBL/GBL prudential exposure limits during the year as set by the Reserve Bank of India.

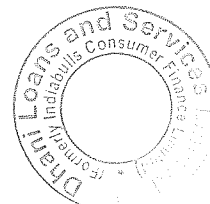
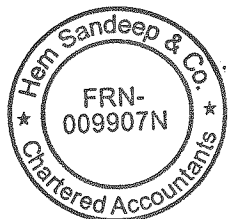
**xiii. Provision and contingencies**

(Amount in ₹ crore)

Break up of 'Provisions and Contingencies shown under the head expenditure in statement of profit and loss	For the year ended 31 March 2022	For the year ended 31 March 2021
Provision for depreciation on investment	(17.73)	17.73
Provision towards non-performing assets	(106.72)	274.79
Provision made towards income tax [net of advance tax]	-	-
Other provision and contingencies (with details)	2.98	(1.57)
i) Provision for compensated absences	5.70	6.06
ii) Provision for gratuity	(16.11)	(2.80)
Provision for other assets	462.72	307.96
Provision for Standard assets		

**xiv. Draw down from reserves**

- The Company has not made any drawdown from reserves.



Note - 50

Disclosures in terms of Annex XVI of the RBI Directions, 2016 :

v. Concentration of advances, exposures & NPA's\*

(Amount in ₹ crore)

Concentration of advances	As at	As at
	31 March 2022	31 March 2021
Particulars		
Total advances to twenty largest borrowers*	1,121.77	1,351.39
Percentage of advances to twenty largest borrowers to total advances of the NBFC as per contractual receivables at balance sheet date.	30.25%	32.48%

(Amount in ₹ crore)

Concentration of exposures	As at	As at
	31 March 2022	31 March 2021
Particulars		
Total exposures to twenty largest borrowers*	1,121.77	1,351.39
Percentage of exposures to twenty largest borrowers to total exposure of the NBFC on borrowers as per contractual receivables as per balance sheet date.	30.25%	32.48%

(Amount in ₹ crore)

Concentration of NPA's	As at	As at
	31 March 2022	31 March 2021
Particulars		
Total exposure to top four NPA accounts*	55.78	19.73
as per contractual receivables as per balance sheet date.		

i. Sector-wise distribution of NPA's\*

% of NPA's to total advances

Particulars	As at	As at
	31 March 2022	31 March 2021
Agriculture & allied activities	0.00%	0.00%
MSME	0.00%	0.05%
Corporate borrowers	1.31%	0.20%
Services	0.80%	0.01%
Unsecured personal loans	0.97%	1.50%
Auto loans	0.00%	0.00%
Other personal loans	11.75%	0.54%
* as per contractual receivables as per balance sheet date.		

xvi. Movement of NPAs

(Amount in ₹ crore)

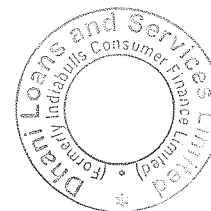
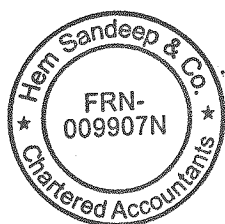
Particulars	As at	As at
	31 March 2022	31 March 2021
a. Net NPAs to Net Advances (%)	9.39%	2.50%
b. Movement of NPAs (Gross)		
i) Opening balance	427.02	90.95
ii) Addition during the year (net)	635.29	520.22
iii) Write off during the year	(510.78)	(184.15)
iv) Closing balance	551.53	427.02
c. Movement of Net NPAs		
i) Opening balance	95.88	34.60
ii) Addition during the year (net)	310.73	96.12
iii) Write off during the year	(79.51)	(34.83)
iv) Closing balance	327.11	95.88
d. Movement of provisions for NPA (excluding provisions on standard assets)		
i) Opening balance	331.14	56.35
ii) Provision made during the year	324.56	424.10
iii) Write off of excess provisions	(431.27)	(149.32)
iv) Closing balance	224.42	331.14

xvii. Overseas assets

There are no overseas assets owned by the Company.

xviii. Off-balance Sheet SPVs sponsored

There are no SPVs which are required to be consolidated as per accounting norms.



Note - 50

Disclosures in terms of Annex XVI of the RBI Directions, 2016 :

ix. The Company has been assigned the following credit ratings:

Facility	Name of Rating Agency	As at 31 March 2022	As at 31 March 2021
Non-convertible debentures - Public issue	Credit Analysis & Research Limited	CARE A (CWD)	CARE A+ ; Stable
	Brickwork Ratings India Pvt Ltd.	BWR AA/Stable	BWR AA/Stable
	Infometrics Valuation And Rating Private Limited	IVR AA/ Stable	IVR AA/ Stable
Non-convertible debentures - Privately issue	Brickwork Ratings India Pvt Ltd.	BWR AA/Stable	-
	Credit Analysis & Research Limited	-	CARE A+ ; Stable
	Brickwork Ratings India Pvt Ltd.	-	BWR AA/Stable
Commercial papers	Credit Analysis & Research Limited	-	CARE A1+
	Brickwork Ratings India Pvt Ltd.	-	BWR A1+
	Brickwork Ratings India Pvt Ltd.	CARE A (CWD)	CARE A+; Stable / CARE A1+
Bank borrowings	Credit Analysis & Research Limited	BWR AA/Stable	BWR AA/Stable
	Brickwork Ratings India Pvt Ltd.	IVR AA/ Stable	IVR AA/ Stable
	Infometrics Valuation And Rating Private Limited	-	-

xx. Customer complaints

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	No. of complaints pending at the beginning of the year	265
No. of complaints received during the year	9857	5439
No. of complaints redressed during the year	9726	5193
No. of complaints pending at the end of the year	396	265

Note - 51

COVID 19 Regulatory Package -

(i) Asset classification and provisioning pursuant to the notification Vide:DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020:

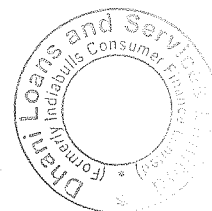
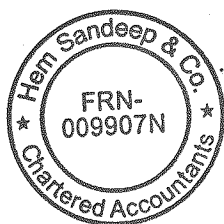
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of abovementioned the RBI circular.	Nil	22,957.66
(ii) Respective amount where asset classification benefits is extended	Nil	22,845.06
(iii) Provisions made during the quarter ended 31 March 2020 in terms of paragraph 5 of the above circular	Nil	2,295.77
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6	Nil	-

During the year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the one-time restructuring policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on 6 August 2020

(ii) Disclosures pursuant to RBI Notification RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 06 August 2020 and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021:

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	22,706.03	0.67	1,223.90	1,302.74	20,178.72
Corporate persons*	43.04	-	1.09	14.70	27.25
Of which, MSMEs	-	-	-	-	-
Others	227.41	-	7.15	8.46	211.80
<b>Total</b>	<b>22,976.48</b>	<b>0.67</b>	<b>1,232.14</b>	<b>1,325.90</b>	<b>20,417.77</b>

\*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016





The Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the one-time restructuring policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on 6 August 2020.

Type of borrower	(A)	(B)	(C)	(D)	(E)
	31 March 2021				
	Number of accounts where resolution plan has been implemented under this window	exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
Personal Loans	2,85,588	31,484.90	-	-	2,161.46
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>2,85,588</b>	<b>31,484.90</b>	<b>-</b>	<b>-</b>	<b>2,161.46</b>

As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

iii) Disclosures for the year ended 31 March 2022 pursuant to RBI Notification RBI/2020-21/17 DOR.No.BP.BC/3/21.04.048/2020-21 dated 06 August 2020 (for restructuring of accounts of Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances having exposure less than or equal to ₹ 25 crores).

Type of borrower	Number of accounts restructured	(Amount in ₹ Lakh)
MSMEs	97	358.94
<b>Total</b>	<b>97</b>	<b>358.94</b>

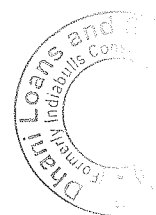
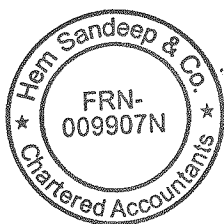
(iv) The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme ("the Scheme") for grant of exgratia payment being difference between compounded interest and simple interest for six months period from 1 March 2020 to 31 August 2020 to eligible borrowers as per the Scheme. The management has credited the differential interest in the borrower accounts in line with the requirement of the Scheme and does not have any impact on the standalone financial statements. The Company has received the entire amount from Government of India.

(v) In view of the Hon'ble Supreme Court of India interim order dated September 3, 2020 (Public Interest Litigation (PIL) by Gajendra Sharma Vs Union of India & ANR), no additional borrower accounts were classified as impaired (non-performing assets (NPA)), which were not declared non-performing till August 31, 2020. Basis the said interim order the Company had not classified any additional borrower account as NPA as per RBI or other regulatory prescribed norms, after August 31, 2020 which were not NPA as of August 31, 2020. The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Company has complied with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms, without considering any standstill in asset classification and also done staging of the borrower accounts in accordance with the ECL model/framework under IndAS in the standalone financial statements for the year ended 31 March 2021.

(vi) In accordance with the instructions vide RBI circular dated April 07 2021, and the Indian Banks' Association (IBA) advisory letter dated 19 April 2021, the Company has put in place a Board approved policy to refund / adjust the 'interest on interest' charged to borrowers during the moratorium period i.e., 1 March 2020 to 31 August 2020.

(vii) In terms of Circular no. RBI/2014-15/458, DNBR(PD).CC.No 019/03.10.01/2014-15 dated February 06, 2015, every NBFC is required to become a member of all Credit information Companies. As of the date of these financial statements, the Company has obtained the membership of Equifax Information Services Private Limited and CRIF High Mark Credit Information Services Private Limited, Experian Credit Information Company of India Private Limited and Credit Information Bureau (India) Limited.

(viii) With reference to RBI Circular No. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12 2021, and subsequent RBI Circular DOR.STR.REC.85/21.04.048/2021-22 dated February 15, 2022, related to upgradation of accounts classified as NPA, the Company has opted to follow the RBI Circular DOR.STR.REC.85/21.04.048/2021-22 dated February 15, 2022 to be in compliance with aforesaid RBI circular.



Note - 52

Disclosures in terms of Annex II of the RBI Directions, 2016 :

i. Funding Concentration based on significant counterparty for the year ended 31 March 2022

Sr. no.	Number of Significant Counterparties	Amount (₹ in Crores)	% of Total Deposits	% of Total Liabilities
1	8	1,175.56	N.A	53.98%

Funding Concentration based on significant counterparty for the year ended 31 March 2021

Sr. no.	Number of Significant Counterparties	Amount (₹ in Crores)	% of Total Deposits	% of Total Liabilities
1	10	2,331.11	N.A	61.66%

Notes:

- A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs

ii. Top 20 large deposits

- There is no deposit outstanding as at 31 March 2022 (FY 2020-21: ₹ Nil)

iii. Top 10 borrowings

As at 31 March 2022		Amount (₹ in Crores)	% of Total Borrowings
Top 10 Borrowings		1,175.56	100.00%

As at 31 March 2021		Amount (₹ in Crores)	% of Total Borrowings
Top 10 Borrowings		2,331.11	97.89%

iv. Funding Concentration based on significant instrument/product for the year ended 31 March 2022

Sr. no.	Particulars	Amount (₹ in Crores)	% of Total Liabilities
1	Non- convertible debentures	545.06	25.03%

Funding Concentration based on significant instrument/product for the year ended 31 March 2021

Sr. no.	Particulars	Amount (₹ in Crores)	% of Total Liabilities
1	Non- convertible debentures	770.60	20.38%

Notes:

- A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

v. Stock Ratios:

a. Commercial papers

- There is no commercial papers outstanding as at 31 March 2022 (FY 2020-21: ₹ Nil).

b. Non-convertible debentures (original maturity of less than one year)

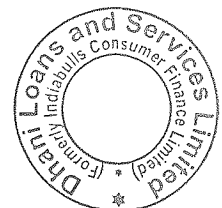
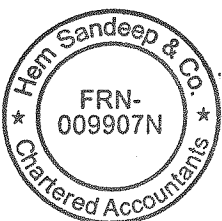
- There is no Non-convertible debentures with original maturity of less than one year outstanding as at 31 March 2022 (FY 2020-21: ₹ Nil).

c. Other short-term liabilities

Particulars	% of Total Public Funds	% of Total Liabilities	% of Total Assets
As at 31 March 2022			
Loans repayable on demand from banks	27.53%	6.89%	2.42%
As at 31 March 2021			
Loans repayable on demand from banks	0.65%	0.13%	0.06%

vi. Institutional set-up for liquidity risk management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are held as warranted from time to time. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and guard-rails approved by the Board. The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held as warranted from time to time.



Note - 53

(a) Disclosures of liquidity coverage ratio (LCR) in terms of Annex III of the RBI Directions, 2016

(Amount in ₹ crore)

Particulars	Q4 FY 21-22		Q3 FY 21-22		Q2 FY 21-22		Q1 FY 21-22	
	Total unweighted Value	Total weighted value	Total unweighted Value	Total weighted value	Total unweighted Value	Total weighted value	Total unweighted Value	Total weighted value
Cash and Bank Balance	133.03	133.03	139.65	139.65	110.77	110.77	474.94	474.94
<b>High Quality Liquid Assets (HQLA)</b>	<b>133.03</b>	<b>133.03</b>	<b>139.65</b>	<b>139.65</b>	<b>110.77</b>	<b>110.77</b>	<b>474.94</b>	<b>474.94</b>
<b>Cash outflows</b>								
Deposits	-	-	-	-	-	-	-	-
Unsecured wholesale funding	-	-	-	-	-	-	-	-
Secured wholesale funding	147.71	169.87	40.84	46.97	124.45	143.12	307.03	353.09
Additional requirements	-	-	-	-	-	-	-	-
- Outflows related to derivative exposure and other collateral	-	-	-	-	-	-	-	-
- Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
- Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	-	-	-	-	-	-	-	-
Other contingent funding obligations	-	-	-	-	-	-	-	-
<b>Total cash outflows</b>	<b>147.71</b>	<b>169.87</b>	<b>40.84</b>	<b>46.97</b>	<b>124.45</b>	<b>143.12</b>	<b>307.03</b>	<b>353.09</b>
<b>Cash inflows</b>								
Secured lending	-	-	-	-	-	-	-	-
Inflows from fully performing advances	656.00	492.00	14.66	11.00	293.02	219.76	380.00	285.00
Other cash inflows	-	-	-	-	-	-	-	-
<b>Total cash Inflows</b>	<b>656.00</b>	<b>492.00</b>	<b>14.66</b>	<b>11.00</b>	<b>293.02</b>	<b>219.76</b>	<b>380.00</b>	<b>285.00</b>
<b>Total HQLA</b>		<b>133.03</b>		<b>139.65</b>		<b>110.77</b>		<b>474.94</b>
<b>Total net cash outflows over next 30 days</b> (Weighted value of total cash outflow- Minimum of weighted value of total cash inflows, 75% of weighted value of total cash outflow)		<b>42.47</b>		<b>35.97</b>		<b>35.78</b>		<b>88.27</b>
<b>Liquidity coverage ratio (%)</b>		<b>313.26%</b>		<b>388.25%</b>		<b>309.58%</b>		<b>538.04%</b>

Note-1: The above LCR of 313.26% is computed based on the average monthly cash inflows and outflows for Q4 FY 21-22. The LCR for Q4 FY 21-22 computed based on the average of the respective LCRs (not adjusted for average cash inflows and outflows) for each of the months in Q4 FY 21-22 is calculated at 325.44%.

Note-2: In computing the above information certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission which have been relied upon by the auditors.

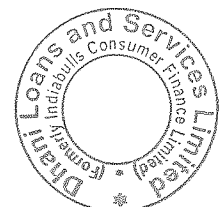
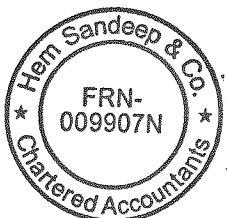
Particulars	Q4 FY 20-21		Q3 FY 20-21		Q2 FY 20-21		Q1 FY 20-21	
	Total unweighted Value	Total weighted value	Total unweighted Value	Total weighted value	Total unweighted Value	Total weighted value	Total unweighted Value	Total weighted value
Cash and Bank Balance	193.69	193.69	195.16	195.16	182.96	182.96	153.70	153.70
<b>High Quality Liquid Assets (HQLA)</b>	<b>193.69</b>	<b>193.69</b>	<b>195.16</b>	<b>195.16</b>	<b>182.96</b>	<b>182.96</b>	<b>153.70</b>	<b>153.70</b>
<b>Cash outflows</b>								
Deposits	-	-	-	-	-	-	-	-
Unsecured wholesale funding	-	-	-	-	-	-	-	-
Secured wholesale funding	131.61	151.35	257.36	295.97	287.40	330.51	138.07	158.78
Additional requirements	-	-	-	-	-	-	-	-
- Outflows related to derivative exposure and other collateral	-	-	-	-	-	-	-	-
- Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
- Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	21.99	25.29	12.36	14.22	14.90	17.13	56.13	64.55
Other contingent funding obligations	-	-	-	-	-	-	-	-
<b>Total cash outflows</b>	<b>153.61</b>	<b>176.64</b>	<b>269.73</b>	<b>310.19</b>	<b>302.30</b>	<b>347.64</b>	<b>194.20</b>	<b>223.33</b>
<b>Cash inflows</b>								
Secured lending	-	-	-	-	-	-	-	-
Inflows from fully performing advances	123.71	92.78	113.86	85.40	147.95	110.96	167.97	125.98
Other cash inflows	1,171.78	878.84	1,175.47	881.60	880.23	660.17	1,319.98	989.98
<b>Total cash Inflows</b>	<b>1,295.49</b>	<b>971.62</b>	<b>1,289.33</b>	<b>967.00</b>	<b>1,028.18</b>	<b>771.13</b>	<b>1,487.95</b>	<b>1,115.96</b>
<b>Total HQLA</b>		<b>193.69</b>		<b>195.16</b>		<b>182.96</b>		<b>153.70</b>
<b>Total net cash outflows over next 30 days</b> (Weighted value of total cash outflow- Minimum of weighted value of total cash inflows, 75% of weighted value of total cash outflow)		<b>44.16</b>		<b>77.55</b>		<b>86.91</b>		<b>55.83</b>
<b>Liquidity coverage ratio (%)</b>		<b>438.61%</b>		<b>251.67%</b>		<b>210.52%</b>		<b>275.29%</b>

Note-1: In computing the above information certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission which have been relied upon by the auditors.

Note-2:

- Unweighted Values: Inflows and Outflows within 1 month are considered as per outstanding balances that mature in 1 month
- Weighted values are calculated as per the applicable haircuts or stress factors
- Below is level of minimum LCR in terms of Annex III of the RBI Directions, 2016:

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum LCR	30%	50%	60%	85%	100%



HANI LOANS AND SERVICES LIMITED  
 ormerly known as Indiabulls Consumer Finance Limited)  
 otes to the standalone financial statements for the year ended 31 March 2022  
 all amounts are in Indian Rupees in lakh unless stated otherwise)

1) Disclosure of Foreign Currency Exposures:

Particulars	Foreign Currency	Year ended 31 March 2022			Year ended 31 March 2021		
		Exchange Rate	Amount in Foreign Currency	Amount Rs. in Crores	Exchange Rate	Amount in Foreign Currency (USD)	Amount Rs. in Crores
<b>Assets</b>							
Receivables (trade & other)	NA	-	-	-	-	-	-
Other Monetary assets	NA	-	-	-	-	-	-
Total Receivables (A)	NA	-	-	-	-	-	-
Hedges by derivative contracts (B)	NA	-	-	-	-	-	-
Unhedged receivables (C=A-B)	NA	-	-	-	-	-	-
<b>I. Liabilities</b>							
Payables (trade & other)	USD	-	-	-	-	-	-
Borrowings (ECB and Others)	USD	-	-	-	-	-	-
Total Payables (D)	USD	-	-	-	-	-	-
Hedges by derivative contracts (E)	USD	-	-	-	-	-	-
Unhedged Payables F=D-E)	USD	-	-	-	-	-	-
<b>II. Contingent Liabilities and Commitments</b>							
Contingent Liabilities	NA	-	-	-	-	-	-
Commitments	NA	-	-	-	-	-	-
Total (G)	NA	-	-	-	-	-	-
Hedges by derivative contracts(H)	NA	-	-	-	-	-	-
Unhedged Payables (I=G-H)	NA	-	-	-	-	-	-
<b>Total unhedged FC Exposures (J=C+F+I)</b>	NA	-	-	-	-	-	-

Note - 54  
 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR,STR,REC 51/21.04.048/2021-22 dated 24th September 2021

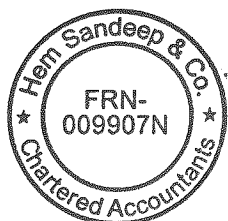
(a) Details of transfer through assignment in respect of loans not in default during the year ended 31 March 2022	NBFC
Entity	77
Count of Loan accounts Assigned	126.85
Amount (Rs. Crore) of Loan accounts Assigned	14.09
Retention of beneficial economic interest (MRE) (Rs. Crore)	281.55
Weighted Average Maturity (Residual Maturity) (Months)	40.55
Weighted Average Holding Period (Months)	1
Coverage of tangible security coverage	Unrated
Rating-wise distribution of rated loans	

(b) Details of stressed loans transferred during the year ended 31 March 2022	To Asset Reconstruction Companies (ARC)		
	NPA	SMA	Total
Particulars			
Number of accounts	NIL	NIL	NIL
Aggregate principal outstanding of loans transferred (Rs. in crore)	NIL	NIL	NIL
Weighted average residual tenor of the loans transferred (in years)	NIL	NIL	NIL
Net book value of loans transferred (at the time of transfer) (Rs. in crore)	NIL	NIL	NIL
Aggregate consideration (Rs. in crore)	NIL	NIL	NIL
Additional consideration realized in respect of accounts transferred in	NIL	NIL	NIL
Excess provisions reversed to the Profit and Loss Account on account of	NIL	NIL	NIL

(c) The Company has not acquired any stressed loan during the year ended 31st March 2022.

Note - 55 Details on recovery ratings assigned for Security Receipts as on 31st March 2022:		
Recovery Rating	Anticipated recovery as per recovery rating	Amount (₹ in Lakhs)
RR1	100% - 150%	17,500.00
<b>Total</b>		<b>17,500.00</b>

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**DHANI LOANS AND SERVICES LIMITED**  
**(Formerly known as Indiabulls Consumer Finance Limited)**  
**Notes to the standalone financial statements for the year ended 31 March 2022**  
*(All amounts are in Indian Rupees in lakh unless stated otherwise)*

**Note - 56**

**Employee stock option schemes:**

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

**A. Grants during the year:**

The Holding Company has established the "Udaan Employee Welfare Trust" ("Udaan - EWT") (earlier known as Indiabulls Ventures Limited - Employees Welfare Trust) ("Trust") for the implementation and management of its employees benefit scheme viz. the "Dhani Services Limited - Employee Stock Benefit Scheme - 2020" (Scheme) for the benefit of the employees of the Holding Company and its subsidiaries. Pursuant to Regulation 3(12) of the SEBI (Share Based Employee Benefits) Regulations, 2014, fully paid up equity shares of 9,300,000 lying in the Trust have been appropriated towards the Scheme for grant of Employees Stock Options (ESOPs) and Share Appreciations Rights (SARs) to the employees of the Holding Company and its subsidiaries as permitted by SEBI. The company will treat these SARs as equity and therefore they will be treated as equity settled SARs and accounting has been done accordingly.

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

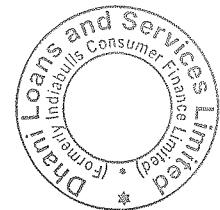
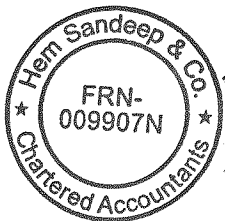
Name of Scheme	DSL ESOP - 2008		DSL ESOP - 2009	
	No. of options granted	18,00,000	17,00,000	84,00,000
Exercise price (₹)	68	150	150	68

**B. Employees Stock Options Schemes:**

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

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

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Note - 56  
Employee Stock Option Schemes (continued)

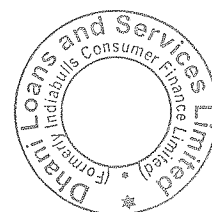
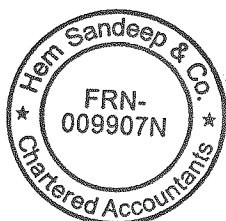
	DSL ESOP - 2008			
	97,00,000 (Regrant)	8,80,600 (Regrant)	18,00,000 (Regrant)	17,00,000 (Regrant)
Exercise price (₹)	24.15	254.85	68	150
<b>Outstanding at the beginning of 1 April 2021 (Nos.)</b>	<b>46,24,800</b>	<b>86,800</b>	-	-
Granted/ regrant during the year (Nos.)	-	-	18,00,000	17,00,000
Forfeited during the year (Nos.)	30,000	59,400	-	17,00,000
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
<b>Outstanding as at 31 March 2022 (Nos.)</b>	<b>45,94,800</b>	<b>27,400</b>	<b>18,00,000</b>	-
Vested and exercisable as at 31 March 2022 (Nos.)	45,94,800	-	-	-
Remaining contractual life (weighted months)	42	72	95	-

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

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

	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009
Total options under the Scheme (Nos.)	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
Options granted (Nos.)	20,50,000	95,00,000 (Regrant)	1,00,00,000 (Regrant)	6,69,400 (Regrant)
Vesting period and percentage	Ten years, 10% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	13 <sup>th</sup> April each year, commencing 5 years from each vesting date	13 <sup>th</sup> May each year, commencing 5 years from each vesting date	2 <sup>nd</sup> September each year, 5 years from each vesting date	25 <sup>th</sup> March each year, commencing 5 years from each vesting date
Exercise price (₹)	31.35	16.00	219.65	254.85
<b>Outstanding at the beginning of 1 April 2020 (Nos.)</b>	<b>50,000</b>	<b>30,97,600</b>	<b>88,31,900</b>	<b>1,79,400</b>
Granted/ regrant during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	5,72,000	61,46,300	1,79,400
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
<b>Outstanding as at 31 March 2021 (Nos.)</b>	<b>50,000</b>	<b>25,25,600</b>	<b>26,85,600</b>	-
Vested and exercisable as at 31 March 2021 (Nos.)	50,000	12,62,800	-	-
Remaining contractual life (Weighted Months)	48	55	71	-
<b>Outstanding at the beginning of 1 April 2021 (Nos.)</b>	<b>50,000</b>	<b>25,25,600</b>	<b>26,85,600</b>	-
Granted/ regrant during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	24,000	13,88,800	-
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
<b>Outstanding as at 31 March 2022 (Nos.)</b>	<b>50,000</b>	<b>25,01,600</b>	<b>12,96,800</b>	-
Vested and exercisable as at 31 March 2022 (Nos.)	50,000	25,01,600	-	-
Remaining contractual life (Weighted Months)	36	43	65	-

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**Note - 56**

**Employee Stock Option Schemes (continued)**

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

	<u>DSL ESOP - 2009</u>	<u>DSL ESOP - 2009</u>
Total options under the Scheme (Nos.)	2,00,00,000	2,00,00,000
Options granted (Nos.)	98,00,000	84,00,000
Vesting period and percentage	(Regrant) Five years, 20% each year	(Regrant) Five years, 20% each year
Vesting date	25 <sup>th</sup> February each year, commencing 25 February 2023	01 <sup>st</sup> April each year, commencing 01 April 2022
Exercisable period	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	68.00	150.00
<b>Outstanding at the beginning of 1 April 2020 (Nos.)</b>		
Granted/ regranted during the year (Nos.)	-	-
Forfeited during the year (Nos.)	-	-
Exercised during the year (Nos.)	-	-
Expired during the year (Nos.)	-	-
<b>Outstanding as at 31 March 2021 (Nos.)</b>	-	-
Vested and exercisable as at 31 March 2021 (Nos.)	-	-
Remaining contractual life (Weighted Months)	-	-
<b>Outstanding at the beginning of 1 April 2021 (Nos.)</b>		
Granted/ regranted during the year (Nos.)	-	-
Forfeited during the year (Nos.)	98,00,000	84,00,000
Exercised during the year (Nos.)	-	84,00,000
Expired during the year (Nos.)	-	-
<b>Outstanding as at 31 March 2022 (Nos.)</b>	98,00,000	-
Vested and exercisable as at 31 March 2022 (Nos.)	-	-
Remaining contractual life (Weighted Months)	95	-

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

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

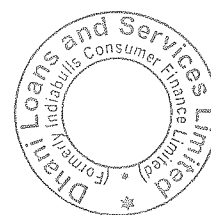
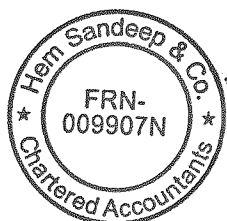
The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Holding Company at its meeting held on 22 October 2019; and (b) a special resolution of the shareholders' of the Holding Company passed through postal ballot on 4 December 2019, result of which were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

This Scheme comprises:

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

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

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**Note - 56**  
**Employee Stock Option Schemes (continued)**

Total options under the Scheme (Nos.)	DSL-ESBS 2019 1,05,00,000
Options granted (Nos.)	1,04,00,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	17 <sup>th</sup> August each year, commencing 17 August 2021
Exercisable period	5 years from each vesting date
Exercise price (₹)	250
<b>Outstanding at the beginning of 1 April 2020 (Nos.)</b>	
Granted during the year (Nos.)	-
Forfeited during the year (Nos.)	1,04,00,000
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
<b>Outstanding as at 31 March 2021 (Nos.)</b>	<b>1,04,00,000</b>
Vested and exercisable as at 31 March 2021 (Nos.)	-
Remaining contractual life (Weighted Months)	77
<b>Outstanding at the beginning of 1 April 2021 (Nos.)</b>	<b>1,04,00,000</b>
Granted during the year (Nos.)	-
Forfeited during the year (Nos.)	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	-
<b>Outstanding as at 31 March 2022 (Nos.)</b>	<b>1,04,00,000</b>
Vested and exercisable as at 31 March 2022 (Nos.)	34,66,667
Remaining contractual life (Weighted Months)	65

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

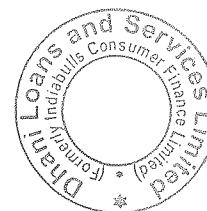
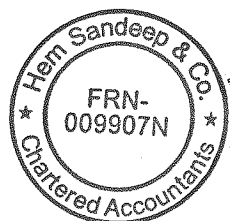
The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the Holding Company at its meeting held on 23 January 2020; and (b) a special resolution of the shareholders' of the Holding Company passed through postal ballot on 20 March 2020, result of which were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

This Scheme comprises:

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

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the Holding Company has set up "Udaan - Employees Welfare Trust" (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 93,00,000 (Ninety Three lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Holding Company as on the date of approval of shareholders, from the secondary market. The Holding Company has appropriated 93,00,000 fully paid up equity shares of the Holding Company purchased by the Trust under the Scheme.

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**Note - 56**

**Employee Stock Option Schemes (continued)**

	<u>DSL-ESBS 2020</u>
Total options under the Scheme (Nos.)	93,00,000
Options granted (Nos.)	93,00,000
Vesting period and percentage	Three years, 33.33% each year
Vesting date	7 <sup>th</sup> April each year, commencing 7 April 2021 5 years from each vesting date
Exercisable period	250.00
Exercise price (₹)	-
<b>Outstanding as at 1 April 2021 (Nos.)</b>	<b>93,00,000</b>
Granted/ regranted during the year	-
Exercised during the year (Nos.)	-
Expired during the year (Nos.)	<b>93,00,000</b>
<b>Outstanding as at 31 March 2022</b>	<b>NA</b>
Vested and exercisable as at 31 March 2022 (Nos.)	NA
Remaining contractual life (Weighted Months)	NA

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

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

This Scheme comprises:

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

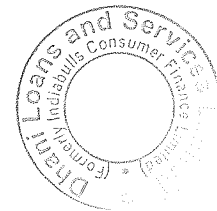
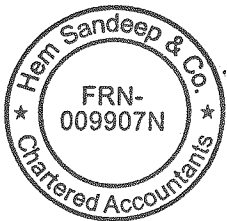
In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations"), the Holding Company has set up "Udaan - Employees Welfare Trust" (Trust) for the purpose of implementation of the Scheme as per the terms of the respective Schemes as aforesaid. The Trust, in compliance with the "SBEB Regulations", is authorised to purchase upto an aggregate of 1,05,00,000 (One Crore Five lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the Holding Company as on the date of approval of shareholders, from the secondary market. The Holding Company has not granted any options/ SARs under the said Scheme as at 31 March 2022.

**(C) Fair Valuation**

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

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

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



Note - 56  
Employee Stock Option Schemes (continued)  
(C) Fair Valuation

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

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

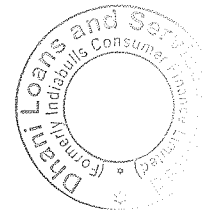
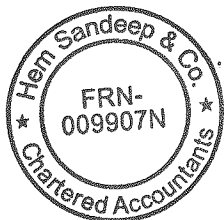
	DSL ESOP - 2009		DSL-ESBS 2020	DSL-ESBS 2019
	98,00,000 Options	84,00,000 Options	93,00,000 SARs	1,04,00,000 SARs
1. Exercise price (₹)	68	150.00	250	250
2. Expected volatility *	69.05%	69.18%	76.57%	68.45%
3. Expected forfeiture percentage on each vesting	6	6	Nil	Nil
4. Expected dividends yield	1.01%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

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

D. Share based payment expense:

The Company has recognised Share based payments expense to employees of ₹ 2502.91 lakh (31 March 2021: reversal of ₹ (1,041.50) lakh) in the statement of profit and loss for the year ended 31 March 2022.

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**DHANI LOANS AND SERVICES LIMITED**  
(Formerly known as Indiabulls Consumer Finance Limited)  
Notes to the standalone financial statements for the year ended 31 March 2022  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

**Note -57**

Disclosure with regard to CSR Activities pursuant to MCA notification dated 24th March 2021

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Amount required to be spend by the company during the year	333.50	662.30
(b) Amount of expenditure incurred	333.50	662.30
(c) Shortfall at the end of the year	-	-
(d) Total of previous year shortfall	-	-
(e) Reason for the shortfall	-	-
(f) Nature of CSR activities	Free distribution of medicines including health care services	Free distribution of medicines including health care services
(g) Details of related parties transactions	-	-
(h) Movements in the provision during the year.	-	-

**Note - 58**

As at 31 March 2022, there were no dues required to be credited to the Investor Education and Protection Fund under Section 124(5) of the Act. (31 March 2021: Rs. Nil).

**Note - 59**

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

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

**Note - 60**

There are no charges or satisfaction of charges yet to be registered with Registrar of Companies beyond the statutory period, by the Company during the year ended March 31, 2022.

**Note - 61**

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

**Note - 62**

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

**Note - 63**

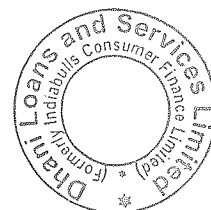
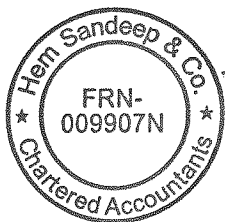
The Company has complied with the RBI Directions, 2016 to the extent applicable.

**Note - 64**

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

**Note - 65**

The Company has not been declared a wilful defaulter by any bank or financial institution or other lender during the year.



**DHANI LOANS AND SERVICES LIMITED**  
(Formerly known as Indiabulls Consumer Finance Limited)  
Notes to the standalone financial statements for the year ended 31 March 2022  
(All amounts are in Indian Rupees in lakh unless stated otherwise)

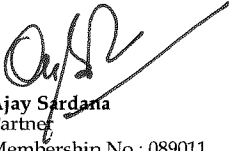
**Note - 66**

There are no borrowing costs to be capitalised as at 31 March 2022 (31 March 2021: Rs. Nil).

**Note - 67**

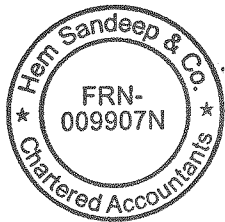
Prior year's figures have been regrouped, wherever necessary, to conform to the current year's presentation.

**For Hem Sandeep & Co**  
Chartered Accountants  
Firm's registration no. : 009907N



**Ajay Sardana**  
Partner  
Membership No.: 089011

Place: New Delhi  
Date: 30 May 2022



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



**Pinank Jayant Shah**  
Whole Time Director &  
Chief Executive Officer  
DIN: 07859798

Place: Mumbai  
Date: 30 May 2022



**Ritu Kapoor Puri**  
Director  
DIN: 09559548



**Rajeev Lochan Agrawal**  
Chief Financial Officer



**Manish Rustagi**  
Company Secretary

