

INDEPENDENT AUDITOR'S REPORT

To the Members of
Dhani Stocks Limited
(formerly Indiabulls Securities Limited)
Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

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

Management’s Responsibility for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
- (d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) As required by Section 197 (16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) the Company, as detailed in note 38 to the Financial Statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2021.
 - ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Rahul Mukhi
Partner
Membership No.099719
New Delhi, June 16, 2021
UDIN: 21099719AAAADG3462

Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Dhani Stocks Limited (formerly Indiabulls Securities Limited) for the year ended March 31, 2021

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

- (i) In respect of its Fixed Assets:
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) These fixed assets have been physically verified by the management at reasonable intervals in accordance with a regular programme of verification. According to the information and explanation given to us, no material discrepancies were noticed on such verification;
 - (c) The Company does not own immovable properties.
- (ii) The Company does not have any inventories; accordingly, the provisions of clause 3 (ii) of the Order are not applicable to the Company.
- (iii) According to information and explanations given to us, the Company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to information and explanations given to us, the Company has not entered into transactions in respect of loans, investments, guarantees and security, covered under section 185 and 186 of the Companies Act, 2013.
- (v) According to information and explanations given to us, the Company has not accepted any deposits during the year. Accordingly, the provisions of clause 3 (v) are not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 Companies Act, 2013 to the products/services of the Company. Accordingly, the provisions of clause 3 (vi) are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities, to the extent applicable to it, *except for slight delay in a few cases relating to income tax and goods and service tax which has been deposited by the Company along with interest.* There are no arrears of outstanding statutory dues as at March 31, 2021 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, the Company did not have any dues of income tax or sales tax or goods and service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.

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

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

Rahul Mukhi
Partner
Membership No.099719
New Delhi, June 16, 2021
UDIN: 21099719AAAADG3462

Annexure B to the Independent Auditor’s Report of even date on the Financial Statements of Dhani Stocks Limited (formerly Indiabulls Securities Limited) for the year ended March 31, 2021

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

We have audited the internal financial controls over financial reporting of Dhani Stocks Limited (formerly Indiabulls Securities Limited) (“the Company”) as of March 31, 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Financial Statements and such internal financial controls over financial reporting with reference to these Financial Statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Rahul Mukhi
Partner
Membership No.099719
New Delhi, June 16, 2021
UDIN: 21099719AAAADG3462

Dhani Stocks Limited
(Formerly known as Indiabulls Securities Limited)
Balance sheet as at 31 March 2021
(All amounts in Rs. lakhs unless otherwise stated)

	Note No.	As at 31 March 2021	As at 31 March 2020
I. ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	8,056.97	10,326.08
(b) Bank balances other than cash and cash equivalents	4	34,799.61	29,110.11
(c) Receivables			
(i) Trade receivables	5	4,178.95	2,092.26
(ii) Other receivables	6	680.57	1,009.95
(d) Loans	7	107.76	1,341.86
(e) Other financial assets	8	1,019.38	5,371.47
		48,843.24	49,251.73
(2) Non-financial assets			
(a) Current tax assets (net)	9	50.78	51.30
(b) Deferred tax assets (net)	10	1,050.73	1,000.29
(c) Property, plant and equipment	11 A	518.30	776.65
(d) Capital work-in-progress	11 B	123.67	-
(e) Intangible assets under development	11 C	90.22	65.56
(f) Other intangible assets	11 D	2,794.65	3,030.24
(g) Right of Use Assets	11 E	-	1,314.88
(h) Other non-financial assets	12	199.64	784.77
		4,827.99	7,023.69
TOTAL ASSETS		53,671.23	56,275.42
II. LIABILITIES AND EQUITY			
(1) Financial liabilities			
(a) Payables			
Trade payables	13		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		34.39	116.09
(b) Borrowings (other than debt securities)	14	-	5,510.00
(c) Finance Lease obligations	15	-	1,372.85
(d) Other financial liabilities	16	13,992.83	11,707.27
		14,027.22	18,706.21
(2) Non-financial Liabilities			
(a) Current tax liabilities (net)	17	286.57	-
(b) Provisions	18	466.35	661.30
(c) Other non-financial liabilities	19	903.13	874.12
		1,656.05	1,535.42
(3) Equity			
(a) Equity share capital	20	1,370.00	1,370.00
(b) Other equity	21	36,617.96	34,663.79
		37,987.96	36,033.79
TOTAL LIABILITIES AND EQUITY		53,671.23	56,275.42

The accompanying notes are an integral part of these financial statements

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

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

For and on behalf of the Board of Directors

Rahul Mukhi
Partner
Membership No. 099719
New Delhi, 16 June 2021

Pankaj Sharma
Whote-time Director
DIN: 00472879
Gurugram, 16 June 2021

Prasenjeet Mukherjee
Director
DIN: 07629972
Kolkata, 16 June 2021

Rajeev Lochan Agrawal
Chief Financial Officer
Gurugram, 16 June 2021

Lalit Sharma
Company Secretary
Gurugram, 16 June 2021

Dhani Stocks Limited
(Formerly known as Indiabulls Securities Limited)
Statement of profit and loss for the year ended 31 March 2021
(All amounts in Rs. lakhs unless otherwise stated)

	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
I. Revenue from operations			
Interest income	22	2,569.79	3,925.28
Fees and commission income	23	6,517.03	7,409.31
Net gain on fair value changes	24	459.78	171.05
Net gain on derecognition of financial assets	25	91.94	106.91
Sale of services	26	551.82	447.56
Total revenue from operations		10,190.36	12,060.11
II. Other income	27	142.80	156.06
III. Total revenue (I + II)		10,333.16	12,216.17
IV. Expenses :			
Finance costs	28	73.08	795.76
Fees and commission expense	29	666.63	550.89
Net loss on fair value changes	30	-	345.61
Impairment on financial instruments	31	13.32	944.16
Employee benefits expense	32	2,580.01	5,850.60
Depreciation and amortisation expense	33	824.46	1,561.07
Other expenses	34	3,963.21	2,655.32
Total expenses		8,120.71	12,703.41
V. Profit/(loss) before exceptional items and tax (IV-III)		2,212.45	(487.24)
VI. Exceptional items		-	-
VII. Profit/(loss) before tax (V-VI)		2,212.45	(487.24)
VIII. Tax expense/(benefit) :	35		
(1) Current tax		378.66	-
(2) Deferred tax		(51.72)	(294.22)
		326.94	(294.22)
IX. Profit/ (loss) for the year from continuing operations (VII-VIII)		1,885.51	(193.02)
X. Profit/(loss) from discontinued operations		-	-
XI. Tax expense of discontinued operations		-	-
XII. Profit/(loss) from discontinued operations after tax (X-XI)		-	-
IX. Profit/(loss) for the year (IX + XII)		1,885.51	(193.02)
X. Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
Re-measurement gain/(loss) on defined benefit plans		4.39	(43.30)
Income tax relating to items that will not be reclassified to profit and loss		(1.28)	12.05
Subtotal (A)		3.11	(31.25)
(B) Items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Total Other comprehensive income/(loss) (A+B)		3.11	(31.25)
XI. Total comprehensive income/(loss) for the year (IX+X)		1,888.62	(224.27)

Dhani Stocks Limited
(Formerly known as Indiabulls Securities Limited)
Statement of profit and loss for the year ended 31 March 2021
(All amounts in Rs. lakhs unless otherwise stated)

	Note No.	<u>For the year ended 31 March 2021</u>	<u>For the year ended 31 March 2020</u>
XII. Earnings per equity share:	36		
(1) Basic (in Rs.)		13.76	(9.65)
(2) Diluted (in Rs.)		13.76	(9.65)

The accompanying notes are an integral part of these financial statements

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

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

For and on behalf of the Board of Directors

Rahul Mukhi
Partner
Membership No. 099719
New Delhi, 16 June 2021

Pankaj Sharma **Prasenjeet Mukherjee**
Whote-time Director Director
DIN: 00472879 DIN: 07629972
Gurugram, 16 June 2021 Kolkata, 16 June 2021

Rajeev Lochan Agrawal **Lalit Sharma**
Chief Financial Officer Company Secretary
Gurugram, 16 June 2021 Gurugram, 16 June 2021

Dhani Stocks Limited
(Formerly known as Indiabulls Securities Limited)
Statement of Cash Flows for the year ended 31 March 2021
(All amounts in Rs. lakhs unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
A Cash flow from operating activities :		
Net Profit/ (loss) before tax	2,212.45	(487.24)
Adjustments for :		
Unwinding of interest income	(10.02)	(50.45)
Net gain on fair value changes	(459.78)	(171.05)
Net gain on derecognition of financial instruments under amortised cost category	(91.94)	(106.91)
Excess provision for expenses no longer required written back	(95.92)	(64.65)
Loss /(Profit) on sale of Property, plant and equipment (net)	4.00	(3.28)
Sundry credit balances written back	(35.18)	(1.58)
Interest expenses	70.47	795.69
Net loss on fair value changes	-	345.61
Depreciation and amortization	824.46	1,561.07
Impairment due to expected credit loss on security deposits	13.32	-
Impairment due to expected credit loss on trade receivables	-	516.79
Impairment due to expected credit loss on other receivables	-	427.37
Employee share-based payment expense	65.55	8.48
Provision of gratuity and compensated absences	37.85	167.96
Provision for doubtful debt / capital advances	24.74	-
Bad debts / advances written off	-	0.03
Operating Profit/(Loss) before working capital changes	2,560.00	2,937.84
Adjustments for changes in working capital:		
Movement in other bank balances	(5,689.50)	(5,642.18)
Trade receivables	(2,086.69)	4,654.11
Other receivables	701.91	(328.95)
Loans	1,234.10	3,666.41
Other financial assets	4,348.79	(2,594.09)
Other non-financial assets	456.94	(207.76)
Trade payables	(81.70)	(173.21)
Other financial liabilities	2,285.56	(37,302.20)
Provisions	(228.41)	(28.97)
Other non-financial liabilities	160.11	510.94
Cash generated from operations	3,661.11	(34,508.06)
Direct taxes refund/(paid) (net)	(91.57)	(46.17)
Net cash generated from/(used in) operating activities	3,569.54	(34,554.23)
B Cash flow from investing activities :		
Purchase of Property, plant and equipment	(234.93)	(14.79)
Purchase of intangible assets	-	(1,635.80)
Movement of Intangible assets under development	-	589.57
Proceeds from sale of fixed assets	5.21	-
Redemption of units of mutual funds (net)	87.25	2.15
Capital reserve on purchase of securities broking business	-	820.69
Impact of restatement due to purchase of securities broking business	-	21,378.41
Net cash generated from/ (used in) investing activities	(142.47)	21,140.23
C Cash flow from financing activities		
Proceeds from Borrowings	-	(11,098.61)
Repayment of Borrowings	(5,510.00)	-
Issue of Equity Shares (net of share issue expenses)	-	34,048.30
Payment of Lease liabilities (including interest on lease liabilities)	(168.08)	(275.56)
Interest paid	(18.10)	(100.05)
Net cash generated / (used) in financing activities	(5,696.18)	22,574.08

Dhani Stocks Limited
(Formerly known as Indiabulls Commodities Limited)
Statement of Cash Flows for the year ended 31 March 2021 (continued)
(All amounts in Rs. lakhs unless otherwise stated)

D	Net (decrease)/increase in cash and cash equivalents (A+B+C)	(2,269.11)	9,160.08
E	Cash and cash equivalents at the beginning of the year	10,326.08	1,166.00
F	Cash and cash equivalents at the close of the year (D + E) (Refer Note 2 below)	8,056.97	10,326.08

Notes:

- The above Statement of Cash Flows 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.
- Cash and cash equivalents as at the end of the year include:

	As at	As at
	31 March 2021	31 March 2020
Cash and cash equivalents (as per Note 3 to the financial statements)	8,056.97	10,326.08
	8,056.97	10,326.08

The accompanying notes are an integral part of these financial statements

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

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

For and on behalf of the Board of Directors

Rahul Mukhi
Partner
Membership No. 099719
New Delhi, 16 June 2021

Pankaj Sharma
Whole-time Director
DIN: 00472879
Gurugram, 16 June 2021

Prasenjeet Mukherje
Director
DIN: 07629972
Kolkata, 16 June 2021

Rajeev Lochan Agrawal
Chief Financial Officer
Gurugram, 16 June 2021

Lalit Sharma
Company Secretary
Gurugram, 16 June 2021

Dhani Stocks Limited
(Formerly known as Indiabulls Commodities Limited)
Statement of Changes in Equity for the year ended 31 March 2021
(All amounts in Rs. lakhs unless otherwise stated)

(A) Equity share capital (refer note - 20)

Particulars	Amount
Balance as at 1 April 2019	60.00
Changes in equity share capital during the year	1,310.00
Balance as at 31 March 2020	1,370.00
Changes in equity share capital during the year	-
Balance as at 31 March 2021	1,370.00

(B) Other equity (refer note - 21)

Particulars	Reserve and surplus			Capital reserve	Other component of equity	Other comprehensive income	Total
	Share based payment reserve	Retained earnings	Securities premium				
Balance as at 1 April 2019	8.95	(21,862.75)	-	-	-	-	(21,853.80)
Addition during the year	1.41	-	32,750.00	-	-	-	32,751.41
Transferred to other component of equity during the year	(6.46)	-	-	-	6.46	-	-
Profit / (loss) for the year	-	(193.02)	-	-	-	(31.25)	(224.27)
Impact of restatement due to purchase of securities broking business	-	23,181.46	-	-	-	-	23,181.46
Recognized on purchase of securities broking business	-	-	-	820.69	-	-	820.69
Transfer from other comprehensive income/(to retained earnings)	-	(31.25)	-	-	-	31.25	-
Share issue expenses	-	-	(11.70)	-	-	-	(11.70)
Balance as at 31 March 2020	3.90	1,094.44	32,738.30	820.69	6.46	-	34,663.79
Addition during the year	65.55	-	-	-	-	-	65.55
Transferred to other component of equity during the year	(0.01)	-	-	-	-	-	(0.01)
Transferred from share based payment reserve	-	-	-	-	0.01	-	0.01
Profit / (loss) during the year	-	1,885.51	-	-	-	3.11	1,888.62
(Transferred from other comprehensive income)/to retained earnings	-	3.11	-	-	-	(3.11)	-
Balance as at 31 March 2021	69.44	2,983.06	32,738.30	820.69	6.47	-	36,617.96

The accompanying notes are an integral part of these financial statements

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

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

For and on behalf of the Board of Directors

Rahul Mukhi
Partner
Membership No. 099719
New Delhi, 16 June 2021

Pankaj Sharma
Whole-time Director
DIN: 00472879
Gurugram, 16 June 2021

Prasenjeet Mukherjee
Director
DIN: 07629972
Kolkata, 16 June 2021

Rajeev Lochan Agrawal
Chief Financial Officer
Gurugram, 16 June 2021

Lalit Sharma
Company Secretary
Gurugram, 16 June 2021

Dhani Stocks Limited
(Formerly known as Indiabulls Securities Limited)
Notes to financial statements for the year ended 31 March 2021
(All amounts in Rs. lakhs unless stated otherwise)

1. Corporate information:

Dhani Stocks Limited (formerly known as Indiabulls Securities Limited and Indiabulls Commodities Limited) ("the Company") is a wholly owned subsidiary of Dhani Services Limited (formerly Indiabulls Ventures Limited) and was incorporated on 30 October 2003 with CIN:U74999DL2003PLC122874. The Company is a corporate member of NSE, BSE, MCX and NCDEX and provides financial services of equity, derivative, currency and commodity broking, depository participant services and distribution of financial products.

In accordance with the provisions of Section 44 and other applicable provisions of the Companies Act 1956 members of the company at their Extraordinary General Meeting held on 5 January 2009 accorded their approval to change the status of the company from a private limited company to a public limited company. The Company has since received a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company from the Registrar of Companies National Capital Territory of Delhi and Haryana dated 18 February 2009 in respect of the said change. Accordingly the name of the company was changed from Indiabulls Commodities Private Limited to Indiabulls Commodities Limited.

In accordance with the approval of the members of the Company, at their Extraordinary general meeting held on February 5, 2019 and of the Registrar of Companies, National Capital Territory of Delhi & Haryana, and pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, read with applicable rules made thereunder, new set of Memorandum of Association (MOA) of the Company in accordance with Table A of Schedule I of the Companies Act, 2013, inter alia modifying sub clause 5 of the erstwhile main object of the MOA, to include main objects related to stock and share broking and other allied activities, including carrying out the activities of a Depository Participant.

In accordance with the provisions of Section 13 and other applicable provisions of the Companies Act 2013 members of the company at their Extraordinary General Meeting held on 5 February 2019 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 13 February 2019 in respect of the said change. Accordingly the name of the company was changed from "Indiabulls Commodities Limited" to "Indiabulls Securities Limited". Further, the members of the company at their Extraordinary General Meeting held on August 04, 2020 accorded their approval to change the name of the company from "Indiabulls Securities Limited" to "Dhani Stocks Limited". 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 August 7, 2020 in respect of the said change. Accordingly the name of the company was changed from "Indiabulls Securities Limited" to "Dhani Stocks Limited".

The Board of Directors of the Company, at their meeting held on January 31, 2019, granted their approval for the purchase of stock broking business (both cash and derivative segments) from Indiabulls Ventures Limited (now known as Dhani Services Limited), the Holding Company, for an agreed lumpsum consideration, on a going concern basis, by way of slump sale through a Business Transfer Agreement, subject to the SEBI Regulations and such other approvals, consents, permissions and sanctions as may be necessary, including but not limited to, from the Securities and Exchange Board of India and / or such other statutory and regulatory authorities as may be necessary.

On July 31, 2019, the Company entered into a business transfer agreement (BTA) with Indiabulls Ventures Limited, to acquire its securities broking business on slump sale basis. The business transfer involved transfer of certain assets and liabilities as stated in the BTA on slump sale basis for an agreed consideration of Rs. 34,200.00 lakhs. Pursuant to the above agreement, the necessary resolution passed by the Board of Directors in their meeting held on January 31, 2019 and the receipt of approvals from the National Stock Exchange of India Limited, BSE Limited and the Securities and Exchange Board of India, the business stood transferred to the Company with effect from February 21, 2020.

2. Summary of significant accounting policies:

i) General information and statement of compliance with Ind AS

These financial statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under section 133 of the Companies Act 2013 (as amended) read with the Companies (Indian Accounting Standards) Rules 2015 (as amended) (by Ministry of Corporate Affairs ('MCA')). The Company has uniformly applied the accounting policies during the periods presented.

Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March, 2021, the Statement of Profit and Loss for the year ended 31 March 2021, the Statement of Cash Flows for the year ended 31 March 2021 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

The financial statements for the year ended 31 March 2021 are authorized and approved for issue by the Board of Directors on 16 June 2021.

ii) Basis of preparation

These financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards.

These financial statements have been prepared in Indian Rupee which is the functional currency of the Company.

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2. Summary of significant accounting policies (continued):

iii) Recent accounting pronouncements

On 24 March 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet

Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters.

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

iv) Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and fair value measurement of financial instruments, these are discussed below. Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits and provisions and contingent liabilities have been discussed in their respective policies.

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

Impairment of investments in subsidiaries

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Impairment of financial 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

Recognition of deferred tax assets

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

Provisions

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained under note 2(x).

2. Summary of significant accounting policies (continued):

v) Revenue recognition:

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. There is no impact of the adoption of the standard on the financial statements of the Company.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Interest income

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

Brokerage income

Brokerage income is accounted for on the trade date of the transaction. The Company considers the terms of the contract and its customary business practices to determine the transaction price.

Commission income

Commission on mutual funds is recognised on accrual basis.

Depository and trading account maintenance income

Depository and trading account maintenance income are recognised on accrual basis and as at the time when the right to receive is established by the reporting date.

Dividend income

Dividend income on equity shares is recognised when the right to receive the dividend is unconditional as at the balance sheet date.

vi) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company

(i) Right-of-use Assets (ROU Assets)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2. Summary of significant accounting policies (continued):

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

vii) Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their nature.

viii) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

ix) Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

2. Summary of significant accounting policies (continued):

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

x) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

xi) Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Computers	3 years
Furniture and fixtures	10 years
Office equipments	5 years
Leasehold Improvements	Over the period of lease

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

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

xii) Intangible assets

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.

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 operations. Useful life of that software was estimated at four years basis the expected economic benefits 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.

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 the such intangible asset; and
- The software will generate probable future economic benefits.

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

2. Summary of significant accounting policies (continued):

xiii) Impairment

(a) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(b) Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

xiv) Employee benefits

(a) Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

(b) Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

(c) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(d) Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

xv) Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

xvi) Segment reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and in assessing performance.

xvii) Business combinations under common control

Business combinations under common control are accounted for using the pooling of interest method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at carrying value on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for net identifiable assets acquired and liabilities assumed.

Dhani Stocks Limited
(Formerly known as Indiabulls Securities Limited)
Notes to financial statements for the year ended 31 March 2021
(All amounts in Rs. lakhs unless otherwise stated)

Note - 3	As at	As at
Cash and cash equivalents	31 March 2021	31 March 2020
Cash on hand	0.19	1.26
Balances with banks:		
- in current accounts	5,554.30	10,324.82
- in fixed deposits with original maturity of less than 3 months (refer note 37)	2,499.00	-
Interest accrued on fixed deposits	3.48	-
Total	8,056.97	10,326.08

Note - 4	As at	As at
Bank balances other cash and cash equivalents	31 March 2021	31 March 2020
Balances with banks:		
In Fixed deposits (refer note 37)		
- in fixed deposits accounts with original maturity of more than 3 months	34,633.43	28,942.33
Interest accrued on fixed deposits	166.18	167.78
Total	34,799.61	29,110.11

Note - 5	As at	As at
Trade receivables	31 March 2021	31 March 2020
Unsecured, considered good	4,178.95	2,092.26
Having significant increase in credit risk	1,198.90	1,198.90
Total - gross	5,377.85	3,291.16
Less: Impairment loss allowance due to expected credit loss (Refer note 50)	(1,198.90)	(1,198.90)
Total - net	4,178.95	2,092.26

Trade receivables include:		
Debts due by directors or other officers	-	-
Due from others	5,377.85	3,291.16

Note - 6	As at	As at
Other receivables	31 March 2021	31 March 2020
Receivable from Others		
- Unsecured, considered good	680.57	1,009.95
- Unsecured, which have significant increase in credit risk	854.57	854.57
Total - gross	1,535.14	1,864.52
Less: Impairment loss allowance due to expected credit loss (Refer note 50)	(854.57)	(854.57)
Total - net	680.57	1,009.95

Other receivables include:		
Debts due by directors or other officers	-	-
Due from others	1,535.14	1,864.52

Dhani Stocks Limited
(Formerly known as Indiabulls Securities Limited)
Notes to financial statements for the year ended 31 March 2021
(All amounts in Rs. lakhs unless otherwise stated)

Note - 7	As at	As at
Loans	31 March 2021	31 March 2020
At amortised cost		
Loans repayable on demand:		
Margin funding loan receivables (secured, considered good)	123.85	1,820.70
Less: Margin received	(16.09)	(478.84)
Total - gross	107.76	1,341.86
Less: Impairment loss allowance due to expected credit loss	-	-
Total - net	107.76	1,341.86

Margin funding loans are given to customers as per SEBI guidelines and are secured by pledge of shares/ mutual funds/ bonds etc.

(i) Secured by tangible assets	-	-
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank/Government Guarantees	-	-
(iv) Unsecured	-	-
(v) Secured by others (shares/ mutual funds/ bonds)	107.76	1,341.86
Total - Gross	107.76	1,341.86
Less: Impairment loss allowance	-	-
Total - Net	107.76	1,341.86

Loans in India

Public sector	-	-
Others	107.76	1,341.86
	107.76	1,341.86

Note - 8	As at	As at
Other financial assets	31 March 2021	31 March 2020
(a) Receivable from related party	-	10.22
At amortised cost		
(b) Security deposits		
(i) Deposits (including margin money) with stock exchanges		
- Unsecured, Considered good	1,001.48	4,884.65
- Unsecured, Considered doubtful	-	-
(ii) Deposits with others		
- Unsecured, Considered good	17.90	476.60
- Unsecured, Considered doubtful	13.32	-
	1,032.70	5,361.25
Less: Impairment loss allowance due to expected credit loss (Refer note 50)	(13.32)	-
	1,019.38	5,361.25
Total	1,019.38	5,371.47

Note - 9	As at	As at
Current tax assets (net)	31 March 2021	31 March 2020
Advance income tax/tax deducted at source (net of provision for tax Rs. Nil; previous year Rs. Nil)	50.78	51.30
Total	50.78	51.30

Dhani Stocks Limited
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(All amounts in Rs. lakhs unless otherwise stated)

Note - 10

	As at 31 March 2021	As at 31 March 2020
Deferred tax assets (net)		
Deferred tax assets:		
Arising on account of temporary differences due to:		
Impairment allowance due to expected credit loss	360.20	333.53
Disallowances u/s. 43B of the Income-Tax Act, 1961	24.10	34.27
Disallowances u/s. 40A(7) of the Income-Tax Act, 1961	111.71	149.70
Recognition of security deposits at amortised cost	-	0.34
Share based payments to employees	22.10	2.88
Right of use assets and lease liabilities	-	16.13
Loss on fair value changes	-	96.15
Minimum alternative tax credit entitlement	939.19	672.58
Sub Total (A)	1,457.30	1,305.58
Deferred tax liabilities:		
Arising on account of temporary differences due to:		
Property, plant and equipment and intangible assets	406.57	305.29
Sub Total (B)	406.57	305.29
Deferred tax assets (net) (A-B)	1,050.73	1,000.29

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

Particulars	Balance as on 1 April 2020	Recognised in Profit and loss	Recognised in OCI	Balance as on 31 March 2021
Deferred tax assets/(liabilities):				
Arising on account of temporary differences due to:				
Impairment allowance due to expected credit loss	333.53	26.67	-	360.20
Disallowances u/s. 43B of the Income-Tax Act, 1961	34.27	(10.17)	-	24.10
Disallowances u/s. 40A(7) of the Income-Tax Act, 1961	149.70	(36.71)	(1.28)	111.71
Property, plant and equipment and intangible assets	(305.29)	(101.28)	-	(406.57)
Recognition of security deposits at amortised cost	0.34	(0.34)	-	-
Share based payments to employees	2.88	19.22	-	22.10
Right of use assets and lease liabilities	16.13	(16.13)	-	-
Loss on fair value change	96.15	(96.15)	-	-
Minimum alternative tax credit entitlement *	672.58	266.61	-	939.19
31 March 2020	1,000.29	51.72	(1.28)	1,050.73
Particulars	Balance as on 1 April 2019 (Restated)	Recognised in Profit and loss	Recognised in OCI	Balance as on 31 March 2020
Deferred tax assets/(liabilities):				
Arising on account of temporary differences due to:				
Impairment allowance due to expected credit loss	16.73	316.80	-	333.53
Disallowances u/s. 43B of the Income-Tax Act, 1961	0.01	34.26	-	34.27
Disallowances u/s. 40A(7) of the Income-Tax Act, 1961	0.07	137.58	12.05	149.70
Property, plant and equipment and intangible assets	2.14	(307.43)	-	(305.29)
Recognition of security deposits at amortised cost	-	0.34	-	0.34
Share based payments to employees	2.49	0.39	-	2.88
Right of use assets and lease liabilities	-	16.13	-	16.13
Loss on fair value change	-	96.15	-	96.15
Minimum alternative tax credit entitlement *	672.58	-	-	672.58
	694.02	294.22	12.05	1,000.29

Dhani Stocks Limited

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Notes to financial statements for the year ended 31 March 2021

(All amounts in Rs. lakhs unless otherwise stated)

* Expiry date of minimum alternative tax credit

Expiry financial year (as per Income-tax Act, 1961)

	As at	As at
	31 March 2021	31 March 2020
1 April 2024 - 31 March 2025	45.11	45.11
1 April 2025 - 31 March 2026	154.47	154.47
1 April 2026 - 31 March 2027	436.84	436.84
1 April 2032 - 31 March 2033	36.16	36.16
1 April 2035 - 31 March 2036	266.61	-
	939.19	672.58

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Dhani Stocks Limited
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Notes to financial statements for the year ended 31 March 2021
(All amounts in Rs. lakhs unless otherwise stated)

Note - 11 A

Property, plant and equipment

	Furniture and fixtures	Office equipment	Computers	Leasehold improvements	Total
Gross block					
Balance as at 1 April 2019	12.79	48.88	818.51	209.62	1,089.80
Additions	13.91	9.70	192.88	25.00	241.49
Sales/adjustment	(0.40)	(5.05)	(7.31)	(3.08)	(15.84)
Balance as at 31 March 2020	26.30	53.53	1,004.08	231.54	1,315.45
Additions	0.23	3.29	10.79	-	14.31
Sales/adjustment	(4.70)	(1.42)	(2.28)	(2.06)	(10.46)
Balance as at 31 March 2021	21.83	55.40	1,012.59	229.48	1,319.30
Accumulated Depreciation					
Balance as at 1 April 2019	5.04	17.17	182.16	90.69	295.06
Depreciation	3.23	11.74	197.30	44.89	257.16
Sales/adjustment	(0.29)	(4.14)	(6.84)	(2.15)	(13.42)
Balance as at 31 March 2020	7.98	24.77	372.62	133.43	538.80
Depreciation	3.44	10.79	203.57	45.65	263.45
Sales/adjustment	(0.31)	(0.36)	(0.47)	(0.11)	(1.25)
Balance as at 31 March 2021	11.11	35.20	575.72	178.97	801.00
Net block as at 31 March 2020	18.32	28.76	631.46	98.11	776.65
Net block as at 31 March 2021	10.72	20.20	436.87	50.51	518.30

Note - 11 B

Capital work-in-progress

	Capital work- in-progress
Gross block	
Balance as at 1 April 2019	-
Additions	-
Capitalised	-
Balance as at 31 March 2020	-
Additions	123.67
Capitalised	-
Balance as at 31 March 2021	123.67

Refer note no. xx

Note - 11 C

Intangible assets under development

Gross block	
Balance as at 1 April 2019	655.13
Additions	1,488.75
Capitalised	(2,078.32)
Balance as at 31 March 2020	65.56
Additions	160.04
Capitalised	(135.38)
Balance as at 31 March 2021	90.22

Dhani Stocks Limited
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(All amounts in Rs. lakhs unless otherwise stated)

Note - 11 D

Intangible assets

	<u>Softwares</u>
Gross block	
Balance as at 1 April 2019	1,774.38
Additions	2,169.71
Sales/adjustment	-
Balance as at 31 March 2020	3,944.09
Additions	175.74
Sales/adjustment	-
Balance as at 31 March 2021	4,119.83
Accumulated amortisation	
Balance as at 1 April 2019	243.52
Amortisation	670.33
Sales/adjustment	-
Balance as at 31 March 2020	913.85
Amortisation	411.33
Sales/adjustment	-
Balance as at 31 March 2021	1,325.18
Net block as at 31 March 2020	3,030.24
Net block as at 31 March 2021	2,794.65

Note - 11 E

Right of use of assets

	<u>Building</u>
Gross block	
Balance as at 1 April 2019	
Addition on account of transition to Ind AS 116	3,424.22
Termination/ adjustment	(1,849.87)
Balance as at 31 March 2020	1,574.35
Addition	234.47
Termination/ adjustment	(1,808.82)
Balance as at 31 March 2021	-
Accumulated amortisation	
Balance as at 1 April 2019	-
Amortisation	633.58
Termination/ adjustment	(374.11)
Balance as at 31 March 2020	259.47
Amortisation	149.68
Termination/ adjustment	(409.15)
Balance as at 31 March 2021	-
Net block as at 31 March 2020	1,314.88
Net block as at 31 March 2021	-

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(All amounts in Rs. lakhs unless otherwise stated)

Note - 12	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2020
Other non-financial assets				
Prepaid expenses		50.94		297.39
Balances with government authorities *		96.16		283.64
Capital advances	30.06		133.51	
Less: Provision for doubtful capital advances	(24.74)	5.32	-	133.51
Advance to suppliers and others (unsecured, considered good)		47.22		70.23
Total		199.64		784.77

* includes Rs. 3.50 lakh (31 March 2020: Rs. 3.50 lakh) recoverable from UPVAT authorities pending assessment of liability in respect of assessment years 2013-14 and 2014-15.

Note - 13	As at 31 March 2021	As at 31 March 2020
Trade payables		
Total outstanding due to micro enterprises and small enterprises (Refer Note 41)	-	-
Total outstanding due to creditors other than micro enterprises and small enterprises	34.39	116.09
Total	34.39	116.09

Note - 14	As at 31 March 2021	As at 31 March 2020
Borrowings (other than debt securities)		
At amortised cost		
Unsecured		
Intercompany deposits from related parties		
- From Holding Company (a)	-	5,510.00
Total	-	5,510.00
Borrowings in India	-	5,510.00
Borrowings outside India	-	-
Total	-	5,510.00

(a) The unsecured loan from Holding Company was granted for a period of five years at an interest rate of 8.25% per annum. The Company, had the option to repay the loan before expiry of the term of the loan. During the year ended 31 March 2021, the said loan has been repaid in entirety. There is no default as on the Balance Sheet date in repayment of loan or interest.

Reconciliation of liabilities arising from financing activities:

The changes in the Company's liabilities arising from financing activities are as follows:

Particulars	Borrowings (other than debt securities)
Balance as at 31 March 2019	23,692.65
Cash flows:	
- Repayment	(118,947.74)
- Proceeds	100,764.70
Non cash:	
- Others	0.39
Balance as at 31 March 2020	5,510.00
Cash flows:	
- Repayment	(173,085.00)
- Proceeds	167,575.00
Non cash:	
- Others	-
Balance as at 31 March 2021	-

Dhani Stocks Limited
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Notes to financial statements for the year ended 31 March 2021
(All amounts in Rs. lakhs unless otherwise stated)

Note - 15	As at	As at
Finance Lease obligations	31 March 2021	31 March 2020
Finance Lease obligations (Refer Note 52)	-	1,372.85
Total	-	1,372.85

Note - 16	As at	As at
Other financial liabilities	31 March 2021	31 March 2020
Others:		
Employee related payables	33.91	31.24
Payable for capital goods	1.18	1.18
Margin from customers ⁽ⁱ⁾	13,957.74	11,674.85
Total	13,992.83	11,707.27

(i) "Margin from customers" represents amount received from customer for as margin for execution of orders on stock exchanges.

Note - 17	As at	As at
Current tax liabilities (net)	31 March 2021	31 March 2020
Provision for Taxation (Net of tax deducted at source of Rs. 92.10 lakh (31 March 2020: Rs. Nil))	286.57	-
Total	286.57	-

Note - 18	As at	As at
Provisions	31 March 2021	31 March 2020
For Employee Benefits (Refer note 42)		
Provision for Gratuity	383.60	538.12
Provision for Compensated Absences	82.75	123.18
Total	466.35	661.30

Note - 19	As at	As at
Other non-financial liabilities	31 March 2021	31 March 2020
Revenue received in advance ⁽ⁱ⁾	63.44	73.63
Others:		
Statutory dues payables	152.04	347.08
Expenses and others payable	687.65	453.41
Total	903.13	874.12

(i) Revenue received in advance represents brokerage and depository income billed but not recognised as income in the statement of profit and loss.
Reconciliation of revenue received in advance is as follows:

	As at	As at
	31 March 2021	31 March 2020
Balance at the beginning of the year	73.63	71.33
Add: Advance received during the year	549.82	651.08
Less: Revenue recognised during the year	(560.01)	(648.78)
Balance at the end of the year	63.44	73.63

Dhani Stocks Limited
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Notes to financial statements for the year ended 31 March 2021
(All amounts in Rs. lakhs unless otherwise stated)

Note - 20

Equity share capital

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity Shares of face value of Rs. 10 each	14,000,000	1,400.00	14,000,000	1,400.00
	14,000,000	1,400.00	14,000,000	1,400.00

In pursuance of Section 61(1) and other applicable provisions, if any, of the Companies Act, 2013, members of the Company in their meeting held on 1 February 2020 granted their approval for increase in the authorised share capital from Rs. 100.00 lakh to Rs. 1,400.00 lakh divided in to 1,40,00,000 equity shares of face value of Rs.10 each.

	No. of shares	Amount	No. of shares	Amount
Issued, subscribed and fully paid up				
Equity Shares of face value of Rs. 10 each fully paid up	13,700,000	1,370.00	13,700,000	1,370.00
Total		1,370.00		1,370.00

Consequent upon the increase in authorized share capital, and upon receipt of consideration in cash, the Board of Directors of the Company, at their meeting held on 20 February 2020 granted their approval and the Company issued and allotted 13,700,000 equity shares respectively of face value Rs. 10 per share to the Holding Company, Dhani Services Limited (formerly Indiabulls Ventures Limited) ("DSL") at a premium of Rs. 250 per share. As a result, the paid up equity share capital of the Company increased to Rs. 1,370.00 lakh divided into 13,700,000 equity shares of Rs. 10 each fully paid up.

a. Terms/rights attached to equity shares:

(i) The Company has only one class of Equity Shares having a face value of Rs. 10 per share. Each holder of Equity Share is entitled to one vote per share.

(ii) In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

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

Equity shares	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	13,700,000	1,370.00	600,000	60.00
Add: Shares issued during the year	-	-	13,100,000	1,310.00
Less: Shares bought back during the year	-	-	-	-
Outstanding at the end of year	13,700,000	1,370.00	13,700,000	1,370.00

c. Details of shareholders holding more than 5% shares and holding company:

Names of shareholders	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% held	No. of shares	% held
Equity Shares of face value of Rs. 10 each fully paid up The entire share capital is held by Dhani Services Limited, the holding Company and its nominees	13,700,000	100%	13,700,000	100%

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

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

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

f. **Employees stock option plans:** (Refer Note: 46)

Dhani Stocks Limited
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Note - 21

Other equity

	As at 31 March 2021	As at 31 March 2020
(a) Securities Premium	32,738.30	32,738.30
(b) Share based payment reserve	69.44	3.90
(c) Other component of equity	6.47	6.46
(d) Capital reserve (Refer Note 47)	820.69	820.69
(e) Retained Earnings	2,983.06	1,094.44
Total	36,617.96	34,663.79

	As at 31 March 2021	As at 31 March 2020
(a) Securities Premium		
Balance at the beginning of the year	32,738.30	-
Add: Premium on shares issued during the year	-	32,750.00
Less: Share issue expenses	-	(11.70)
Total (a)	32,738.30	32,738.30

(b) Share based payment reserve		
Balance at the beginning of the year	3.90	8.95
Add: Transfer from the Statement of Profit and Loss	65.55	1.41
Less: Transferred to other component of equity	(0.01)	(6.46)
Total (b)	69.44	3.90

(c) Other component of equity		
Balance at the beginning and end of the year	6.46	-
Add: Addition during the year	0.01	6.46
Total (c)	6.47	6.46

(d) Capital reserve		
Balance at the beginning and end of the year	820.69	-
Add: Created on purchase of stock broking business	-	820.69
Total (d)	820.69	820.69

(e) Retained Earnings		
Balance at the beginning of the year	1,122.54	(21,865.90)
Add: Profit/(loss) for the year	1,885.51	(193.02)
Add: Impact of restatement due to purchase of securities broking business	-	23,181.46
Retained Earnings	3,008.05	1,122.54

Reassessment of defined benefit plans through other comprehensive income		
Opening Balance	(28.10)	3.16
Other comprehensive income/(loss) (net of tax) for the year	3.11	(31.25)
Reassessment of defined benefit plans through other comprehensive income	(24.99)	(28.10)
Total Appropriations	(24.99)	(28.10)

Total (e)	2,983.06	1,094.44
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Grand Total	36,617.96	34,663.79
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Dhani Stocks Limited
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Notes to financial statements for the year ended 31 March 2021
(All amounts in Rs. lakhs unless otherwise stated)

Note - 21

Other equity (continued):

Nature of reserves:

(a) Securities premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act 2013.

(b) Share based payment reserve

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

(c) Other component of equity

Other component of equity are upon exercise of stock options by employees during the year.

(d) Capital reserves

Capital reserve has been created in accordance with provision of the Act and is not available for distribution to owners. Additions(net of taxes) have been made on account of acquisition of stock broking business from Indiabulls Ventures Limited (now known as Dhani Services Limited) , the Holding Company.

(e) Retained earnings

Retained earnings are the accumulated profits earned by the Company till date and Actuarial gains and losses on defined benefit plans are recognised in other comprehensive income (net of taxes) , less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

Note - 22

Interest income

	For the year ended 31 March 2021	For the year ended 31 March 2020
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On financial assets measured at amortised Cost:

Interest on deposits

- Interest on fixed deposits with banks and deposits with stock exchanges	1,605.10	1,968.73
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Other interest income

- Interest on delayed payments / margin funding	954.67	1,906.10
- Unwinding of interest income	10.02	50.45

Total

	2,569.79	3,925.28
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Note - 23

Fees and commission income

	For the year ended 31 March 2021	For the year ended 31 March 2020
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Brokerage and other ancillary income	5,720.84	6,542.43
Income from depository services	742.61	679.11
Income from mutual funds and IPO commission and account opening charges	53.58	187.77

Total

	6,517.03	7,409.31
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Notes to financial statements for the year ended 31 March 2021
(All amounts in Rs. lakhs unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Note - 24		
Net gain on fair value changes		
Net gain/(loss) on financial instruments at fair value through profit and loss account :-		
- Investments		
Gain on redemption of mutual funds	87.25	171.05
- Other receivables	372.53	-
Total	459.78	171.05
Fair Value Changes		
-Realised	459.78	171.05
-Unrealised	-	-
Total Net gain/(loss) on fair value changes	459.78	171.05
Note - 25		
Net gain on derecognition of financial instruments under amortised cost category		
Gain on modification/ derecognition of financial assets	91.94	106.91
Total	91.94	106.91
Note - 26		
Sale of services		
Transaction and other charges	551.82	447.56
Total	551.82	447.56
Note - 27		
Other income		
Excess provision for expenses no longer required written back	95.92	64.65
Charge back received for common expenses	-	58.42
Profit on sale of Property, plant and equipment (net)	-	3.28
Interest on income tax refund	0.53	-
Sundry credit balances written back	35.18	1.58
Miscellaneous income	11.17	28.13
Dividend received on behalf of beneficial owners (net of tax deduction of source)	80.12	-
Less: Transferred to beneficial owners	(80.12)	-
Total	142.80	156.06

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Note - 28	For the year ended	For the year ended
Finance costs	31 March 2021	31 March 2020
On financial liabilities measured at amortised Cost -		
Interest on deposits		
- Interest on inter-corporate deposits	4.65	70.53
Interest on borrowings		
- Interest on term loan	-	100.29
- Interest on bank overdraft	0.10	128.65
- Interest on working capital loan	-	133.02
- Bank guarantee charges	13.35	186.86
Interest on Lease Liabilities	52.37	176.34
Other interest expense		
- Interest on Taxes	2.61	0.07
Total	73.08	795.76
Note - 29		
Fees and commission expense		
SEBI charges	8.58	15.15
Commission	-	0.25
Depository charges	106.19	76.32
Transaction charges	543.72	443.89
Membership fees	8.14	15.28
Total	666.63	550.89
Note - 30		
Net loss on fair value changes		
Net gain/(loss) on financial instruments at fair value through profit and loss account :-		
'-Other receivables	-	345.61
Total	-	345.61
Fair Value Changes		
-Realised	-	-
-Unrealised	-	345.61
	-	345.61
Note - 31		
Impairment on financial instruments		
Measured at Amortised Cost		
- Impairment due to expected credit loss on security deposits	13.32	-
- Impairment due to expected credit loss on trade receivables	-	516.79
- Impairment due to expected credit loss on other receivables	-	427.37
Total	13.32	944.16

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Note - 32	For the year ended	For the year ended
Employee benefits expense	31 March 2021	31 March 2020
Salaries and wages	2,443.33	5,479.21
Contribution to provident fund and other funds	23.31	51.11
Share-based payments to employees	65.55	8.48
Staff welfare expenses	9.97	143.84
Provision for gratuity and compensated absences (net)	37.85	167.96
Total	2,580.01	5,850.60

Note - 33	For the year ended	For the year ended
Depreciation and amortisation expense	31 March 2021	31 March 2020
Depreciation on property, plant and equipment (Refer Note: 11 A)	263.45	257.16
Amortisation on other intangible assets (Refer Note: 11 D)	411.33	670.33
Amortisation on Right of use Assets (Refer Note: 11 E)	149.68	633.58
Total	824.46	1,561.07

Note - 34	For the year ended	For the year ended
Other expenses	31 March 2021	31 March 2020
Repairs and maintenance - others	19.30	188.12
Communication expenses	92.14	199.91
Rates and taxes	7.08	40.70
Printing and stationery	15.15	62.15
Payment to statutory auditors	6.60	1.58
Legal and professional charges	1,863.98	323.49
Insurance	2.17	7.07
Stamp duty	26.21	84.38
Web hosting expenses	63.86	65.19
VSAT charges	-	0.57
Leased line expenses	166.63	206.74
Content expenses	-	5.00
Software expenses	327.13	241.17
Rent Expenses	782.75	407.24
Electricity expenses	10.99	90.45
Recruitment and training expenses	7.91	28.85
Travelling and conveyance	11.76	84.27
Office maintenance	78.00	132.01
Business promotion	346.80	426.83
Loss on erroneous transactions (net)	2.00	1.40
Loss on sale/ scrapping of fixed assets	4.00	-
Manpower hiring charges	74.43	14.30
Provision for doubtful capital advances	24.74	-
Bad debts / advances written off	-	0.03
Miscellaneous expenses	29.58	43.87
	3,963.21	2,655.32

*Auditor's remuneration includes:

as statutory auditor	5.30	1.33
for certifications	1.30	0.25

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Note - 35	For the year ended	For the year ended
Tax expenses	31 March 2021	31 March 2020
A. The major components of income tax expense for the year as under:		
Income tax recognised in Statement of profit & loss -		
Tax expense:		
Current tax	378.66	-
Deferred tax	(51.72)	(294.22)
	326.94	(294.22)
Accounting profit / (loss) before tax expense	2,212.45	(487.24)
Income tax rate	27.82%	27.82%
Expected tax expense	615.50	(135.55)
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Impairment due to expected credit loss/doubtful debt on trade receivables & others	10.59	175.16
Tax effect of expenses which are not deductible	60.98	0.02
Tax effect of income not taxable	(100.14)	-
Allowance/Disallowances u/s. 43B of the Income-Tax Act, 1961	(11.25)	6.90
Allowance/Disallowances u/s. 40A(7) of the Income-Tax Act, 1961	(41.77)	21.98
Difference between tax balance and book balance of fixed assets	(115.13)	(64.04)
Share based payments to employees	18.24	(71.93)
Tax effect of restatement of items of profit and loss	-	(257.78)
Tax effect on income taxable at the time of its realisation/ capital gains	(96.15)	96.15
Tax effect of carry forward losses (including unabsorbed depreciation)	(228.82)	224.68
Deferred tax effect of temporary differences (Excluding MAT difference)	214.89	(289.81)
Income tax expense	326.94	(294.22)

Note - 36
Earnings per share:

Basic earnings per share is computed by dividing the net profit/(loss) attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for stock split and bonus shares as appropriate.

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Net Profit/(loss) for the year (in Rs. lakh)	1,885.51	(193.02)
Nominal value of equity shares (In Rs.)	10.00	10.00
Weighted average number of equity shares for basic earnings per share	13,700,000	2,000,273
Weighted average number of equity shares for computation of Diluted earnings per share	13,700,000	2,000,273
Basic earnings per share (In Rs.)	13.76	(9.65)
Diluted earnings per share (In Rs.)	13.76	(9.65)

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Note - 37

Balances in Fixed deposits include deposits:	31 March 2021	31 March 2020
(a) Deposits pledged with the National Stock Exchange of India, BSE Limited, NSE Clearing Limited (formerly National Securities Clearing Corporation Limited), National Commodity and Derivatives Exchange Limited and Multi Commodity Exchange of India Limited for the purpose of cash collateral, base capital and additional base capital.	36,749.25	16,995.24
(b) Deposits pledged with the banks against bank guarantees for base capital and additional base capital to the National Stock Exchange of India, BSE Limited, NSE Clearing Limited (formerly National Securities Clearing Corporation Limited), National Commodity and Derivatives Exchange Limited and Multi Commodity Exchange of India Limited.	-	5,755.00
(c) Deposits pledged with banks for overdraft facilities availed by the Company.	200.00	200.00
(d) Deposits pledged with banks for overdraft facilities availed by the Holding Company.	-	5,754.50
(e) Deposits pledged with bank against bank guarantees issued in favor of Unique Identification Authority of India.	25.00	25.00
(f) Deposits pledged for arbitration matters.	46.03	210.44
(g) Pledged with Sales Tax Authorities	1.90	1.90
(h) Deposits pledged with State Commission, New Delhi for appeal filed by the Company in a consumer dispute matter.	0.25	0.25
Total	37,022.43	28,942.33

Note - 38

Contingent liabilities not provided for in respect of :

- (a) Claims against the Company not acknowledged as debts on account of pending litigation: Rs. 34.10 lakhs (Previous year: Rs. 40.97 lakhs).
- (b) The Company in the ordinary course of business, has various cases pending in different authorities and courts, however, the management does not expect any unfavourable outcome resulting in material adverse effect on the financial position of the Company.

Note - 39

Capital commitments outstanding as at 31 March 2021: Rs. 132.78 lakhs (31 March 2020: Rs. 406.41 lakh) (Net of capital advances Rs. 243.96 lakhs (Previous year: Rs. 133.51 lakhs))

Note - 40

As per the best estimate of the management, no provision is required to be made as per Indian Accounting Standard 37- Provisions, Contingent Liabilities and Contingent Assets as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

Note - 41

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	As at	As at
	31 March 2021	31 March 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
(iv) The amount of interest due and payable for the year	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(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	Nil	Nil

The above information and that given in Note: 13 - "Trade payables" 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.

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Note - 42

Employee benefits:

(a) Defined contribution plans

Provident Fund

The Company has certain defined contribution plans such as provident fund for benefits of its employee, Contribution are made to provident fund in india for employees as per regulations.the contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. During the year, the Company has recognized the following amounts in the Statement of Profit and Loss in respect of defined contribution plans and included in "Employee benefits expense".

	For the year ended	
	31 March 2021	31 March 2020
Contribution made to Employees' Provident Fund Organisation	11.75	22.42
Contribution made to Employees' State Insurance Corporation	2.57	7.56
Contribution to Labour Welfare Fund	1.23	2.00
Contribution to Employees' National Pension Scheme	6.85	19.13
	22.40	51.11

(b) Defined benefits plan

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and not reclassified to profit or loss in subsequent periods.

A. Gratuity (non-funded)

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.
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	As at
	31 March 2021	31 March 2020
Present value of obligation	383.60	538.12
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	383.60	538.12

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

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Current service cost	39.23	37.93
Past service cost including curtailment gains/losses	-	-
Gains or Losses on Non routine settlements	-	-
Interest cost on defined benefit obligation	30.81	1.00
Interest income on plan assets	-	-
Net impact on profit (before tax)	70.04	38.93
Actuarial (gain)/loss recognised during the year	(4.39)	43.30
Amount recognised in the statement of profit and loss and other comprehensive income	65.65	82.23

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(All amounts in Rs. lakhs unless otherwise stated)

Note - 42

Employee benefits: (continued)

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Present value of defined benefit obligation as at the beginning of year	538.12	0.25
Current service cost	39.23	37.93
Interest cost	30.81	1.00
Past service cost including curtailment gains/losses	-	-
Benefits paid	(220.17)	(3.20)
Other adjustments/Reversals	-	-
Acquisition adjustments	-	458.84
Actuarial loss/(gain) on obligation		
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	0.46	31.13
Actuarial (gain)/loss on arising from experience adjustment	(4.85)	12.17
Present value of defined benefit obligation as at the end of the year	383.60	538.12

(iv) Major categories of plan assets (as percentage of total plan assets):

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Government of India Securities	-	-
State Government securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of listed companies	-	-
Property	-	-
Funds Managed by Insurer	-	-
Bank Balance	-	-
Total	-	-

(v) Movement in the plan assets recognised in the balance sheet is as under:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Fair value of plan assets at beginning of year	-	-
Actual return on plan assets	-	-
Employer's contribution	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-

(vi) Actuarial assumptions

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Discounting rate	6.79%	6.80%
Future salary increase	5.00%	5.00%
Retirement age (years)	60.00	60.00
Withdrawal rate		
Up to 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00
Weighted average duration	18.25	19.42

Mortality rates inclusive of provision for disability -100% of IALM (2012 – 14)

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

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Note - 42

Employee benefits: (continued)

(vii) Sensitivity analysis for gratuity liability

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Impact of the change in discount rate		
Present value of obligation at the end of the year	383.60	538.12
- Impact due to increase of 0.50 %	(24.53)	(36.93)
- Impact due to decrease of 0.50 %	26.73	40.53
Impact of the change in salary increase		
Present value of obligation at the end of the year	383.60	538.12
- Impact due to increase of 0.50 %	27.07	41.05
- Impact due to decrease of 0.50 %	(25.05)	(37.71)

(viii) Maturity profile of defined benefit obligation

Particulars	As at 31 March 2021	As at 31 March 2020
0 to 1 year	7.98	12.60
1 to 2 year	6.51	9.54
2 to 3 year	6.25	9.63
3 to 4 year	7.95	9.12
4 to 5 year	6.03	10.42
5 to 6 year	10.96	10.19
6 year onwards	337.92	476.61

The employer best estimate of contributions expected to be contributed during the annual period beginning after the Balance Sheet date towards Gratuity is Rs. 73.31 lakh (Previous year Rs. 133.30 lakh)

Other long-term employee benefit plans

Provision for unfunded compensated absences for all employees is based upon actuarial valuations carried out at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Commitments are actuarially determined using the 'Projected Unit Credit' Method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

Dhani Stocks Limited
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Note - 42

Employee benefits: (continued)

B. Compensated absences (non-funded)

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.
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 2021	As at 31 March 2020
Present value of obligation	82.75	123.18
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	82.75	123.18

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	15.47	15.63
Past service cost including curtailment gains/losses	-	-
Gains or Losses on Non routine settlements	-	-
Interest cost on defined benefit obligation	6.90	0.31
Interest income on plan assets	-	-
Actuarial (gain)/loss recognised during the year	(54.56)	9.45
Amount recognised in the statement of profit and loss	(32.19)	25.39

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Present value of defined benefit obligation as at the beginning of year	123.18	0.03
Current service cost	15.47	15.63
Interest cost	6.90	0.31
Past service cost including curtailment gains/losses	-	-
Benefits paid	(8.24)	(0.60)
Acquisition adjustments	-	98.36
Actuarial loss/(gain) on obligation		
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	0.11	7.64
Actuarial (gain)/loss on arising from experience adjustment	(54.67)	1.81
Present value of defined benefit obligation as at the end of the year	82.75	123.18

(iv) Major categories of plan assets (as percentage of total plan assets):

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Government of India Securities	-	-
State Government securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of listed companies	-	-
Property	-	-
Funds Managed by Insurer	-	-
Bank Balance	-	-
Total	-	-

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Note - 42

Employee benefits: (continued)

(v) Movement in the plan assets recognised in the balance sheet is as under:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Fair value of plan assets at beginning of year	-	-
Actual return on plan assets	-	-
Employer's contribution	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-

(vi) Actuarial assumptions

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Discounting rate	6.79%	8.25%
Future salary increase	5.00%	5.00%
Retirement age (years)	60.00	60.00
Withdrawal rate		
Up to 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00
Weighted average duration	18.25	19.28

Mortality rates inclusive of provision for disability -100% of IALM (2012-14)

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

(vii) Sensitivity analysis liability for Compensated absences

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Impact of the change in discount rate		
Present value of obligation at the end of the year	82.75	123.18
- Impact due to increase of 0.50 %	(5.63)	(8.89)
- Impact due to decrease of 0.50 %	6.06	9.62
Impact of the change in salary increase		
Present value of obligation at the end of the year	82.75	123.18
- Impact due to increase of 0.50 %	6.18	9.81
- Impact due to decrease of 0.50 %	(5.69)	(8.97)

(viii) Maturity profile of defined benefit obligation

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
0 to 1 year	1.91	3.18
1 to 2 year	1.55	2.56
2 to 3 year	1.44	2.49
3 to 4 year	1.67	2.28
4 to 5 year	1.33	2.34
5 to 6 year	1.94	2.25
6 year onwards	72.91	108.07

The employer best estimate of contributions expected to be contributed during the annual period beginning after the Balance Sheet date, towards Compensated Absences is Rs. 23.09 lakh (Previous year: Rs. 45.81 lakh).

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

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Note - 43

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

Note - 44

Segment reporting:

The Chief Operating Decision Maker ("CODM") reviews operations and allocates resources at the Company level. The Company is primarily engaged in the business of providing 'broking and related activities', which is considered to be the only reportable segment in accordance with IND-AS 108 - Operating Segments. All other activities of the Company revolve around the main business. The Company derives its major revenues from broking activities and its customers are spread across India. The Company operates solely in one Geographic segment namely "Within India" and hence no separate information for Geographic segment wise disclosures is required.

Note - 45

Related party disclosures

(a) Names of related parties identified in accordance with IND AS -24 "Related Party Disclosures":

The Company's principal related parties consist of its holding company, Dhani Services Limited (formerly Indiabulls Ventures Limited) and its subsidiaries, affiliates and key managerial personnel. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

Description of relationship	Names of related parties
(i) Where control exists	
Holding Company	Dhani Services Limited (formerly known as Indiabulls Ventures Limited)
(ii) Others	
Entities under common control (with whom transactions entered into during the period)	Indiabulls Investment Advisors Limited
	Indiabulls Distribution Services Limited
	Dhani Loans and Services Limited (Formerly known as Indiabulls Consumer Finance Limited)
	TranServ Limited (formerly known as TranServ Private Limited) (with effect from April 1, 2019)
Key Management Personnel	Mr. Divyesh B. Shah, Director
	Mr. Anil Mittal, Director (up to December 16, 2019)
	Mr. Pankaj Sharma, Director
	Mr. Ishwar Singh Goyat (up to March 20, 2020)
	Mr. Anand Kumar
	Mr. Prem Singh Gahalawat (With effect from March 20, 2020)
	Mr. Prasenjeet Mukherjee
Mr. Sameer Gehlaut, CEO and Chairman of Holding Company	

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Note - 45

Related party disclosures (continued)

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

Particulars	Holding company		Key Management Personnel		Entities under common control	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Finance						
Issue of Equity Share Capital	-	34,060.00	-	-	-	-
Inter Corporate Deposit Taken (Maximum Balance Outstanding during the year)	5,510.00	6,210.00	-	-	-	1,097.70
Income						
Brokerage Income	-	-	0.09	0.04	-	-
Expenses						
Interest Expenses	4.65	52.21	-	-	-	18.32
Reimbursement of Expenses Paid	-	115.03	-	-	1,031.66	22.44
Reimbursement of Expenses Received	-	605.57	-	-	-	-
Professional Expenses	7.24	-	-	-	-	-
Compensation to key managerial personnel						
- Short-term employee benefits	-	-	12.10	1.59	-	-
- Post employment benefits - Gratuity	-	-	0.40	0.11	-	-
- Other long term employee benefits - compensated absences	-	-	0.01	0.01	-	-
- Share based payments	-	-	0.05	1.41	-	-
Liabilities						
Liabilities on Gratuity and compensated absences paid	-	-	-	-	-	3.67
Liabilities on Gratuity and compensated absences received	-	25.31	-	-	-	11.92
Payments made for transfer to respective employee wallet accounts	-	-	-	-	76.07	24.84
Security deposits paid on behalf of fellow subsidiary	-	-	-	-	340.11	-
Assets						
Acquisition of Securities broking business	-	34,200.00	-	-	-	-
Margin funding loan given	-	-	-	68.83	-	-

(c) Balance outstanding at 31 March 2021:

Nature of Transaction	As at	Holding company	Key Management Personnel	Entities under common control	Total
Inter corporate deposit taken	31 March 2021	-	-	-	-
	31 March 2020	5,510.00	-	-	5,510.00
Receivable for reimbursement of expenses	31 March 2021	-	-	-	-
	31 March 2020	10.22	-	-	10.22
Margin funding loan receivable	31 March 2021	-	-	-	-
	31 March 2020	-	68.83	-	68.83
Margin from customers	31 March 2021	-	92.94	-	92.94
	31 March 2020	-	1.23	-	1.23

In accordance with Ind AS 24, disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed. Related Party relationships are given above are as identified by the Company and relied upon by the Auditors. All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

Note - 46**Employee stock option schemes:**

The employees of the Company have been granted option as per the existing schemes of Dhani Services Limited ('Holding Company'). 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 – 2019" (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 10,400,000 lying in Trust have been appropriated towards the Scheme for grant of Share Appreciations Rights (SARs) to the employees of The holding company and its subsidiaries as permitted by SEBI. The holding company will treat these SARs as equity and therefore they will be treated as equity settled SARs and accounting has been done accordingly.

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

	DSL ESOP - 2008			
	20,000,000			
	20,000,000	9,700,000	500,000	880,600
	(Regrant)			
Total options under the scheme (Nos.)				
Options granted (Nos.)				
Vesting period and percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year 10th year - 5%	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	25 th January each year, commencing 25 January 2010	2 nd July each year, commencing 2 July 2017	2 nd September each year, commencing 2 September 2018	25 th March each year, commencing 25 March 2019
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	17.40	24.15	219.65	254.85
Outstanding at the beginning of 1 April 2019 (Nos.)	870,916	9,700,000	500,000	693,600
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	10,000	500,000	152,000
Exercised during the year (Nos.)	870,916	5,050,800	-	25,800
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2020 (Nos.)	-	4,639,200	-	515,800
Vested and exercisable as at 31 March 2020 (Nos.)	-	769,200	-	192,640
Remaining contractual life (weighted months)	-	66	-	73
Outstanding at the beginning of 1 April 2020 (Nos.)	-	4,639,200	-	515,800
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	14,400	-	429,000
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2021 (Nos.)	-	4,624,800	-	86,800
Vested and exercisable as at 31 March 2021 (Nos.)	-	2,697,000	-	-
Remaining contractual life (weighted months)	-	54	-	73

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

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Note - 46**Employee Stock Option Schemes (continued)****(ii) Employees Stock Option Scheme - 2009 (DSL - ESOP 2009)**

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

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

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Note - 46**Employee Stock Option Schemes (continued)****(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.

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

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

The Scheme has been adopted and approved pursuant to: (a) a resolution of the Board of Directors of the 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 9,300,000 (Ninety Three lakh) fully paid-up equity shares, being not more than 2% (Two percent) of the fully paid-up equity share capital of the holding company as on the date of approval of shareholders, from the secondary market. The holding company has not granted any options/ SARs under the said scheme as at 31 March 2021.

Note - 46**Employee Stock Option Schemes (continued)****C. Fair Valuation:**

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

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

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

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

D. Share based payment expense:

The Company has recognised share based payments expense to employees of ₹ 65.55 lakh (31 March 2020: ₹ 8.48 lakh) in the statement of Profit and loss for the year ended 31 March 2021.

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Dhani Stocks Limited
(Formerly known as Indiabulls Securities Limited)
Notes to financial statements for the year ended 31 March 2021
(All amounts in Rs. lakhs unless otherwise stated)

Note - 47

Acquisition of securities broking business

On July 31, 2019, the Company entered into a business transfer agreement (BTA) with Indiabulls Ventures Limited, its Holding Company, to acquire its securities broking business on slump sale basis. The business transfer involved transfer of certain assets and liabilities as stated in the BTA on slump sale basis for an agreed consideration of Rs. 34,200.00 lakhs. Pursuant to the above agreement, the necessary resolution passed by the Board of Directors in their meeting held on January 31, 2019 and the receipt of approvals from the National Stock Exchange of India Limited, BSE Limited and the Securities and Exchange Board of India, the business stood transferred to the Company with effect from February 21, 2020. The following assets and liabilities were recognised as at the date of acquisition:

1 Assets acquired and liabilities assumed:

Particulars	Amount (Rs. In lakhs)
Property, plant and equipment and Intangible assets	3,259.15
Intangible assets under development	188.70
Loans	5,679.94
Trade receivables (net of provisions)	2,782.66
Cash and cash equivalents	605.93
Other financial assets	32,217.28
Other non-financial assets	220.34
Total identifiable assets acquired (A)	44,954.00
Provision for employee benefits	523.66
Other financial liabilities	9,301.77
Other non-financial liabilities	107.88
Liabilities assumed (B)	9,933.31
Net assets acquired (C) = (A) - (B)	35,020.69
Upfront cash consideration (D)	34,200.00
Capital Reserve (D) - (C)	820.69

Note - 48

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

The Company has assessed the impact of the pandemic on its operations and its assets including the value of its financial assets as at March 31, 2021. The management does not, at this juncture, believe that the impact on the value of the Company's assets is likely to be material. However, since the revenue of the Company is ultimately dependent on the market conditions, changes in market conditions and the trend of flows into securities markets may have an impact on the operations of the Company. Since the situation is rapidly evolving, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor material changes in markets and future economic conditions.

Note - 49

Financial instruments

A Financial assets and liabilities

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

Particulars	Note No.	As at	
		31 March 2021	31 March 2020
Financial assets measured at amortised cost			
Cash and cash equivalents	3	8,056.97	10,326.08
Bank balance other than cash and cash equivalents	4	34,799.61	29,110.11
Trade receivables	5	4,178.95	2,092.26
Other receivables	6	680.57	1,009.95
Loans	7	107.76	1,341.86
Other financial assets	8	1,019.38	5,371.47
Total		48,843.24	49,251.73
Financial liabilities measured at amortised cost			
Trade payables	13	34.39	116.09
Borrowings (other than debt securities but including interest accrued)	14	-	5,510.00
Finance Lease obligations	15	-	1,372.85
Other financial liabilities	16	13,992.83	11,707.27
Total		14,027.22	18,706.21

B Fair values hierarchy

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

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

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

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

B.1 Fair value of instruments measured at 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		As at	
	31 March 2021		31 March 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	8,056.97	8,056.97	10,326.08	10,326.08
Bank balances other than cash and cash equivalents	34,799.61	34,799.61	29,110.11	29,110.11
Trade receivables	4,178.95	4,178.95	2,092.26	2,092.26
Other receivables	680.57	680.57	1,009.95	1,009.95
Loans	107.76	107.76	1,341.86	1,341.86
Other financial assets	1,019.38	1,019.38	5,371.47	5,371.47
Total	48,843.24	48,843.24	49,251.73	49,251.73
Financial liabilities				
Trade payables	34.39	34.39	116.09	116.09
Borrowings (other than debt securities)	-	-	5,510.00	5,510.00
Finance Lease obligations	-	-	1,372.85	1,372.85
Other financial liabilities	13,992.83	13,992.83	11,707.27	11,707.27
Total	14,027.22	14,027.22	18,706.21	18,706.21

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables, loans, trade payables, finance lease obligations and other financial liabilities approximate their respective carrying amounts, largely due to the short-term maturities of these instruments.

Note - 50

Financial risk management

i) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company's risk are managed by a treasury department under policies approved by the board of directors. The board of directors provides written principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, investments, loans, trade receivables and other financial	Ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, trade payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities.
Market risk - interest rate	Borrowings	Sensitivity analysis	Negotiation of terms that reflect the market factors

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

A) Credit risk

Credit Risk 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, other bank balances, investments, loan assets, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit

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 balances, investments, trade receivables, other receivables, loans and other financial assets	Life time expected credit loss or 12 month expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss
High credit risk	Other receivables	Life time expected credit loss or fully provided for

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.

Financial assets that expose the entity to credit risk*

Particulars	As at	
	31 March 2021	31 March 2020
(i) Low credit risk		
Cash and cash equivalents	8,056.97	10,326.08
Bank balance other than cash and cash equivalents	34,799.61	29,110.11
Trade receivables	4,178.95	2,092.26
Other receivables	680.57	680.57
Loans	107.76	1,341.86
Other financial assets	1,019.38	5,371.47
(ii) Moderate credit risk		
Trade receivables	1,198.90	1,198.90
(ii) High credit risk		
Other receivables	854.57	854.57
Other financial assets	13.32	-

* These represent gross carrying values of financial assets, without deduction for expected credit losses

Cash and cash equivalents

Credit risk related to cash and cash equivalents is managed by only accepting highly rated banks and diversifying accounts in different banks across the country.

Bank balance other than cash and cash equivalents

Credit risk related to Bank balance other than cash and cash equivalents is managed by only accepting highly rated banks and diversifying accounts in different banks across the country.

Note - 50

Financial risk management (continued)

Trade and Other receivables

Credit risk related to trade receivables is managed by monitoring the recoverability of such amounts continuously

Other financial assets measured at amortized cost

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

b) Credit risk exposure

i) Expected credit losses for financial assets

As at 31 March 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	8,056.97	-	8,056.97
Bank balances other than cash and cash equivalents	34,799.61	-	34,799.61
Trade receivables	5,377.85	1,198.90	4,178.95
Other receivables	1,535.14	854.57	680.57
Loans	107.76	-	107.76
Other financial assets	1,032.70	13.32	1,019.38
As at 31 March 2020	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	10,326.08	-	10,326.08
Bank balances other than cash and cash equivalents	29,110.11	-	29,110.11
Trade receivables	3,291.16	1,198.90	2,092.26
Other receivables	1,535.14	525.19	1,009.95
Loans	1,341.86	-	1,341.86
Other financial assets	5,371.47	-	5,371.47

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

Reconciliation of loss allowance	Trade receivables	Other receivables	Other financial assets
Loss allowance on 1 April 2019 (Restated)	783.12	427.20	-
Impairment loss allowance during the year	516.79	427.37	-
Loss allowance written back	-	-	-
Write - offs	(101.01)	-	-
Loss allowance on 31 March 2020	1,198.90	854.57	-
Impairment loss allowance during the year	-	-	13.32
Loss allowance written back	-	-	-
Write - offs	-	-	-
Loss allowance on 31 March 2021	1,198.90	854.57	13.32

c) Concentration of trade receivables and other receivables

The Company carries on the business as stock broker on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE"), commodities broker on Multi Commodity Exchange of India Limited ("MCX") and National Commodity & Derivatives Exchange Limited ("NCDEX"), depository participants and renders other related ancillary services. The Company's outstanding receivables are for stock broking on stock exchange's and depository participants. Loans and other financial assets majorly represents margin funding loans and deposits given for business purposes.

B) Liquidity risk

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

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

Note - 50

Financial risk management (continued)

(i) Financing arrangements

The Company had access to the following funding facilities:

As at 31 March 2021	Total facility	Drawn	Undrawn
- Expiring within one year	180.00	-	180.00
- Expiring beyond one year	25,000.00	-	25,000.00
Total	25,180.00	-	25,180.00

As at 31 March 2020	Total facility	Drawn	Undrawn
- Expiring within one year	180.00	-	180.00
- Expiring beyond one year	25,000.00	5,510.00	19,490.00
Total	25,180.00	5,510.00	19,670.00

(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 2021	Less than 1 year	1-3 years	More than 3 years	Total
Non-derivatives				
Cash and cash equivalents	8,056.97	-	-	8,056.97
Bank balances other cash and cash equivalents	34,791.74	7.87	-	34,799.61
Trade receivables	5,377.85	-	-	5,377.85
Other receivables	-	-	1,535.14	1,535.14
Loans	107.76	-	-	107.76
Other financial assets	385.18	-	647.53	1,032.71
Total undiscounted financial assets	48,719.50	7.87	2,182.67	50,910.04
Non-derivatives				
Trade payables	34.39	-	-	34.39
Borrowings other than debt securities	-	-	-	-
Finance Lease obligations	-	-	-	-
Other financial liabilities	13,992.83	-	-	13,992.83
Total undiscounted financial liabilities	14,027.22	-	-	14,027.22
Net undiscounted financial assets/(liabilities)	34,692.28	7.87	2,182.67	36,882.82

As at 31 March 2020	Less than 1 year	1-3 years	More than 3 years	Total
Non-derivatives				
Cash and cash equivalents	10,326.08	-	-	10,326.08
Bank balances other cash and cash equivalents	27,573.64	1,536.47	-	29,110.11
Trade receivables	3,291.16	-	-	3,291.16
Other receivables	328.95	-	1,535.57	1,864.52
Loans	1,341.86	-	-	1,341.86
Other financial assets	4,567.93	495.39	421.46	5,484.78
Total undiscounted financial assets	47,429.62	2,031.86	1,957.03	51,418.51
Non-derivatives				
Trade payables	116.09	-	-	116.09
Borrowings other than debt securities	-	-	5,510.00	5,510.00
Finance Lease obligations	505.00	748.57	119.28	1,372.85
Other financial liabilities	11,707.27	-	-	11,707.27
Total undiscounted financial liabilities	12,328.36	748.57	5,629.28	18,706.21
Net undiscounted financial assets/(liabilities)	35,101.26	1,283.29	(3,672.25)	32,712.30

Note - 50
Financial risk management (continued)

C) Market risk

a) Foreign currency risk

The Company has not entered into any foreign currency transactions and is not exposed to foreign exchange risk arising from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. The Company did not have any foreign currency receivables and payables as at 31 March 2021 (Previous year Rs. Nil).

b) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2021, the Company is not exposed to changes in market interest rates.

Interest rate risk exposure

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

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate liabilities	-	-
Fixed rate liabilities		
Borrowings (other than debt securities)	-	5,510.00
Total	-	5,510.00

Sensitivity

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

Particulars	As at 31 March 2021	As at 31 March 2020
Interest sensitivity		
Interest rates – increase by 0.50%	-	4.18
Interest rates – decrease by 0.50%	-	(4.18)

ii) Assets

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

c) Price risk

i) Exposure

As at 31 March 2021 (Previous year Rs. Nil), the Company had no investments in Quoted Equity Instruments subject to price risk.

Note - 51

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 requirements
- to provide an adequate return to shareholders

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

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

Particulars	As at 31 March 2021	As at 31 March 2020
Net debt*	(8,056.97)	(4,816.08)
Total equity	37,987.96	36,033.79
Net debt to equity ratio	-	-

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

Note - 52

Leases:

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

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

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance at the beginning of the year	1,314.88	-
Recognized on account of implementation of Ind AS 116	-	1,574.35
Additions during the year	234.47	1,849.87
Deletion/Modification during the year	(1,399.67)	(1,849.87)
Amortisation expense*	(149.68)	(633.58)
Amortisation adjustment	-	374.11
Closing balance at the end of year	-	1,314.88

*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 31 March 2021:

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance at the beginning of the year	1,372.85	-
Recognized on account of implementation of Ind AS 116	-	1,574.35
Additions during the year	234.47	1,740.31
Deletion/Modification during the year	(1,491.61)	(1,366.21)
Finance cost accrued during the year	52.37	176.34
Payment of lease liabilities	(168.08)	(751.94)
Closing balance at the end of year	-	1,372.85

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Income from subleasing right-of-use assets	-	58.42
Total	-	58.42

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

Particulars	As at 31 March 2021	As at 31 March 2020
Within One year	-	505.00
One to Five years	-	812.36
More than Five years	-	55.49

Rental expense of Rs. 638.00 lakh (previous year Rs 407.24 lakh) for short-term leases has been recorded in the Statement of Profit and Loss for the year ended 31 March 2021.

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Dhani Stocks Limited
(Formerly known as Indiabulls Securities Limited)
Notes to financial statements for the year ended 31 March 2021
(All amounts in Rs. lakhs unless otherwise stated)

Note - 53

Maturity analysis of assets and liabilities

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

	As at 31 March 2021		As at 31 March 2020	
	Within 12 months	After 12 months	Within 12 months	After 12 months
(a) Cash and cash equivalents	8,056.97	-	10,326.08	-
(b) Bank balance other than cash and cash equivalents	34,791.74	7.87	27,573.64	1,536.47
(c) Receivables				
(i) Trade receivables	4,178.95	-	2,092.26	-
(ii) Other receivables	-	680.57	328.95	681.00
(d) Loans	107.76	-	1,341.86	-
(e) Other financial assets	385.18	634.20	4,567.93	803.54
	47,520.60	1,322.64	46,230.72	3,021.01
Non-financial assets				
(a) Current tax assets (net)	-	50.78	51.30	-
(b) Deferred tax assets (net)	-	1,050.73	-	1,000.29
(c) Property, plant and equipment	-	518.30	-	776.65
(d) Capital work-in-progress	-	123.67	-	-
(e) Intangible assets under development	-	90.22	-	65.56
(f) Other intangible assets	-	2,794.65	-	3,030.24
(g) Right of Use Assets	-	-	-	1,314.88
(h) Other non-financial assets	194.32	5.32	555.07	229.70
	194.32	4,633.67	606.37	6,417.32
TOTAL ASSETS	47,714.92	5,956.31	46,837.09	9,438.33
Financial liabilities				
(a) Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	34.39	-	116.09	-
(b) Borrowings (other than debt securities)	-	-	5,510.00	-
(c) Finance Lease obligations	-	-	505.00	867.85
(d) Other financial liabilities	13,992.83	-	11,707.27	-
	14,027.22	-	17,838.36	867.85
Non-financial Liabilities				
(a) Current tax liabilities (net)	286.57	-	-	-
(a) Provisions	9.89	456.46	12.60	648.70
(b) Other non-financial liabilities	903.13	-	874.12	-
	1,199.59	456.46	886.72	648.70
TOTAL LIABILITIES	15,226.81	456.46	18,725.08	1,516.55

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Dhani Stocks Limited
(Formerly known as Indiabulls Securities Limited)
Notes to financial statements for the year ended 31 March 2021
(All amounts in Rs. lakhs unless otherwise stated)

Note - 54

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

The accompanying notes are an integral part of these financial statements

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

For and on behalf of the Board of Directors

Rahul Mukhi
Partner
Membership No. 099719
New Delhi, 16 June 2021

Pankaj Sharma
Whote-time Director
DIN: 00472879
Gurugram, 16 June 2021

Prasenjeet Mukherjee
Director
DIN: 07629972
Kolkata, 16 June 2021

Rajeev Lochan Agrawal
Chief Financial Officer
Gurugram, 16 June 2021

Lalit Sharma
Company Secretary
Gurugram, 16 June 2021