

Agarwal Prakash & Co.

CHARTERED ACCOUNTANTS

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

Phones : 23730880/1 Fax : 011-43516377

E-mail : info@apnco.org

INDEPENDENT AUDITOR'S REPORT

To the Members of Indiabulls Rural Finance Private Limited
(formerly known as Littleman Fiscal Services Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Indiabulls Rural Finance Private Limited (formerly known as Littleman Fiscal Services Private Limited) ("the Company"), which comprise the balance sheet as at 31 March 2019, and the Statement of Profit and Loss 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Accounting Standards ('AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2019, its loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. Other information 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 will 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.



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 financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standard specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

Other Matter

The financial statements of the Company for the year ended 31 March 2018, were audited by another auditor who expressed an unmodified opinion vide its report dated 30 June 2018. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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 Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 financial statements dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with Accounting Standard specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019.



iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019.

(h) With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company did not pay any remuneration to its Directors during the year.

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration No.: 005975N


Vikas Aggarwal

Partner

Membership No. 097848



Place: Gurugram

Date: 23 April 2019

Annexure A to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2019, based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) As the Company has no fixed asset during the year. Accordingly, the provisions of clauses 3(i)(a), 3(i)(b) and 3(i)(c) of the Order are not applicable to the Company.
- (ii) As the Company has no inventory during the year. Accordingly, the provisions of clauses 3(ii) of the Order are not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firm, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained to us, the Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products / services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities. Further, undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (excluding interest) (₹)	Period to which the amount relates	Due Date	Date of payment
Income Tax Act, 1961	Advance tax	1,07,984	Financial Year 2018-19	15 June 2018	Not yet paid
Income Tax Act, 1961	Advance tax	2,15,968	Financial Year 2018-19	15 September 2018	Not yet paid

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess on account of any dispute, which have not been deposited.



Annexure B to the Independent Auditor's Report

With reference to the Annexure B referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2019 of even date.

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls with reference to financial statements of Indiabulls Rural Finance Private Limited (*formerly known as Littleman Fiscal Services Private Limited*) ('the Company') as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of



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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

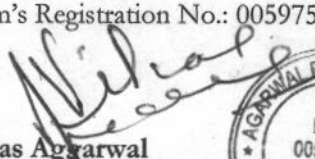
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration No.: 005975N


Vikas Agarwal
Partner

Membership No. 097848



Place: Gurugram

Date: 23 April 2019

INDIABULLS RURAL FINANCE PRIVATE LIMITED
[formerly known as Littleman Fiscal Services Private Limited]
Balance sheet as at 31 March 2019

Particulars	Note No.	All amount in ₹, unless otherwise stated	
		As at 31 March 2019	As at 31 March 2018
I EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	4	41,79,74,000	1,79,74,000
(b) Reserves and surplus	5	74,92,35,642	33,88,274
		1,16,72,09,642	2,13,62,274
Non-current liabilities			
(a) Long-term provisions	6A	36,16,148	52,470
		36,16,148	52,470
Current liabilities			
(a) Trade payable	7		
(i) total outstanding dues of micro enterprises and small enterprises; and		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.		7,42,262	-
(b) Other current liabilities	8	32,73,41,838	17,483
(c) Short term provisions	6B	7,60,941	-
		32,88,45,041	17,483
Total		1,49,96,70,831	2,14,32,227
II ASSETS			
Non-current assets			
(a) Non-current investments	9A	-	52,173
(b) Deferred tax assets (net)	10	9,41,288	13,512
(c) Long-term loans and advances	11A	1,39,26,55,254	1,95,27,876
		1,39,35,96,542	1,95,93,561
Current assets			
(a) Current investments	9B	7,05,00,000	-
(b) Trade receivables	12	-	1,41,300
(c) Cash and cash equivalents	13	1,32,22,115	1,71,917
(d) Short-term loans and advances	11B	2,21,52,174	15,25,449
(e) Other current assets	14	2,00,000	-
		10,60,74,289	18,38,666
Total		1,49,96,70,831	2,14,32,227
Summary of significant accounting policies	3		

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

For Agarwal Prakash & Co.
Chartered Accountants
Firm's Registration Number : 005975N

Vikas Aggarwal
Partner



Place : Gurugram
Date : 23 April 2019

For and on behalf of the Board of Directors

Mukesh Kumar Garg
Director
[DIN : 07078830]

Manish Khandelwal
Chief Financial Officer

Vijay Kumar Agrawal
Whole Time Director
[DIN : 08329352]

Chandra Shekhar Joshi
Company Secretary

INDIABULLS RURAL FINANCE PRIVATE LIMITED
[formerly known as Littleman Fiscal Services Private Limited]
Statement of profit and loss for the year ended 31 March 2019

Particulars	Note No.	All amount in ₹, unless otherwise stated	
		Year ended 31 March 2019	Year ended 31 March 2018
I Revenue			
(a) Revenue from operations	15	1,29,89,914	16,47,509
(b) Other income	16	6,62,714	65,281
Total revenue		1,36,52,628	17,12,790
II Expenses			
(a) Employee benefits expense	17	51,62,417	14,67,758
(b) Finance costs	18	36,354	-
(c) Other expenses	19	87,10,371	1,95,082
Total of expenses		1,39,09,142	16,62,840
III (Loss)/profit before tax (I-II)		(2,56,514)	49,950
IV Tax expense:			
(a) Current tax (including previous periods)	20	7,19,894	12,927
(b) Deferred tax		(9,27,776)	2,172
		(2,07,882)	15,099
V (Loss)/profit for the year (III-IV)		(48,632)	34,851
Earnings per equity share:	21		
Face value per equity share (₹)		10.00	10.00
(a) Basic (₹)		(0.01)	1.94
(b) Diluted (₹)		(0.01)	1.94

Summary of significant accounting policies

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

For Agarwal Prakash & Co.
Chartered Accountants
Firm's Registration Number : 005975N

Vikas Aggarwal
Partner



Place : Gurugram
Date : 23 April 2019

For and on behalf of the Board of Directors

Mukesh Kumar Garg
Director
[DIN : 07078830]

Manish Khandelwal
Chief Financial Officer

Vijay Kumar Agrawal
Whole Time Director
[DIN : 08329352]

Chandra Shekher Joshi
Company Secretary

INDIABULLS RURAL FINANCE PRIVATE LIMITED

[formerly known as Littleman Fiscal Services Private Limited]

Cash flow statement for the year ended 31 March 2019

Particulars	All amount in ₹, unless otherwise stated	
	Year ended 31 March 2019	Year ended 31 March 2018
A. Cash flow from operating activities :		
(Loss)/profit before tax	(2,56,514)	49,950
Adjustments to reconcile (loss)/profit before tax to net cash flow		
Loss on sale of investment	17,080	-
Provisions against standard assets	34,79,773	(38)
Provision for gratuity and compensated absences	88,598	-
Interest on income tax	36,354	-
Interest income	(26,18,835)	(16,47,509)
Dividend income	(4,93,820)	(243)
Gain on sale of mutual fund	(1,65,750)	-
Interest on income tax refund	(3,144)	-
Operating profit/(loss) before working capital changes	83,742	(15,97,840)
Adjustments for working capital charges		
- Decrease/(increase) in trade receivables	1,41,300	(41,300)
- Increase in trade payable	7,42,262	-
- (Increase)/decrease in loans and advances	(1,39,23,68,893)	16,62,664
- Increase in other current assets	(2,84,117)	(2,340)
- Increase/(decrease) in other current liabilities	32,73,24,355	7,283
Cash (used in)/from operations	(1,06,43,61,351)	28,467
Interest received	13,16,954	-
Income tax paid (net of refund)	3,932	(77,380)
Net cash used in operating activities	(1,06,30,40,465)	(48,913)
B. Cash flow from investing activities :		
Investment in mutual funds	(1,58,05,00,000)	-
Proceeds from mutual funds	1,51,00,00,000	-
Sale of investment	35,093	-
Gain on sale of mutual fund	1,65,750	-
Dividend received on mutual fund	4,93,820	243
Net cash flow (used in)/from investing activities	(6,98,05,337)	243
C. Cash flow from financing activities :		
Proceed from issue of equity share	40,00,00,000	-
Proceed from premium on issue of equity share	75,00,00,000	-
Share issue expenses	(41,04,000)	(12,589)
Net cash flow from/(used in) financing activities	1,14,58,96,000	(12,589)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,30,50,198	(61,259)
E. Cash and cash equivalents at the beginning of the year	1,71,917	2,33,176
F. Cash and cash equivalents at the end of the year (D+E)	1,32,22,115	1,71,917

Notes :

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 (AS-3) on "Cash flow statements" as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

2. Cash and cash equivalents includes : (refer note 13)

Cash on hand	2,935	1,18,508
Balance with banks	1,32,19,180	53,410
	1,32,22,115	1,71,917

3. Previous year figures have been regrouped and/or reclassified wherever necessary to conform to those of the current year grouping and/or classification.

The accompanying notes are an integral part of financial statements.

This is the cash flow statement referred to in our report of even date

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number : 005975N

Vikas Aggarwal
Partner



For and on behalf of the Board of Directors

Mukesh Kumar Garg
Director
[DIN : 07078830]

Manish Khandelwal
Chief Financial Officer

Vijay Kumar Agrawal
Whole Time Director
[DIN : 08329352]

Chandra Shekher Joshi
Company Secretary

Place : Gurugram
Date : 23 April 2019

INDIABULLS RURAL FINANCE PRIVATE LIMITED

[formerly known as Littleman Fiscal Services Private Limited]

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

1. CORPORATE INFORMATION

Indiabulls Rural Finance Private Limited (formerly known as Littleman Fiscal Services Private Limited) is non-deposit taking, non-banking financial company ("NBFC") registered with Reserve Bank of India (RBI) with effect from 05 February 2004, with Registration No. B-13.01706. The Company is engaged in providing range of financial services including lending and access to credit to eclectic customers with a bias to operate in financial inclusion space.

Indiabulls Rural Finance Private Limited ("the Company") was incorporated as Littleman Fiscal Services Private Limited on 12 October 1993. The name of the company has subsequently changed to Indiabulls Rural Finance Private Limited on 12 April 2019. The company received fresh certificate of incorporation consequent upon the change of name, from the Registrar of Companies, Mumbai, Maharashtra.

The registered office of the company is Indiabulls Finance Centre, Tower-1, 10th Floor, CS 612/613, S.B. Marg, Elphinstone, Mumbai – 400013, India.

SORIL Infra Resources Limited (Holding Company) acquired 100% Shareholding on 25 January 2019 vide RBI approval DNBS.CMD.NO. 829/13.12.037/2018-19 dated 12 December 2018.

The financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on 23 April 2019.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) General information and statement of compliance

The financial statements have been prepared on going concern basis under the historical cost basis, in accordance with the generally accepted accounting principles in India and in compliance with the applicable accounting standards as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). All assets and liabilities have been classified as current or non-current as per the normal operating cycle and other criteria set out in the Companies Act 2013. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

SORIL Infra Resources Limited ("SORIL") has acquired 100% shareholding of the Company on 25 January 2019 vide RBI approval DNBS.CMD.NO. 829/13.12.037/2018-19 dated 12 December 2018. Indian Accounting Standards (Ind AS) were applicable to SORIL w.e.f., 01.04.2017, consequently Ind AS were applicable on all the subsidiaries of the Company from the said date. However, the financial statements of the Company have been prepared as per Accounting Standards ("AS") specified in Annexure to Companies (Accounting Standards) Rules, 2006 keeping in view the clarification given by the Ministry of Corporate Affairs vide its Press Release No. 11/10/2009 CL-V dated 18 January 2016 wherein it has been stated that NBFCs shall not be allowed to voluntarily adopt Ind AS unless they fulfil the criteria prescribed in Para (I) & (II) of the above mentioned Press Release.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, if any, on the date of the financial statements and the reported income and expenses during the year. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

c) Prudential Norms

The Company follows the Reserve Bank of India (RBI) Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended by Reserve Bank of India from time to time for the period (framework), (updated as on 22 February 2019), in respect of income recognition, income from investments, accounting of investments, asset classification, disclosures in the Balance Sheet and provisioning of loans and advances. Accounting Standards (AS) under Section 133 of the Companies Act, 2013 and Guidance notes issued by The Institute of Chartered Accountants of India ("ICAI") are followed in so far as they are not inconsistent with the RBI Directions.

These provisioning norms are considered the minimum and additional provision is made based on perceived credit risk where necessary. All contracts which as per the management are not likely to be recovered are considered as loss assets and written off as bad debts. Recoveries made from written off contracts are included in "other operating income".

Provisions for standard assets are made as per the prudential norms as applicable from time to time. Such provision is disclosed as under the financial statement caption 'provisions'.



INDIABULLS RURAL FINANCE PRIVATE LIMITED

[formerly known as Littleman Fiscal Services Private Limited]

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements.

3.1 Current - non-current classification

All assets and liabilities are classified into current and non-current.

a) Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the normal operating cycle of the company;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting period; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

b) Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the normal operating cycle of the Company;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

c) Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve (12) months for the purpose of classification of assets and liabilities as current and non-current.

3.2 Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be Indian Rupees (₹). The Financial Statements are presented in Indian Rupees, which is the Company's functional and presentation currency. All amounts have been rounded to nearest lakhs upto two decimal places, unless otherwise stated.

3.3 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

a) Interest income

Interest income from financing and other related activities is recognized on an accrual basis. In terms of the RBI Direction 2016, interest income on Non-performing assets ("NPA") is recognised only when it is actually recognised. Additional interest / overdue charges are recognised on realisation basis.

Repayment of loans is as stipulated in the respective loan agreements or by way of Equated Monthly Installments (EMIs) comprising principal and interest. EMIs commence generally once the entire loan is disbursed however on request of customer it commences even before the entire loan is disbursed. In case of pending commencement of EMIs, Pre-EMI interest is payable every month and accounted for on accrual basis.

b) Processing fee

Processing fee in respect of loans given is recognised on log in / disbursement as per the terms of the contract. Income from fee, Income from services is recognised on an accrual basis.

c) Dividend income

Dividend income on units mutual fund is recognized when the right to receive the dividend is unconditional as at the balance sheet date.

d) Gain/loss on sale of Investments

Any gains / losses on sale / redemption of units are recognised on the date of sale / redemption



INDIABULLS RURAL FINANCE PRIVATE LIMITED

[formerly known as Littleman Fiscal Services Private Limited]

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

3.4 Fixed Assets

a) Recognition and measurement

Tangible assets

Tangible assets are stated at cost, net of tax or duty credits availed, less accumulated depreciation or impairment losses; if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

Intangible assets

Intangible assets are stated at cost, net of tax or duty credits availed, wherever applicable, less any accumulated amortisation or impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition.

Capital work in progress

Cost of fixed assets under construction are disclosed under capital work-in-progress. Advances paid towards acquisition or construction of fixed assets or intangible assets is included as capital advances under long term loans and advances.

b) Depreciation and amortisation

Depreciation on fixed assets is provided on the straight-line method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use subject to transitional provisions of Schedule II.

Intangible assets are amortized over the expected useful life from the date the assets are available for use, as mentioned below:

Description of asset: Estimated life

Computer software: 4 years

c) Impairment of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

3.5 Income tax

Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax act, 1961. Income computation and disclosure standards and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which during the specified period gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax

Deferred tax is recognised on all timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws substantively enacted as at the Balance Sheet date, to the extent that the timing differences are expected to crystallise / capable of reversal in one or more subsequent periods.

Deferred Tax Assets are recognised where realisation is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognised only if there is virtual certainty of realisation backed by convincing evidence that there will be sufficient future taxable income available to realise such assets. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the statement of profit and loss.

3.6 Share issue expenses

Share issue expenses, net of tax, are adjusted against the Securities Premium Account, as permissible under Section 52(2) of the Companies Act, 2013, to the extent of balance available and thereafter, the balance portion is charged to the Statement of Profit and Loss, as incurred.



INDIABULLS RURAL FINANCE PRIVATE LIMITED

[formerly known as Littleman Fiscal Services Private Limited]

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

3.7 Investments

Investments are classified as long term and current investments. Long term investments are carried individually at cost less provision, if any, for diminution other than temporary in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Unquoted current investments in units of Mutual Funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme.

3.8 Employee benefits

The Company's contribution to Statutory fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The Company has unfunded defined benefit plans as compensated absences and gratuity for all eligible employees; the liability for which is determined on the basis of an actuarial valuation at the end of the year using the 'Projected Unit Credit Method'. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expenses, as applicable. Actuarial gains and losses comprise experience adjustments and the effects of change in actuarial assumptions and are recognised in the statement of profit and loss as income or expenses as applicable.

3.9 Borrowing costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of the asset in accordance with notified Accounting Standard 16 "Borrowing costs". A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.10 Leases

In case of assets taken on operating lease, the lease rentals are charged to the Statement of Profit and Loss on a straight line basis in accordance with Accounting Standard (AS) 19 – Leases.

3.11 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management. The Management of the Company who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

3.12 Provisions, contingent liabilities and contingent assets

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

Contingent liability is disclosed for:

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

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

3.13 Earnings per equity share

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

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



INDIABULLS RURAL FINANCE PRIVATE LIMITED

[formerly known as Littleman Fiscal Services Private Limited]

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

*All amount in ₹, unless otherwise stated***Note - 4**

Equity Share capital	As at 31 March 2019		As at 31 March 2018	
	Numbers	Amount	Numbers	Amount
(a) Authorized share capital				
Equity shares of face value ₹ 10 each	45000000	45,00,00,000	1800000	1,80,00,000
	<u>4,50,00,000</u>	<u>45,00,00,000</u>	<u>18,00,000</u>	<u>1,80,00,000</u>
(b) Issued, subscribed and fully paid up shares				
Equity shares of face value ₹ 10 each fully paid up	41797400	41,79,74,000	1797400	1,79,74,000
	<u>41797400</u>	<u>41,79,74,000</u>	<u>1797400</u>	<u>1,79,74,000</u>

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

The holders of equity shares shall be entitled to receive dividends on declaration, and are entitled to one vote per share at meetings of the Company. In the event of liquidation of the Company, the remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date. All shares rank equally with regard to the Company's residual assets.

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Numbers	Amount	Numbers	Amount
Equity Share at the beginning of year	1797400	1,79,74,000	1797400	1,79,74,000
Add : Equity shares of ₹ 10 each Issued during the period	40000000	40,00,00,000	-	-
Equity share at the end of year	<u>41797400</u>	<u>41,79,74,000</u>	<u>1797400</u>	<u>1,79,74,000</u>

(e) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2019		As at 31 March 2018	
	Numbers	%age	Numbers	%age
SORIL Infra Resources Limited	41797400	100.00%	-	-
Rakesh Agrawal	-	-	190800	10.62%
Purushottam Agrawal	-	-	188000	10.46%
Bimla D. Agrawal	-	-	159000	8.85%
Abhishek Agrawal	-	-	135980	7.57%
Vivek Agrawal	-	-	130120	7.24%
Raj Kumar Agrawal	-	-	123800	6.89%
Varsha Agrawal	-	-	111000	6.18%
Saket Omprakash Agrawal	-	-	108520	6.04%
Sulochana Agrawal	-	-	100100	5.57%
Narottam Lal Saini	-	-	94800	5.27%
Madhu Agrawal	-	-	96400	5.36%

(f) Company does not have any shares issued for consideration other than cash during the immediately preceding five years. Company did not buy back any shares during immediately preceding five years.

(This space has been intentionally left blank)



INDIABULLS RURAL FINANCE PRIVATE LIMITED

[formerly known as Littleman Fiscal Services Private Limited]

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

All amount in ₹, unless otherwise stated

Note - 5**Reserves and surplus****(a) Special Reserve Fund u/s. 45IC of RBI Act, 1934**

Balance at the beginning of the year

Add: transferred from surplus in Statement of profit and loss

	As at 31 March 2019	As at 31 March 2018
	1,96,172	1,89,202
	-	6,970
	1,96,172	1,96,172
	24,19,494	24,32,083
	75,00,00,000	-
	(41,04,000)	(12,589)
	74,83,15,494	24,19,494
	7,72,608	7,44,726
	(48,632)	34,851
	7,23,976	7,79,578
	-	6,970
	7,23,976	7,72,608
	74,92,35,642	33,88,274

(b) Securities Premium

Balance at the beginning of the year

Add: Premium on issue of equity shares of value ₹ 30 each

Less: Expenses on issue of equity shares

(c) Surplus in statement of profit and loss :

Balance at the beginning of the year

Add: (loss) / Profit after tax for the year

Less: Appropriations :

Add: Special Reserve Fund u/s. 45IC of RBI Act, 1934

Nature and purpose of other reserves**Special Reserve u/s 45IC**

Special reserve as per section 45IC of Reserve Bank of India Act, 1934, every non-banking financial company shall create a reserve fund, the transfer therein a sum not less than 20% of its net profit every year as disclosed in the profit & loss account before any dividend is declared, as the company during the Financial year 2018-19 has loss, so there is no transfer during the year.

Security Premium

i) During the year the Company have issued 25,000,000 equity share at premium of ₹ 30 each.

ii) Share issue expenses has been adjusted with securities premium in accordance with the provisions of section 52 of the Companies Act, 2013.

(This space has been intentionally left blank)



INDIABULLS RURAL FINANCE PRIVATE LIMITED

[formerly known as Littleman Fiscal Services Private Limited]

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

All amount in ₹, unless otherwise stated

Note - 6
A. Long-term provisions

	As at 31 March 2019	As at 31 March 2018
Provision for compensated absences (refer note-24)	72,844	-
Provision for gratuity (refer note-24)	11,061	-
Contingent provision against standard assets	35,32,243	52,470
	36,16,148	52,470

B. Short-term provisions

Provision for compensated absences (refer note-24)	4,676	-
Provision for gratuity (refer note-24)	17	-
Provision for income tax, (net of tax deducted at sources)	7,56,248	-
	7,60,941	-

Note - 7
Trade payable

(i) total outstanding dues of micro enterprises and small enterprises, and	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7,42,262	-
	7,42,262	-

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

Particulars	As at 31 March 2019	As at 31 March 2018
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
(ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

The above information regarding micro enterprises and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note - 8
Other current liabilities

Statutory dues payable	18,25,188	-
Good and service tax payable	-	400
Professional tax payable	2,76,499	-
Tax deducted at sources	97,874	-
Other receipts	31,72,64,720	-
Temporary overdrawn balance as per books	72,71,989	17,083
Other payable	5,77,049	-
Salary payable	28,520	-
Other payable to related party		
	32,73,41,838	17,483



INDIABULLS RURAL FINANCE PRIVATE LIMITED

[formerly known as Littleman Fiscal Services Private Limited]

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

All amount in ₹, unless otherwise stated

Note - 9

A. Non-current investments

Particulars	As at 31 March 2019		As at 31 March 2018	
	Numbers	Amount	Numbers	Amount
Investments in equity instruments				
Quoted				
Amit International Limited	-	-	800	10,159
Balaji Telefilms Limited	-	-	1	45
BPL Limited	-	-	1	52
DLF Limited	-	-	50	25,918
Hindalco Industries Limited	-	-	1	214
Khyati Multimedia Limited	-	-	10	79
Landmarc Leisure Corporation Limited	-	-	500	1,310
Mahanagar Telephone Nigam Limited	-	-	1	133
Merck Limited	-	-	5	1,472
Mukta Arts Limited	-	-	5	827
Padmini Technologies Limited	-	-	1	25
Pentamedia Graphics Limited	-	-	1	74
Reliance Communications Limited	-	-	1	197
Reliance Industries Limited	-	-	2	265
Sandu Pharmaceuticals Limited	-	-	1	10
Sri Adhikari Brothers Television Network Ltd	-	-	5	368
Tata Teleservices (Mah.) Limited	-	-	1	9
Tips Industries Limited	-	-	5	401
Top Telemedia Limited	-	-	20	246
OPTO Circuits (INDIA) Limited	-	-	400	10,371
		-		52,173
Aggregate amount of quoted investment and market value		-		25,988

B. Current investments

Particulars	As at 31 March 2019		As at 31 March 2018	
	Numbers	Amount	Numbers	Amount
Investments in Mutual funds				
Quoted				
Indiabulls liquid fund - direct plan - growth	12885.81	2,35,00,000	-	-
Reliance liquid fund - direct plan - growth	5156.75	2,35,00,000	-	-
SBI liquid fund - direct plan - growth	8034.48	2,35,00,000	-	-
		7,05,00,000		-

Aggregate amount of quoted investment and market value

7,05,75,502

Aggregate provision for diminution in value of investment

*All Investment made in India and unquoted current investments in units of Mutual Funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme as per master direction of RBI.

(This space has been intentionally left blank)



INDIABULLS RURAL FINANCE PRIVATE LIMITED

[formerly known as Littleman Fiscal Services Private Limited]

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

All amount in ₹, unless otherwise stated

Note - 10
Deferred tax assets (net)

Deferred tax Assets (net)

As at 31 March 2019	As at 31 March 2018
9,41,288	13,512
9,41,288	13,512

Note - 11
A. Long-term loans and advances

(Secured, considered good)

Loans and advances#

1,39,21,33,166 -

(Unsecured, considered good)

Security deposits on rent

4,60,000 -

Loans and advances#

- 1,94,65,000

TDS deducted at source

62,088 62,876

1,39,26,55,254 1,95,27,876

B. Short-term loans & advances

(Secured, considered good)

Loans and advances#

2,07,63,836 -

(Unsecured, considered good)

Interest accrued on loan

13,01,881 15,23,109

Good and service tax receivable

86,457 2,340

2,21,52,174 15,25,449

Secured loans and other credit facilities given to customers amounting to ₹1,41,28,97,002 are secured/partly secured by :

- Equitable mortgage of property and / or
- Pledge of shares / debentures, units, other securities, assignment of life insurance policies and / or
- Hypothecation of assets and / or
- Company guarantees and / or
- Personal guarantee and / or
- Negative lien and / or undertaking to create a security.

Note - 12
Trade receivables

Outstanding for a period exceeding six months from its due date

Unsecured, considered good

-	1,41,300
-	1,41,300

Note - 13
Cash and cash equivalents

Cash on hand

2,935 1,18,508

Balances with banks (in current accounts)

1,32,19,180 53,410

1,32,22,115 1,71,917

Note - 14
Other current assets

Advance to vendor

2,00,000 -

2,00,000 -



INDIABULLS RURAL FINANCE PRIVATE LIMITED

[formerly known as Littleman Fiscal Services Private Limited]

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

All amount in ₹, unless otherwise stated

Note - 15
Revenue from operations

	Year ended 31 March 2019	Year ended 31 March 2018
Interest on loan	26,18,835	16,47,509
Other financial services		
Loan processing fee	1,03,71,079	-
	1,29,89,914	16,47,509

Note - 16
Other Income

Dividend income on mutual fund	4,93,820	243
Gain on sale of units of mutual fund	1,65,750	-
Financial and management consultancy fee	-	65,000
Interest on income tax refund	3,144	-
Contingent provisions against standard assets written back	-	38
	6,62,714	65,281

Note - 17
Employee benefits expense

Salaries and wages	16,16,829	14,05,000
Employee incentives	33,51,820	-
Staff welfare expenses	1,05,170	62,758
Gratuity and compensated absences	88,598	-
	51,62,417	14,67,758

Note - 18
Finance cost

Other interest expenses	36,354	-
	36,354	-

Note - 19
Other expenses

Legal and professional charges	33,76,702	-
Contingent provisions against standard assets	34,79,773	-
Incentives	13,96,254	-
Office expenses	52,355	48,000
Rates and taxes	1,76,696	2,500
Loss on sale of investment	17,080	-
Travelling and conveyance expenses	39,955	64,916
Auditor's remuneration (refer note (i) below)	1,00,000	10,000
Communication expenses	5,070	13,080
Electricity expenses	610	550
Miscellaneous expenses	65,877	56,036
	87,10,371	1,95,082

(i) Detail of 'Auditor's remuneration
Auditor's remuneration

Audit fee	1,00,000	8,000
Other services	-	2,000
Reimbursement of expenses	-	-
	1,00,000	10,000



INDIABULLS RURAL FINANCE PRIVATE LIMITED

[formerly known as Littleman Fiscal Services Private Limited]

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019*All amount in ₹, unless otherwise stated***Note - 20****Income tax****Current tax**

The current tax for the year ended 31 March 2019 includes current year tax charge of ₹ 719,894 (Previous year : charge of ₹ 12,927).

Deferred tax

In compliance with Accounting Standard 22 (AS 22) – 'Accounting for taxes on income', as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the company has recognized deferred tax credit of ₹ 927,776 (previous year : deferred tax debit of ₹ 2,172) in the statement of profit & loss during the year ended 31 March 2019.

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax asset arising on account of :		
Provision for employee benefits	23,035	-
Provisions against standard assets	9,18,253	13,512
Deferred tax assets (net)	9,41,288	13,512

Note - 21**Earnings per equity share (EPS) as per Accounting Standard (AS) - 20 "Earnings per share".**

The basic earnings per equity share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. 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. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(Loss)/profit after tax	(48,632)	34,851
Weighted average number of shares used in computing basic earnings per equity share	3605619	1797400
Face value per equity share (₹)	10.00	10.00
Basic earnings per equity share (₹)	(0.01)	1.94
Diluted earnings per equity share (₹)	(0.01)	1.94

Note - 22**Disclosures in respect of Related Parties as per Accounting Standard (AS) – 18 "Related Party Disclosures".****Name and Nature of Relationship with related parties****Relationship****Name of related parties**

(i) Related party exercising control :

Holding Company

SORIL Infra Resources Limited (From 25 January 2019)
(formerly known as Store One Infra Resources Limited)

(ii) Key Management Personnel

Mr.Vijay Kumar Agrawal, Whole Time Director (from 01 February 2019)

* With whom transactions entered during the year (significant transaction)

Summary of significant transactions with related parties:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Transaction with related parties:		
Holding company		
Reimbursement of expenses, net	28,520	-
Issue of equity share capital (including premium)	1,16,79,74,000	-

Outstanding balances :

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Holding Company		
Other financial liabilities	28,520	-

Note - 23**Segment Reporting**

The Company's primary business segment is reflected based on principal business activities carried on by the Company i.e. loan against property in India which as per "Accounting Standard 17 on 'Segment Reporting' is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment.



INDIABULLS RURAL FINANCE PRIVATE LIMITED

[formerly known as Littleman Fiscal Services Private Limited]

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019*All amount in ₹, unless otherwise stated***Note - 24****Employee benefits****Gratuity**

In accordance with "The Payment of Gratuity Act, 1972", the Company provides for gratuity a defined benefit retirement plan (the "Gratuity Plan") covering certain categories of employees. The Gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment. The amount of payment is based on the respective employee's last drawn salary and the years of employment with the Company. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation and this plan is unfunded.

Compensated Absences

Eligible employees are entitled to accumulate compensated absences up to prescribed limits in accordance with the Company's policy and receive cash in lieu thereof. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Such measurement is based on actuarial valuation as at balance sheet date carried out by a qualified actuary.

Disclosure in respect of gratuity and compensated absences**A. Reconciliation of liability recognized in the Balance sheet as per actuarial valuation**

Particulars	Gratuity		Compensated absences	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Present value of commitments	11,078	-	77,520	-
Fair value of plan assets	-	-	-	-
Net liability in the Balance sheet	11,078	-	77,520	-

B. Expenses recognized in the statement of profit and loss

Particulars	Gratuity		Compensated absences	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Current service cost	11,078	-	77,520	-
Interest cost	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial (gain) / losses	-	-	-	-
Cost recognized during the year	11,078	-	77,520	-

C. Reconciliation of present value of defined benefit obligation

Particulars	Gratuity		Compensated absences	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Present value of Obligation at the beginning of the year	11,078	-	77,520	-
Cost recognized during the year	-	-	-	-
Benefits paid during the year	-	-	-	-
Present value of Obligation at the end of the year	11,078	-	77,520	-

D. The assumption used to determine cost

Particulars	Gratuity		Compensated absences	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Discount rate	7.71%	-	7.71%	-
Salary escalation rate	5.50%	-	5.50%	-
Mortality table	100 % of IALM (2006 - 08)	-	100 % of IALM (2006 - 08)	-

(This space has been intentionally left blank)



INDIABULLS RURAL FINANCE PRIVATE LIMITED

[formerly known as Littleman Fiscal Services Private Limited]

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

*All amount in ₹, unless otherwise stated***Note - 25****Regulatory Capital**

Particulars	31 March 2019	31 March 2018
Tier 1 - Capital	1,16,70,13,470	2,11,66,102
Tier 2 - Capital	1,96,172	1,96,172
	1,16,72,09,642	2,13,62,274
Risk weightage assets	1,48,56,40,171	2,11,95,094
Tier 1 capital adequacy ratio (%)	78.55%	99.86%
Tier 2 capital adequacy ratio (%)	0.01%	0.93%

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings, including current year Loss. The other component of regulatory capital is other Tier 2 Capital Instruments, which includes reserve fund u/s 45 IC of RBI Act.

(This space has been intentionally left blank)



INDIABULLS RURAL FINANCE PRIVATE LIMITED

[formerly known as Littleman Fiscal Services Private Limited]

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

All amount in ₹, unless otherwise stated

Note - 26

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side :				
1. Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:				
(a) Debentures :				
Secured	NIL	NIL	NIL	NIL
Unsecured (other than falling within the meaning of public deposits)	NIL	NIL	NIL	NIL
(b) Deferred credits	NIL	NIL	NIL	NIL
(c) Term loans	NIL	NIL	NIL	NIL
(d) Inter-corporate loans and borrowing	NIL	NIL	NIL	NIL
(e) Commercial paper	NIL	NIL	NIL	NIL
(f) Public deposits	NIL	NIL	NIL	NIL
(f) Other loans	NIL	NIL	NIL	NIL

Particulars	As at 31 March 2019	As at 31 March 2018
	Amount outstanding	Amount outstanding
Assets side :		
2. Break-up of loans and advances including bills receivables [other than those included in (3) below] :		
(a) Secured	1,41,41,98,883	NIL
(b) Unsecured	NIL	2,09,88,109

3. Break up of leased assets and stock on hire and other assets counting towards AFC activities :		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	NIL	NIL
(b) Operating lease	NIL	NIL
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire	NIL	NIL
(b) Repossessed assets	NIL	NIL
(iii) Other loans counting towards AFC activities:		
(a) Loans where assets have been repossessed	NIL	NIL
(b) Loans other than (a) above	NIL	NIL

4. Break -up of Investments :		
Current Investments :		
1. Quoted :		
(i) Shares :		
(a) Equity	NIL	NIL
(b) Preference	NIL	NIL
(ii) Debentures and Bonds	NIL	NIL
(iii) Units of Mutual Funds	NIL	NIL
(iv) Government Securities	NIL	NIL
(v) Others	NIL	NIL
2. Unquoted :		
(i) Shares :		
(a) Equity	NIL	NIL
(b) Preference	NIL	NIL
(ii) Debentures and Bonds	NIL	NIL
(iii) Units of Mutual Funds	7,05,00,000	NIL
(iv) Government Securities	NIL	NIL
(v) Others	NIL	NIL



INDIABULLS RURAL FINANCE PRIVATE LIMITED

[formerly known as Littleman Fiscal Services Private Limited]

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

All amount in ₹, unless otherwise stated

Non current Investment :		
1. Quoted :		
(i) Shares :		
(a) Equity	NIL	52,173
(b) Preference	NIL	NIL
(ii) Debentures and Bonds	NIL	NIL
(iii) Units of Mutual Funds	NIL	NIL
(iv) Government Securities	NIL	NIL
(v) Others	NIL	NIL
2. Unquoted :		
(i) Shares :		
(a) Equity		
(b) Preference	NIL	NIL
(ii) Debentures and Bonds	NIL	NIL
(iii) Units of Mutual Funds	NIL	NIL
(iv) Government Securities	NIL	NIL
(v) Others	NIL	NIL

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

Category	As at 31 March 2019			As at 31 March 2018		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties:						
(a) Subsidiaries	NIL	NIL	NIL	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL	NIL	NIL	NIL
2. Other than related parties	1,41,41,98,883	NIL	1,41,41,98,883	NIL	2,09,88,109	2,09,88,109
Total	1,41,41,98,883	NIL	1,41,41,98,883	NIL	2,09,88,109	2,09,88,109

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

Category	As at 31 March 2019		As at 31 March 2018	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties:				
(a) Subsidiaries	NIL	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL	NIL
2. Other than related parties	7,05,75,502	7,05,00,000	25,988	52,173
Total	7,05,75,502	7,05,00,000	25,988	52,173

7. Other Information

Particulars	As at 31 March 2019 Amount outstanding	As at 31 March 2018 Amount outstanding
(i) Gross Non-performing assets		
(a) Related parties	NIL	NIL
(b) Other than related parties	NIL	NIL
(ii) Net Non-performing Assets		
(a) Related parties	NIL	NIL
(b) Other than related parties	NIL	NIL
(iii) Assets acquired in satisfaction of debts	NIL	NIL



INDIABULLS RURAL FINANCE PRIVATE LIMITED

[formerly known as Littleman Fiscal Services Private Limited]

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

All amount in ₹, unless otherwise stated

Note - 27

Other Information

- a) There are no dues payable under section 125 of Companies Act, 2013, as at 31 March 2019 and 31 March 2018.
- b) There is no contingent liabilities and capital commitments as at 31 March 2019 and 31 March 2018.
- c) The Company has not entered into any derivative instruments during the year. There are no outstanding derivatives contracts as at 31 March 2019 and 31 March 2018.
- d) In the opinion of the Board of Directors, all current assets and long term loans and advances, appearing in the balance sheet as at 31 March 2019, have a value on realization, in the ordinary course of the Company's business, at least equal to the amount at which they are stated in the financial statements. In the opinion of the board of directors, no provision is required to be made against the recoverability of these balances.
- e) The Company has regrouped / reclassified the previous year's figures wherever necessary to correspond with the current year's classification/disclosure.

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number : 005975N

Vikas Aggarwal
Partner



For and on behalf of the Board of Directors

Mukesh Kumar Garg
Director
[DIN : 07078830]

Manish Khandelwal
Chief Financial Officer

Vijay Kumar Agrawal
Whole Time Director
[DIN : 08329352]

Chandra Shekher Joshi
Company Secretary

Place : Gurugram
Date : 23 April 2019