

INDEPENDENT AUDITOR'S REPORT

To the Members of
Indiabulls Life Insurance Company Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Indiabulls Life Insurance Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including 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, the profit and other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

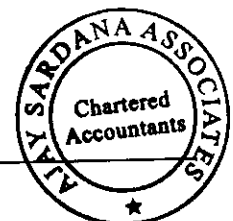
We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ("SAs"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of 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.

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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 scepticism 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 Changes in Equity and the Statement of Cash Flows 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) In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provided any remuneration to its directors during the year ended March 31, 2021;
- (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 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.
 - 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



A handwritten signature in black ink, appearing to be "Rahul Mukhi".

Rahul Mukhi
Partner
Membership No.099719
New Delhi, May 7, 2021
UDIN: 21099719AAAACJ3564

Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Indiabulls Life Insurance Company 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 the Company's fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, fixed assets were physically verified by the management during the year. According to the information and explanations 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) In our opinion and according to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans and investments, to the extent applicable to it. The Company has not entered into any transactions in respect of security and guarantees 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 from the public during the year within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. 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 though there has been a slight delay in the deposit of income 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, bank or 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 not paid or provided any 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 29 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) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) As detailed in Note 1 to the financial statements, 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



A handwritten signature in black ink, appearing to read 'Rahul Mukhi'.

Rahul Mukhi
Partner
Membership No.099719
New Delhi, May 7, 2021
UDIN: 21099719AAAACJ3564

Annexure B to the Independent Auditor's Report of even date on the Financial Statements of Indiabulls Life Insurance Company 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 Indiabulls Life Insurance Company 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

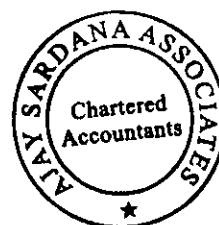
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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, as 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, May 7, 2021
UDIN: 21099719AAAACJ3564

INDIABULLS LIFE INSURANCE COMPANY LIMITED

All amount in ₹ thousands, unless otherwise stated

Balance Sheet as at	Note	31 March 2021	31 March 2020
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	6	305.82	533.72
(b) Financial assets			
Loans	7	-	158.00
(c) Deferred tax assets, net	8	5,511.17	-
		<u>5,816.99</u>	<u>691.72</u>
Current assets			
(a) Financial assets			
Investments	9	871,204.64	2,393,904.81
Cash and cash equivalents	10	5,850.88	1,989.55
Loans	11	2,844,710.00	1,109,757.58
Other financial assets	12	10,788.92	21,056.03
(b) Other current assets	13	18,754.57	18,684.21
		<u>3,751,309.01</u>	<u>3,545,392.18</u>
Total of Assets		<u>3,757,126.00</u>	<u>3,546,083.90</u>
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	1,500,000.00	1,500,000.00
(b) Other equity	15	2,179,754.94	1,970,328.00
		<u>3,679,754.94</u>	<u>3,470,328.00</u>
Liabilities			
Non current liabilities			
(a) Provisions	16	-	864.68
(b) Deferred tax liabilities, net	8	-	28,431.71
		<u>-</u>	<u>29,296.39</u>
Current liabilities			
(a) Financial liabilities			
Other financial liabilities	17	103.89	2,048.86
(b) Provisions	16	-	98.94
(c) Other current liabilities	18	6.17	1,429.95
(d) Current tax liabilities, net	19	77,261.00	42,881.76
		<u>77,371.06</u>	<u>46,459.51</u>
Total of Equity and Liabilities		<u>3,757,126.00</u>	<u>3,546,083.90</u>

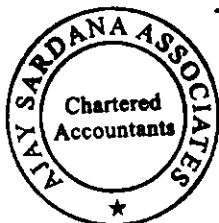
Summary of significant accounting policies 5
The accompanying notes form an integral part of the financial statements.

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

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

Rahul Mukhi
Partner
Membership No. 099719

Place: New Delhi
Date: 07 May 2021



For and on behalf of the Board of Directors

Ashwin Mallick
Director
DIN: 08030601

Yogesh Rawat
Company Secretary
Place: Gurugram
Date: 07 May 2021

Ajit Kumar Mittal
Director
DIN: 02698115

Saurabh Garg
Chief Financial Officer

INDIABULLS LIFE INSURANCE COMPANY LIMITED

All amount in ₹ thousands, unless otherwise stated

Statement of Profit and Loss for the	Note	Year ended	
		31 March 2021	31 March 2020
Revenue			
Other income	20	342,442.10	450,194.83
Total Revenue		342,442.10	450,194.83
Expenses			
Employee benefits expenses	21	6,225.42	37,253.69
Finance costs	22	2,979.61	3,155.27
Depreciation	6	227.90	151.25
Other expenses	23	73,061.44	1,453.60
Total Expenses		82,494.37	42,013.81
Profit before tax		259,947.73	408,181.02
Tax expense	24		
Current tax (including earlier years)		84,463.65	79,909.56
Less: minimum alternative tax credit entitlement		-	-
Deferred tax (credit)/charge		(33,942.87)	35,586.61
Profit for the year from continuing operations (after tax)		209,426.94	292,684.85
Other comprehensive income			
Total comprehensive income for the year		209,426.94	292,684.85
Earnings per equity share	25		
Basic (₹)		1.40	1.95
Diluted (₹)		1.40	1.95

Summary of significant accounting policies

5

The accompanying notes form an integral part of the financial statements.

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

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

Rahul Mukhi
Partner
Membership No. 099719



Place: New Delhi
Date: 07 May 2021

For and on behalf of the Board of Directors

Ashwin Mallick

Ashwin Mallick
Director
DIN: 08030601

Yogesh Rawat

Yogesh Rawat
Company Secretary
Place: New Delhi
Date: 07 May 2021

Ajit Kumar Mittal

Ajit Kumar Mittal
Director
DIN: 02698115

Saurabh Garg

Saurabh Garg
Chief Financial Officer

INDIABULLS LIFE INSURANCE COMPANY LIMITED

All amount in ₹ thousands, unless otherwise stated

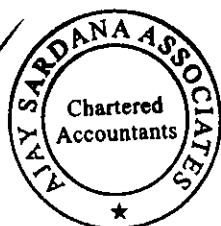
Statement of Cash Flows for the	Year ended	
	31 March 2021	31 March 2020
A. Cash flow from operating activities:		
Profit before tax for the year	259,947.73	408,181.02
Adjustments to reconcile net profit to net cash provided by/(used in) operating activities:		
Interest income	(339,877.68)	(314,089.07)
Gain on sale of financial instruments, net	(457.47)	(22,293.74)
Gain on fair valuation of financial instruments, net	-	(113,812.02)
Excess Provision written back	(2,054.95)	-
Profit on sale of fixed assets	(52.00)	-
Loss on sale of investments	47,789.10	18.00
Loss on fair valuation of financial instruments	21,948.73	-
Depreciation expense	227.90	151.25
Provision for employee benefits	-	963.62
Operating loss before working capital changes	(12,528.64)	(40,880.94)
Working capital changes and other adjustments:		
Decrease/(Increase) in other financial assets	158.00	(8.00)
Increase in other current assets	(70.36)	(17,526.93)
(Decrease)/Increase in other financial liabilities	(853.64)	2,016.68
(Decrease)/Increase in other current liabilities	(1,423.78)	1,326.46
Cash used in operating activities	(14,718.42)	(55,072.73)
Income tax paid, net	(50,084.43)	(56,454.47)
Net cash used in operating activities	(64,802.85)	(111,527.20)
B. Cash flow from investing activities:		
Sale/(Purchase) of property, plant and equipment	52.00	(652.07)
Redemption of/(Investments in) non convertible debentures/bonds, net	1,452,962.34	(300,310.79)
Redemption/(investment) in mutual funds, net	457.47	1,226,501.56
Inter-corporate deposits given	(1,806,810.00)	(1,037,900.00)
Interest received	422,002.37	221,175.46
Net cash generated from / (used in) investing activities	68,664.18	108,814.16
C. Cash flow from financing activities:		
Proceeds from issue of equity share capital, (including securities premium, net of share issue expenses)	-	-
Net cash generated from financing activities	-	-
D. Net increase /(decrease) in cash and cash equivalents (A+B+C)	3,861.33	(2,713.04)
E. Cash and cash equivalents at the beginning of the year	1,989.55	4,702.59
F. Cash and cash equivalents at the end of the year (D+E) (Refer Note 10)	5,850.88	1,989.55

The accompanying notes form an integral part of the 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

Rahul Mukhi
Partner
Membership No. 099719



Place: New Delhi
Date: 07 May 2021

For and on behalf of the Board of Directors

Ashwin Mallick
Director
DIN: 08030601

Yogesh Rawat
Company Secretary
Place: New Delhi
Date: 07 May 2021

Ajit Kumar Mittal
Director
DIN: 02698115

Saurabh Garg
Chief Financial Officer

INDIABULLS LIFE INSURANCE COMPANY LIMITED
Statement of Changes in Equity for the year ended 31 March 2021

All amount in ₹ thousands, unless otherwise stated

A Equity share capital*

Particulars	Opening balance as at 01 April 2019	Issue of equity share capital during the year	Balance as at 31 March 2020	Issue of equity share capital during the year	Balance as at 31 March 2021
Equity share capital	1,500,000.00	-	1,500,000.00	-	1,500,000.00

B Other equity**

Description	Reserves and Surplus		Other comprehensive income	Total
	Retained earnings	Securities premium		
Balance as at 01 April 2019	82,143.15	1,595,500.00	-	1,677,643.15
Profit for the year	292,684.85	-	-	292,684.85
Issue of equity shares***	-	-	-	-
Balance as at 31 March 2020	374,828.00	1,595,500.00	-	1,970,328.00
Profit for the year	209,426.94	-	-	209,426.94
Balance as at 31 March 2021	584,254.94	1,595,500.00	-	2,179,754.94

* refer Note - 14

** refer Note - 15

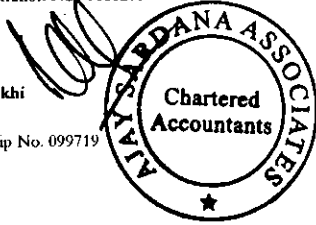
*** net of share issue expenses of ₹4,500.00 thousands, deducted from securities premium.

The accompanying notes form an integral part of the 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

Rahul Mukhi
Partner
Membership No. 099719



Place: New Delhi
Date: 07 May 2021

For and on behalf of the board of directors

Ashwin Mallick

Ashwin Mallick
Director
DIN: 08030601

Yogesh Rawat

Yogesh Rawat
Company Secretary
Place: New Delhi
Date: 07 May 2021

Ajit Kumar Mittal

Ajit Kumar Mittal
Director
DIN: 02698115

Saurabh Garg

Saurabh Garg
Chief Financial Officer

INDIABULLS LIFE INSURANCE COMPANY LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

1. Nature of principal activities

Indiabulls Life Insurance Company Limited ("the Company") was incorporated on 03 December 2007 with the main objects of carrying on the business of life insurance as permitted under the Insurance Act, 1938 and by The Insurance Regulatory and Development Authority of India (IRDAI). Pending receipt of all applicable statutory and regulatory approvals, the Company is yet to commence its life insurance business. Accordingly, the financial statements have not been prepared in accordance with the statutory requirements prescribed under The Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002. The Company is domiciled in India and its registered office is situated at M-62 and 63, First Floor, Connaught Place, New Delhi – 110001.

As mentioned aforesaid, the Company's application for registration as a life insurance company is pending for approval with the IRDAI. Pending receipt of such approvals from IRDAI, the Company has temporarily deployed available funds in financial instruments such as mutual funds, bonds and non-convertible debentures, pursuant to its Board of Directors approved policy. During the year ended March 31, 2020, temporary deployment of funds in financial assets as at March 31, 2020 were more than 50 % of its total assets as at March 31, 2020 and its income derived from these financial assets was more than 50% of the gross income for the year ended March 31, 2020. In the opinion of the management of the Company, since the deployment of funds in financial assets and the income earned thereon is temporary in nature pending receipt of required approvals from IRDAI in respect of its registration as a life insurance company, accordingly, the Company is not required to seek registration with the Reserve Bank of India, in terms of section 45-IA and other applicable provisions of the Reserve Bank of India Act, 1934, as a non-banking financial company.

2. General information and statement of compliance with Ind AS

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented. The financial statements of the Company were approved for issue by the Board of Directors on 07 May 2021.

3. Basis of preparation

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorized into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable. The statement of cash flows has been prepared under indirect method.

4. Recent accounting pronouncements

MCA vide notification dated 24 March 2021, makes certain amendments related to disclosure requirements in Schedule III of the Companies Act, 2013 which will be effective for financial year starting 01 April 2021.

5. 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, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

a) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Companies Act 2013. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

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INDIABULLS LIFE INSURANCE COMPANY LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

5. Summary of significant accounting policies (continued):

b) Property, plant and equipment (PPE)

Recognition and initial measurement

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

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013.

Assets class	Useful life
Computers	3 years
Office equipment	5 years

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

De-recognition

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

c) Intangible assets

Recognition and initial measurement

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

Subsequent measurement (amortization)

The cost of capitalized software is amortized over a period in the four years from the date of its acquisition.

d) Revenue recognition

Revenue is recognised when control is transferred and is accounted net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of the revenue transaction as set out below.

Interest income

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

Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

Income from sale of Investment

Profit on sale of investment is recognised on the date of its sale and is computed as excess of sale proceeds over its carrying amount as at the date of sale.



INDIABULLS LIFE INSURANCE COMPANY LIMITED

Summary of significant accounting policies and other explanatory information for the year ended
31 March 2021

5. Summary of significant accounting policies (continued):

e) Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

f) Impairment of non-financial 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 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.

g) Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

- i. **Debt instruments at amortised cost** – A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- ii. **Equity investments** – All equity investments in scope of ‘Ind AS 109 Financial Instruments’ (‘Ind AS 109’) are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).
- iii. **Mutual funds** – All mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.



INDIABULLS LIFE INSURANCE COMPANY LIMITED

Summary of significant accounting policies and other explanatory information for the year ended
31 March 2021

5. Summary of significant accounting policies (continued):

(g) Financial instruments (continued)

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted.

Subsequent measurement – Amortised cost

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

h) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

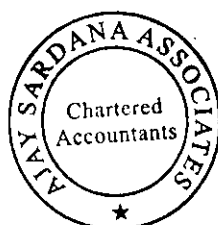
Trade receivables

The Company applies approach permitted by Ind AS 109, which requires lifetime expected credit losses to be recognised for trade receivables.

Other financial assets

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

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INDIABULLS LIFE INSURANCE COMPANY LIMITED

Summary of significant accounting policies and other explanatory information for the year ended
31 March 2021

5. Summary of significant accounting policies (continued):

i) Income taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity. Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Minimum alternative tax ("MAT") credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

j) Cash & cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

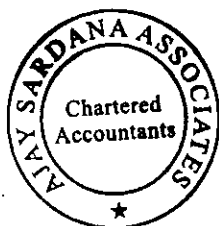
k) Provisions, contingent liabilities and contingent assets

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.



INDIABULLS LIFE INSURANCE COMPANY LIMITED

Summary of significant accounting policies and other explanatory information for the year ended
31 March 2021

5. Summary of significant accounting policies (continued):

l) 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.

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

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

Significant management judgements

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

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

Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

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

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

Significant estimates

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

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

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on its business operations and financial position, based on its review of current indicators of future economic conditions. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.



INDIABULLS LIFE INSURANCE COMPANY LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

All amount in ₹ thousands, unless otherwise stated

6 Property, plant and equipment

	Computers	Office equipments	Total
Gross carrying amount			
Balance as at 01 April 2019	41.50	-	41.50
Additions	626.22	25.85	652.07
Disposals/assets written off	-	-	-
Balance as at 31 March 2020	667.72	25.85	693.57
Additions	-	-	-
Disposals/assets written off	-	-	-
Balance as at 31 March 2021	667.72	25.85	693.57
Accumulated depreciation			
Balance as at 01 April 2019	8.60	-	8.60
Charge for the year	148.69	2.56	151.25
Adjustments for disposals	-	-	-
Balance as at 31 March 2020	157.29	2.56	159.85
Charge for the year	222.73	5.17	227.90
Adjustments for disposals	-	-	-
Balance as at 31 March 2021	380.02	7.73	387.75
Net carrying value as at 31 March 2020	510.43	23.29	533.72
Net carrying value as at 31 March 2021	287.70	18.12	305.82

- (i) There is no restriction on title of the property, plant and equipment. None of the property, plant and equipment has been pledged as security.
- (ii) There are no contractual commitments for the acquisition of property, plant and equipment.



INDIABULLS LIFE INSURANCE COMPANY LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

All amount in ₹ thousands, unless otherwise stated

	31 March 2021	31 March 2020
Note - 7		
Loans - non current		
(at amortised cost)		
Security deposits		158.00
Considered good - Unsecured	-	158.00
	-	-
Note - 8		
Deferred tax assets/(liabilities), net		
Deferred tax assets arising on account of :		
Provision for employee benefits	-	242.52
Fair valuation of financial instruments	5,524.06	-
	5,524.06	242.52
Deferred tax liabilities arising on account of :		
Property, plant and equipment	12.89	30.02
Fair valuation of financial instruments	-	28,644.21
	12.89	28,674.23
	5,511.17	(28,431.71)

Caption wise movement in deferred tax assets/(liabilities) as follows:

Particulars	01 April 2019	Recognised in other comprehensive income	Recognised in profit and loss	31 March 2020
Deferred tax asset/liabilities arising on:				
Property, plant and equipment	(2.21)	-	27.81	(30.02)
Fair valuation of financial instruments	(1,812.57)	-	26,831.63	(28,644.21)
Provision for employee benefits	-	-	(242.52)	242.52
Minimum alternative tax credit entitlement	8,969.69	-	8,969.69	-
Total	7,154.91	-	35,586.61	(28,431.71)

Caption wise movement in deferred tax assets as follows:

Particulars	31 March 2020	Recognised in other comprehensive income	Recognised in profit and loss	31 March 2021
Deferred tax asset/liabilities arising on:				
Property, plant and equipment	(30.02)	-	(17.13)	(12.89)
Fair valuation of financial instruments	(28,644.21)	-	(34,168.26)	5,524.06
Provision for employee benefits	242.52	-	242.52	-
Total	(28,431.71)	-	(33,942.87)	5,511.17

Note - 9

Investments - current

At fair value through profit and loss

(i) Investment in non convertible debentures (quoted)

Dhani Loans and Services Limited (Formerly Indiabulls Consumer Finance Limited)	744,078.14	2,266,652.19
[740,000 units (31 March 2020: 2,190,000), NAV: 1,005.511 (31 March 2020: 1,035.001)]		

(ii) Investment in bonds (quoted)

Indiabulls Housing Finance Limited [125,000 units (31 March 2020: 125,000), NAV: 1,017.012 (31 March 2020: 1,018.021)]	127,126.50	127,252.62
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	871,204.64	2,393,904.81
Aggregate book/ market value of quoted investments	871,204.64	2,393,904.81

Note - 10

Cash and cash equivalents

Cash in hand		13.55
Balances with banks		
In current accounts	5,850.88	1,976.00
	5,850.88	1,989.55



INDIABULLS LIFE INSURANCE COMPANY LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

All amount in ₹ thousands, unless otherwise stated

	31 March 2021	31 March 2020
Note - 11		
Loans		
Inter-corporate deposits to related parties (Holding Company)	2,844,710.00	1,037,900.00
Interest accrued but not due	-	71,857.58
	<u>2,844,710.00</u>	<u>1,109,757.58</u>

*Unsecured, short term inter corporate deposits bearing interest at the rate of 9% per annum (repayable on demand) given to Holding company for its business activities. The loan has been utilized for the purpose it was granted.

Note - 12		
Other financial assets		
Interest accrued on investments	10,788.92	21,056.03
	<u>10,788.92</u>	<u>21,056.03</u>

Note - 13		
Other current assets		
Advance to suppliers	10,885.20	10,885.20
Prepaid expenses	-	1.64
Balances with statutory authorities	7,869.37	7,797.37
	<u>18,754.57</u>	<u>18,684.21</u>

Note - 14	31 March 2021		31 March 2020	
	Number	(₹ in thousand)	Number	(₹ in thousand)
i Authorised				
Equity share capital of face value of ₹ 10 each	160,000,000	1,600,000.00	160,000,000	1,600,000.00
	<u>160,000,000</u>	<u>1,600,000.00</u>	<u>160,000,000</u>	<u>1,600,000.00</u>

ii Issued, subscribed and fully paid up	31 March 2021		31 March 2020	
	Number	(₹ in thousand)	Number	(₹ in thousand)
Equity share capital of face value of ₹ 10 each fully paid up	150,000,000	1,500,000.00	150,000,000	1,500,000.00
	<u>150,000,000</u>	<u>1,500,000.00</u>	<u>150,000,000</u>	<u>1,500,000.00</u>

iii Reconciliation of number and amount of equity shares outstanding at the beginning and at the end of the year	31 March 2021		31 March 2020	
	Number	(₹ in thousand)	Number	(₹ in thousand)
Equity shares				
Balance at the beginning of the year	150,000,000	1,500,000.00	150,000,000	1,500,000.00
Add: Issued during the year	-	-	-	-
Balance at the end of the year	<u>150,000,000</u>	<u>1,500,000.00</u>	<u>150,000,000</u>	<u>1,500,000.00</u>

During the year ended 31 March, 2019, pursuant to the approval of the shareholders at their extraordinary general meeting held on 18 January 2019 and in accordance with the provisions of Section 13, Section 61(1)(a) of the Companies Act, 2013 and the Rules made thereunder and other applicable provisions if any (including any statutory modifications or re-enactment thereof, for the time being in force) and in accordance with the enabling provisions of the Memorandum and Articles of Association and subject to the applicable provisions of any other law, the authorised share capital of the Company was increased from ₹1,100,000.00 thousands divided into 110,000,000 equity shares of ₹10 each to ₹1,600,000.00 thousands divided into 160,000,000 equity shares of ₹10 each.



INDIABULLS LIFE INSURANCE COMPANY LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

All amount in ₹ thousands, unless otherwise stated

	31 March 2021	31 March 2020
Note - 14		
Equity share capital (Continued):		
During the year ended 31 March, 2019, pursuant to the approval of Board of Directors at their meeting held on 24 January 2019 and in accordance with the provisions of section 62(1)(a) and section 39 and all other applicable provisions of the Companies Act, 2013, read with applicable Rules, framed thereunder, 40,00,000 equity shares of face value of ₹10 each were allotted at a premium of ₹40 each, for consideration received in cash, to "Indiabulls Integrated Services Limited" (formerly SCRIIL Holdings and Ventures Limited), the Holding Company.		
iv Rights, preferences and restrictions attached to equity shares		
The holders of equity shares are entitled to receive dividends as declared from time to time, 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.		
v Details of shareholder holding more than 5% share capital		
Name of the equity shareholder	Number of shares	Number of shares
Indiabulls Integrated Services Limited (including nominee shares)	150,000,000	150,000,000
vi The Company has not issued any shares for consideration other than cash during the immediately preceding five years. The Company has not bought back any shares during immediately preceding five years. The Company does not have any shares reserved for issue under options.		
Note - 15		
Other equity		
Nature and purpose of other reserves		
Securities Premium		
Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of Companies Act, 2013.		
Note - 16		
Other financial liabilities		
Non current		
Provision for employee benefits (Refer Note: 28)		
Gratuity	-	509.76
Compensated absences	-	354.92
	-	864.68
	-	864.68
Current		
Provision for employee benefits (Refer Note: 28)		
Gratuity	-	2.05
Compensated absences	-	96.89
	-	98.94
	-	963.62
Note - 17		
Other financial liabilities - current		
Expenses payable	103.89	2,048.86
	103.89	2,048.86
Note - 18		
Other current liabilities		
Payable to statutory authorities	6.17	1,429.95
	6.17	1,429.95
Note - 19		
Current tax liabilities, net		
Provision for income tax, net of advance tax and tax deducted at source of Rs.84,081.31 thousands (March 31, 2020: Rs. 33,996.90 thousands)		
	77,261.00	42,881.76
	77,261.00	42,881.76



INDIABULLS LIFE INSURANCE COMPANY LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

All amount in ₹ thousands, unless otherwise stated

	<u>31 March 2021</u>	<u>31 March 2020</u>
Note - 20		
Other income		
Interest income	339,877.68	314,089.07
Gain on sale of financial instruments, net	457.47	22,293.74
Gain on fair valuation of financial instruments, net	-	113,812.02
Excess Provisions written back	2,054.95	-
Profit on sale of fixed assets	52.00	-
	<u>342,442.10</u>	<u>450,194.83</u>
Note - 21		
Employee benefits expenses		
Salaries	5,951.50	31,012.54
Bonus and ex-gratia	273.92	3,357.53
Gratuity and compensated absences (Refer Note: 28)	-	963.62
Others	6,225.42	1,920.00
	<u>6,225.42</u>	<u>37,253.69</u>
Note - 22		
Finance costs		
Interest expenses	2,979.61	3,155.27
	<u>2,979.61</u>	<u>3,155.27</u>
Note - 23		
Other expenses		
Auditor's remuneration - as statutory auditor	50.00	50.00
Bank charges	0.31	1.96
Communication expenses	-	12.76
Corporate social responsibility expenses	2,520.00	570.00
Director sitting fee*	400.00	350.00
Insurance expenses	1.64	11.13
Legal and professional charges	175.68	224.50
Loss on sale of investments	47,789.10	18.00
Loss on fair valuation of financial instruments	21,948.73	-
Miscellaneous expenses	1.15	0.62
Printing & Stationary	-	8.31
Rates and taxes	174.83	107.29
Repair and maintenance - others	-	0.30
Traveling and conveyance expenses	-	98.73
	<u>73,061.44</u>	<u>1,453.60</u>
<i>*Paid to Independent Directors</i>		
Details of payment to auditors		
Payment to auditor		
Audit fee	50.00	50.00
Certification fee*	-	22.50
Other matters in their capacity as statutory auditors*	-	75.00
	<u>50.00</u>	<u>147.50</u>



INDIABULLS LIFE INSURANCE COMPANY LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

All amount in ₹ thousands, unless otherwise stated

	31 March 2021	31 March 2020
Note - 24		
Income tax		
Tax expense comprises of:		
Current tax (including earlier years)	84,463.65	79,909.56
Less: minimum alternative tax credit entitlement	-	-
Deferred tax charge/(credit)	(33,942.87)	35,586.61
Income tax expense reported in the statement of profit and loss	50,520.78	115,496.17
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Accounting profit before income tax	259,947.73	408,181.02
At India's statutory income tax rate	25.168%	25.168%
Computed expected tax expense	65,423.64	102,731.00
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of expense which will never be allowed	13,411.69	937.58
Tax impact of (allowance)/disallowances under the Income Tax Act,1961 u/s 40A(7)	(128.81)	128.81
Tax impact of (allowance)/disallowances under the Income Tax Act,1961 u/s 43B	(113.71)	113.71
Tax impact of temporary differences	17.13	(28.02)
Tax impact on income chargeable at different rate of tax	329.65	-
Tax impact on (income)/loss taxable at the time of its realisation	3,524.06	(27,004.42)
Earlier year's tax expense	-	3,030.90
Deferred tax effect of temporary differences	(33,942.87)	35,586.61
Income tax expense	50,520.78	115,496.17

Note - 25

Earnings per Share (EPS)

Earnings per Share (EPS) is determined based on the net profit attributable to the shareholders' of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

The following reflects the income and share data used in the basic and diluted EPS computations:

Profit/(Loss) attributable to equity holders for basic earnings	209,426.94	292,684.85
Profit/(Loss) attributable to equity holders adjusted for the effect of dilution	209,426.94	292,684.85
Weighted average number of equity shares for basic earning per share	150,000,000	150,000,000
Weighted average number of equity shares for diluted earning per share	150,000,000	150,000,000
Earnings per equity share of face value of ₹ 10 each		
(1) Basic (₹)	1.40	1.95
(2) Diluted (₹)	1.40	1.95



INDIABULLS LIFE INSURANCE COMPANY LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

All amount in ₹ thousands, unless otherwise stated

Note - 26

Fair value measurement

(i) Fair value 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) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

(ii) Financial assets measured at fair value

31 March 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments at FVTPL				
Investments in:				
Bonds	127,126.50	-	-	127,126.50
Non convertible debentures	744,078.14	-	-	744,078.14
Total financial assets	871,204.64	-	-	871,204.64

31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Financial instruments at FVTPL				
Bonds	127,252.62	-	-	127,252.62
Non convertible debentures	2,266,652.19	-	-	2,266,652.19
Total financial assets	2,393,904.81	-	-	2,393,904.81

(iii) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include -

- (i) Use of net asset value for mutual funds on the basis of the statement received from investee party.
- (ii) Traded (market) price basis recognised stock exchange for quoted instruments.

Note - 27

Financial risk management

i) Financial instruments by category

For amortized cost instruments, carrying value represents the best estimate of fair value.

	31 March 2021			31 March 2020		
	FVTPL*	FVOCI	Amortized cost	FVTPL*	FVOCI	Amortized cost
Financial assets						
Investments						
Bonds	127,126.50	-	-	127,252.62	-	-
Non convertible debentures	744,078.14	-	-	2,266,652.19	-	-
Cash and cash equivalents	-	-	5,850.88	-	-	1,989.55
Loans	-	-	-	-	-	158.00
Total financial assets	871,204.64	-	5,850.88	2,393,904.81	-	2,147.55

	31 March 2021			31 March 2020		
	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost
Financial liabilities						
Other financial liabilities	-	-	103.89	-	-	2,048.86
Total financial liabilities	-	-	103.89	-	-	2,048.86

* These financial assets are mandatorily measured at fair value.

(ii) Financial instruments measured at amortised costs

Financial instruments measured at amortised costs for which the carrying value is the fair value.

(iii) 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's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(A) Credit risk

Credit risk refers to the risk default on its obligation by the counterparty resulting in a financial loss. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit rating assigned by international and domestic credit rating agencies.



INDIABULLS LIFE INSURANCE COMPANY LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

All amount in ₹ thousands, unless otherwise stated

Note - 27

Financial risk management (continued):

(a) Credit risk management

(i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

- A: Low credit risk
- B: Moderate credit risk
- C: High credit risk

Asset group	Basis of categorisation	Provision for expenses credit loss
A: Low credit risk	Cash and cash equivalents, loans, investments and other financial assets	12 month expected credit loss/Life time expected credit loss

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

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

Assets under credit risk –

Credit rating	31 March 2021	31 March 2020
A: Low credit risk		
Non-Current		
Loans	-	158.00
Current		
Investments	871,204.64	2,393,904.81
Cash and cash equivalents	5,850.88	1,989.55
Loans	2,844,710.00	1,109,757.58
Other financial assets	10,788.92	21,056.03
B: Moderate credit risk	-	-
C: High credit risk	-	-

Cash and Cash Equivalents

The credit worthiness of such banks and financial institutions with whom cash and cash equivalents are held is evaluated by the management on an ongoing basis and is considered to be high.

Other financial assets

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

Loans

Loans measured at amortized cost include inter-corporate deposits to the Holding Company and security deposits for business purposes. Credit risk related to these financial assets is managed by monitoring the recoverability of such amounts continuously.

(b) Credit risk exposure

The Company provides for 12 month expected credit losses for following financial assets –

As at 31 March 2021

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	871,204.64	-	871,204.64
Cash and cash equivalents	5,850.88	-	5,850.88
Loans	-	-	-

As at 31 March 2020

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	2,393,904.81	-	2,393,904.81
Cash and cash equivalents	1,989.55	-	1,989.55

(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.

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



INDIABULLS LIFE INSURANCE COMPANY LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

All amount in ₹ thousands, unless otherwise stated

Note - 27

Financial risk management - Liquidity risk (continued):

(i) Maturities of financial assets and liabilities

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

31 March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
*Non-derivatives					
Investments	871,204.64	-	-	-	871,204.64
Cash and cash equivalents	5,850.88	-	-	-	5,850.88
Loans	2,844,710.00	-	-	-	2,844,710.00
Other financial assets	10,788.92	-	-	-	10,788.92
Total undiscounted financial assets	3,732,554.44	-	-	-	3,732,554.44
Non-derivatives					
Other financial liabilities	103.89	-	-	-	103.89
*Total undiscounted financial liabilities	103.89	-	-	-	103.89
Net undiscounted financial assets/ (liabilities)	3,732,450.55	-	-	-	3,732,450.55

31 March 2020	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
*Non-derivatives					
Investments	2,393,904.81	-	-	-	2,393,904.81
Cash and cash equivalents	1,989.55	-	-	-	1,989.55
Loans	1,109,757.58	-	158.00	-	1,109,915.58
Other financial assets	21,056.03	-	-	-	21,056.03
Total undiscounted financial assets	3,526,707.97	-	158.00	-	3,526,865.97
Non-derivatives					
Other financial liabilities	2,048.86	-	-	-	2,048.86
*Total undiscounted financial liabilities	2,048.86	-	-	-	2,048.86
Net undiscounted financial assets/ (liabilities)	3,524,659.11	-	158.00	-	3,524,817.11

(C) Market risk

Foreign exchange 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 March 31, 2021 and March 31, 2020.

Interest rate risk

Interest rate risk is the risk where the Company is exposed to the risk that fair value or future cash flows of its financial instruments will fluctuate as a result of change in market interest rates. Investment in Bonds/Non-convertible debentures held by the Company are at fixed rate of coupon and accordingly the Company does not perceive any interest rate risk.

Price risk

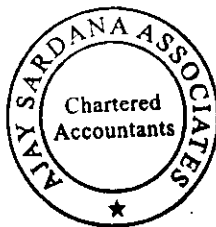
Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet either at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

Sensitivity

The table below summarises the impact of increases/decreases of the Net Asset Value (NAV) on the Company's investments in Mutual funds, Non convertible debentures & Bonds and profit for the year. The analysis is based on the assumption that the NAV increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's investments in mutual funds /Non convertible debentures/Bonds moved in line with the NAV.

Particulars	Sensitivity of Profit or (Loss)	
	31 March 2021	31 March 2020
NAV-Increase by 5%	119,695.24	159,200.39
NAV-Decrease by 5%	(119,695.24)	(159,200.39)



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INDIABULLS LIFE INSURANCE COMPANY LIMITED

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2021

Note – 28

Related party transactions

(a) Names of related parties identified in accordance with IND AS -24 "Related Party Disclosures" (with whom there were transactions during the year):

The Company's principal related parties consist of its holding company, Indiabulls Integrated Services Limited and its fellow subsidiary Company 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.

Relationship	Name of related parties
i) where control exists	
Holding Company	Indiabulls Integrated Services Limited
Fellow Subsidiary Company*	Albasta Wholesale Services Limited
ii) Other related parties	
Key Management personnel	Mr. Ashwin Mallick (Whole Time Director of the Company) Mr. M.S. Walia (Whole Time Director of the Holding Company)

*With whom transactions have been entered

(b) Statement of transactions with related parties

The nature and volume of transactions carried out with the above related parties in the ordinary course of business are as follows : (₹ in thousands)

Particulars	31 March 2021	31 March 2020
Loans and advances given (Maximum balance outstanding at any time during the year)		
Indiabulls Integrated Services Limited	2,844,710.00	1,095,000.00
Albasta Wholesale Services Limited	-	258,800.00
Interest Income on Loans and Advances		
Indiabulls Integrated Services Limited	96,035.37	79,841.75
Albasta Wholesale Services Limited	-	127.28
Reimbursement of expenses		
Indiabulls Integrated Services Limited	.60	-

(c) Statement of balances outstanding:

Nature of transactions	31 March 2021	31 March 2020
Loans and advances given		
Indiabulls Integrated Services Limited	2,844,710.00	1,037,900.00
Accrued Interest		
Indiabulls Integrated Services Limited	-	71,857.58

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.



INDIABULLS LIFE INSURANCE COMPANY LIMITED**Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2021****Note – 29****Capital management**

The Company's objectives when managing capital are:

- To ensure Company's ability to continue as a going concern, and
- To comply with externally imposed capital requirements
- To provide adequate return to shareholders

Management assesses the capital requirements in order to maintain an efficient overall financing structure. 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. The Company manages its capital requirements by overseeing the following ratios –

Current ratio

	(₹ in thousands)	
	31 March 2021	31 March 2020
Current assets	3,751,309.01	3,545,392.18
Current liabilities	77,261.00	46,459.51
Current ratio	48.48	76.31

Return on capital

	(₹ in thousands)	
	31 March 2021	31 March 2020
Net profit (after tax)	209,426.94	292,684.84
Total equity	3,679,754.94	3,470,328.00
Return on capital	5.69%	8.43%

Note – 30**Contingent liabilities and commitments**

- There are no contingent liabilities to be reported 31 March 2021 and 31 March 2020.
- Capital commitments (net of capital advances Rs. 10,885.20 thousands (Previous year : Rs. 10,885.20) on account of contracts remaining to be executed and not provided for, are estimated at Rs. 67,264.80 thousands (Previous year : Rs. 67,284.80).

Note – 31

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

S. no.	Particulars	31 March 2021	31 March 2020
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, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.



INDIABULLS LIFE INSURANCE COMPANY LIMITED

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2021

Note – 32

Segmental Information

Considering the nature of the Company's business and operations and based on the information available with the management, there are no reportable segments (business and/or geographical) as per Ind AS 108 on 'Segment Reporting'. Hence, no further disclosures are required in respect of reportable segments, other than those already provided in the financial statements.

Note – 33


The pandemic of Corona Virus (COVID-19) has caused unprecedented havoc to the economic activity all around the Globe. The complete lock down announced on 24 March 2020 by the Government of India brought the wheels of economic activity to a grinding halt. The operations are slowly and gradually resuming and expected to reach pre – COVID 19 level in due course of time. The Company is continuously and closely observing the unfolding situation and will continue to do so. The Company has considered the possible impact of COVID-19 in preparing the financial results including the recoverable value of its assets and its liquidity position based on internal and external information up to the date of approval of these financial results.

Note – 34

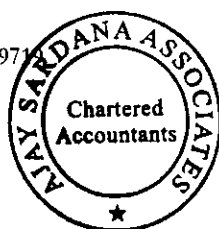
Other matters

- a. The Company has not entered into any derivative instrument during the year. The Company does not have any foreign currency exposures towards receivables, payables or any other derivative instrument that have not been hedged (31 March 2021: Nil, 31 March 2020: Nil).
- b. 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 at 31 March 2021 (31 March 2020: Nil).
- c. In the opinion of the Board of Directors, all current assets appearing in the balance sheet as at 31 March 2021 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.
- d. There are no borrowing costs required to be capitalised as at 31 March 2021 (31 March 2020: Nil).


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


Rahul Mukhi
Partner
Membership No. 099714

Place: New Delhi
Date: 07 May 2021

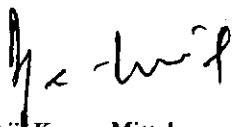


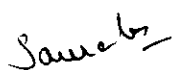
For and on behalf of the Board


Ashwin Mallick
Whole Time Director
DIN: 08030601


Yogesh Rawat
Company Secretary

Place: New Delhi
Date: 07 May 2021


Aji Kumar Mittal
Director
DIN: 02698115


Saurabh Garg
Chief Financial Officer