

Walker Chandlok & Co LLP

Walker Chandlok & Co LLP
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurugram - 122 002
India

T +91 124 462 8099
F +91 124 462 8001

Independent Auditor's Report

To the Members of Indiabulls Estate Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Indiabulls Estate Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to Note 45 of the financial statements, which describes the uncertainties due to the outbreak of Covid-2019 pandemic and the management's evaluation of the same on the financial statements of the Company as at the balance sheet date. In view of these uncertainties, the impact on the Company's financial statements is significantly dependent on future developments.

Our opinion is not modified in respect of this matter.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandlok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

5. Information other than the Financial Statements and Auditor's Report thereon

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

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

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

The Director's Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial statements

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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.
7. 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.
8. 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

9. 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 Standards on Auditing 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.
10. As part of an audit in accordance with Standards on Auditing, 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 explaining our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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; and
 - 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.
11. 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.

Report on Other Legal and Regulatory Requirements


12. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying financial statements;
 - 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 Ind AS specified under section 133 of the Act;

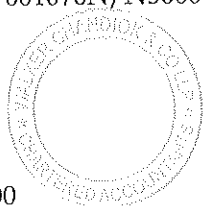


Walker Chandiok & Co LLP

- e) The matter described in paragraph 4 under the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Company.
- f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
- g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 13 May 2020 as per Annexure B expressed unmodified opinion; and
- h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2020;
 - 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 2020;
 - 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 2020; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Manish Agrawal
Partner
Membership No.: 507000



UDIN: 20507000AAAAAZ3570

Place: Ghaziabad
Date: 13 May 2020

Walker Chandniok & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Indiabulls Estate Limited, on the financial statements for the year ended 31 March 2020

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) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in the nature of property, plant and equipment). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) 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.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans and investments. Further, in our opinion, the Company has not entered into any transactions covered under section 185 and 186 of the Act in respect of 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) The Central Government has not specified 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.
- (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, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and goods and services tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government. The Company has not defaulted in payment of dues to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.



Walker Chandiok & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Indiabulls Estate Limited, on the financial statements for the year ended 31 March 2020

- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

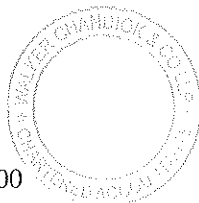
Chartered Accountants

Firm's Registration No.: 001076N/N500013

Manish Agrawal

Partner

Membership No. 507000



UDIN: 20507000AAAAAZ3570

Place: Ghaziabad

Date: 13 May 2020

Annexure B to the Independent Auditor's Report of even date to the members of Indiabulls Estate Limited on the financial statements for the year ended 31 March 2020

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Indiabulls Estate Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on 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 (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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with reference to Financial Statements

3. 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 Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the 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 were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. 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

6. 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 include 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



Walker Chandiok & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Indiabulls Estate Limited on the financial statements for the year ended 31 March 2020

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

7. 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

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, 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 issued by ICAI.

For Walker Chandiok & Co LLP

Chartered Accountants

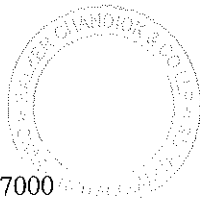
Firm's Registration No.: 001076N/N500013

Manish Agrawal

Manish Agrawal

Partner

Membership No.: 507000



UDIN: 20507000AAAAAZ3570

Place: Ghaziabad

Date: 13 May 2020

Indiabulls Estate Limited
Balance Sheet as at 31 March 2020

	Note	31 March 2020 (₹ in lakhs)	31 March 2019 (₹ in lakhs)
I ASSETS			
Non-current assets			
Property, plant and equipment	5	10.11	12.28
Financial assets			
Investments	6	50.00	50.00
Deferred tax assets (net)	7	4.42	4.83
Non-current tax assets (net)	8	28.57	79.04
Other non-current assets	9A	1.10	86.82
		<u>94.20</u>	<u>232.97</u>
Current assets			
Inventories	10	13,014.90	21,619.76
Financial assets			
Trade receivables	11	710.63	380.82
Cash and cash equivalents	12	26.97	66.67
Other bank balances	13	1,061.81	1,061.48
Loans	14	3,284.97	3,285.72
Other financial assets	15	-	0.48
Other current assets	9B	126.14	129.52
		<u>18,225.42</u>	<u>26,544.45</u>
		<u>18,319.62</u>	<u>26,777.42</u>
II EQUITY AND LIABILITIES			
Equity			
Equity share capital	16A	327.47	327.47
Instruments entirely equity in nature	16B & 16C	5,234.21	-
Other equity	17	8,695.55	11,333.98
		<u>14,257.23</u>	<u>11,661.45</u>
Liabilities			
Non-current liabilities			
Provision	18A	12.57	14.28
		<u>12.57</u>	<u>14.28</u>
Current liabilities			
Financial liabilities			
Borrowings	19	833.55	7,212.46
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	20A	22.13	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	20B	1,671.60	204.13
Other financial liabilities	21	46.81	51.80
Other current liabilities	22	1,473.19	7,632.93
Provision	18B	0.31	0.37
Current tax liabilities (net)	23	2.23	-
		<u>4,049.82</u>	<u>15,101.69</u>
		<u>18,319.62</u>	<u>26,777.42</u>
Summary of significant accounting policies	4		

The accompanying notes are integral part of the financial statements

This is the balance sheet referred to in our report of even date.

For Walker Chandok & Co LLP
Chartered Accountants
Firm's Registration No: 001076N/N500013

Manish Agrawal
Partner
Membership No: 507000

Place: Ghaziabad
Date: 13 May 2020

For and on behalf of the board of directors

Manoj Kumar
Whole Time Director
[DIN: 07133559]
Place: Gurugram

Ravi Telkar
Company Secretary
Place: Gurugram

Mehul Johnson
Director
[DIN: 00016075]
Place: Gurugram

Chief Financial Officer
Place: Gurugram

Indiabulls Estate Limited
Statement of Profit and Loss for the year ended 31 March 2020

	Note	31 March 2020 (₹ in lakhs)	31 March 2019 (₹ in lakhs)
Revenue			
Revenue from operations	24	8,082.54	179.29
Other income	25	86.46	71.01
		<u>8,169.00</u>	<u>250.30</u>
Expenses			
Cost of revenue	26		
Cost incurred during the year		1,955.67	314.73
Decrease in real estate properties		8,601.20	1,280.15
Employee benefits expense	27	77.46	94.99
Finance costs	28	31.34	6.29
Depreciation	5	3.40	2.80
Other expenses	29	96.89	50.54
		<u>10,765.96</u>	<u>1,749.50</u>
Loss before tax		<u>(2,596.96)</u>	<u>(1,499.20)</u>
Tax expense	30		
Current tax (including earlier years) (refer note 41)		39.58	-
Deferred tax expense/(credit)		0.78	(0.29)
Loss after tax		<u>(2,637.32)</u>	<u>(1,498.91)</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement loss on defined benefit plans		(1.48)	(2.26)
Income tax effect		0.37	0.78
Total comprehensive income for the year		<u>(2,638.43)</u>	<u>(1,500.39)</u>
Earnings per equity share	31		
Basic (₹)		(58.12)	(45.77)
Diluted (₹)		(58.12)	(45.77)

Summary of significant accounting policies

4

The accompanying notes are integral part of the standalone financial statements

This is the statement of profit or loss referred to in our report of even date

For Walker Chandniok & Co LLP

Chartered Accountants

Firm's Registration No: 001076N/N500013

Manish Agrawal

Partner

Membership No: 507000

Place: Ghaziabad

Date: 13 May 2020



For and on behalf of the board of directors

Manoj Kumar

Whole Time Director

[DIN: 07133559]

Place: Gurugram

Ravi Telkar

Company Secretary

Place: Gurugram

Michul Johnson

Director

[DIN: 00016075]

Place: Gurugram

Chief Financial Officer

Place: Gurugram

Indiabulls Estate Limited
Cash Flow Statement for the year ended 31 March 2020

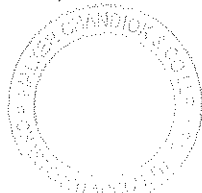
	<u>31 March 2020</u> (₹ in lakhs)	<u>31 March 2019</u> (₹ in lakhs)
A. Cash flow from operating activities:		
Loss before tax	(2,596.96)	(1,499.20)
Adjustments for:		
Depreciation	3.40	2.80
Interest on income tax (net)	12.68	0.01
Interest income	(75.06)	(69.93)
Provision for employee benefits	1.35	2.94
Operating loss before working capital changes	(2,654.59)	(1,563.39)
Adjustments for changes in working capital:		
Trade receivables	(329.81)	(18.38)
Other current and other non-current assets	89.10	(111.33)
Other current financial assets	0.48	(0.41)
Inventories	8,604.87	1,280.15
Trade payables	1,489.59	(56.42)
Other financial liabilities	(4.99)	(5.06)
Other current liabilities	(6,159.73)	165.51
Provisions	(4.60)	-
Cash flow from/(used in) operating activities	1,030.32	(309.33)
Income taxes refund received/(paid)	0.44	(7.00)
Net cash flow from/(used in) operating activities	1,030.75	(316.33)
B. Cash flow from investing activities:		
Purchase of property, plant and equipments	(1.22)	(4.22)
Inter-corporate loans given (net)	0.75	(44.27)
Interest received	74.72	69.13
Net cash flow from investing activities	74.25	20.64
C. Cash flow from financing activities:		
Inter-corporate borrowing received	794.30	3,656.05
Inter-corporate borrowing repaid	(1,939.00)	(3,333.75)
Net cash (used in)/flow from financing activities	(1,144.70)	322.30
(Decrease)/increase in cash and cash equivalents, net	(39.70)	26.61
Cash and cash equivalents at the beginning of the year	66.67	40.06
Cash and cash equivalents at the end of the year	26.97	66.67
Notes:		
Cash and cash equivalents includes (refer note 12) :		
Cash on hand	0.28	0.04
Balances with banks - in current accounts	26.69	66.63
Total of cash and cash equivalents	26.97	66.67

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

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No: 001076N/N500013

Manish Agrawal
Partner
Membership No: 507000

Place: Ghaziabad
Date: 13 May 2020



For and on behalf of board of directors

Manoj Kumar
Whole Time Director
[DIN: 07133559]
Place: Gurugram

Ravi Telkar
Company Secretary
Place: Gurugram

Mehul Johnson
Director
[DIN: 00016075]
Place: Gurugram

Anil Mittal
Chief Financial Officer
Place: Gurugram

Indiabulls Estate Limited
Statement of Changes in Equity for the year ended 31 March 2020

A Equity share capital*

(₹ in lakhs)

Particulars	Balance as at 31 March 2019	Balance as at 31 March 2020
Equity share capital	327.47	327.47

B Instruments entirely equity in nature

(₹ in lakhs)

Particulars	Optionally convertible preference shares**	Optionally convertible debentures***	Total
Balance as at 01 April 2019	-	-	-
Transfer from current borrowings on account of change in terms	2,063.40	3,170.81	5,234.21
Balance as at 31 March 2020	2,063.40	3,170.81	5,234.21

C Other equity^

(₹ in lakhs)

Description	Reserves and surplus		Total
	Securities premium	Retained earnings	
Balance as at 1 April 2018	15,129.41	(2,295.04)	12,834.37
Loss for the year	-	(1,498.91)	(1,498.91)
Other comprehensive income			
Re-measurement loss on defined benefit plans (net of tax)	-	(1.48)	(1.48)
Balance as at 31 March 2019	15,129.41	(3,795.43)	11,333.98
Loss for the year	-	(2,637.32)	(2,637.32)
Other comprehensive income			
Re-measurement loss on defined benefit plans (net of tax)	-	(1.11)	(1.11)
Balance as at 31 March 2020	15,129.41	(6,433.86)	8,695.55

*Refer note 16A for details

**Refer note 16B for details

***Refer note 16C for details

^Refer note 17 for details

This is the statement of changes in equity referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No: 001076N/N500013

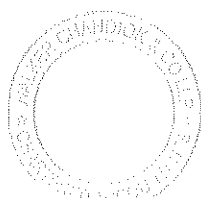
Manish Agrawal

Partner

Membership No: 507000

Place: Ghaziabad

Date: 13 May 2020



For and on behalf of the board of directors

Manoj Kumar

Whole Time Director

[DIN: 07133559]

Place: Gurugram

Ravi Telkar

Company Secretary

Place: Gurugram

Mehul Johnson

Director

[DIN: 00016075]

Place: Gurugram

Anil Mittal

Chief Financial Officer

Place: Gurugram

Indiabulls Estate Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

1. Nature of principal activities

Indiabulls Estate Limited ('the Company') was incorporated on August 16, 2005. The Company is engaged in development of real estate properties and all other related activities. The Company is domiciled in India and its registered office is situated at M-62 and 63, First Floor, Connaught Place, New Delhi – 110001.

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 as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')), as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.

The financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 13 May 2020. The revisions to the financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

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 value.

4. 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.

4.1 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.

4.2 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.

Revenue from sale of properties

Revenue from sale of properties is recognized when the performance obligations are essentially complete and credit risks have been significantly eliminated. The performance obligations are considered to be complete when control over the property has been transferred to the buyer i.e. offer for possession (possession request letter) of properties have been issued to the customers and substantial sales consideration is received from the customers.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring property to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognised by the Company when the control is transferred as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.



Indiabulls Estate Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

The costs estimates are reviewed periodically and effect of any change in such estimate is recognized in the period such changes are determined. However, when the total estimated cost exceeds total expected revenues from the contracts, the loss is recognized immediately.

Interest income

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

Others

Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognized on accrual basis except in cases where ultimate collection is considered doubtful.

4.3 Borrowing 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.

4.4 Employee benefits

Defined contribution plan

The Company's contribution to provident fund is charged to the statement of profit and loss or inventorized as a part of real estate project under development, as the case may be. The Company's contributions towards provident fund are deposited with the regional provident fund commissioner under a defined contribution plan.

Defined benefit plan

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

Other long-term employee benefits

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

Short-term employee benefits

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

4.5 Property, plant and equipment (PPE)

Recognition and initial measurement

Property, plant and equipment are measured at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset,

Indiabulls Estate Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss 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.

Asset class	Useful life
Building – temporary structure	3 years
Plant and equipment	12-15 years
Office equipment	5 years
Computers	3 years
Furniture and fixtures	10 years
Vehicles	8 years

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

De-recognition

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

4.6 Financial instruments

Financial assets

Recognition and initial 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

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.

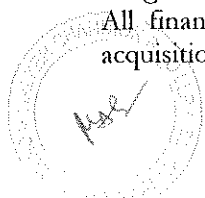
De-recognition of financial assets

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.

Financial liabilities

Recognition and initial 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.



Indiabulls Estate Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Subsequent measurement – Amortised cost

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

Recognition, initial and subsequent measurement – fair value

A financial liability is classified as fair value through profit and loss ('FVTPL') if it is designated as such upon initial recognition. Financial liabilities at FVTPL are measured at fair value and net gain/losses, including any interest expense are recognised in statement of profit and loss.

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.

4.7 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. The Company factors historical trends and forward looking information to assess expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition, if the financial asset is determined to have low credit risk at the balance sheet date.

4.8 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 recognised are accordingly reversed in the statement of profit and loss.



Indiabulls Estate Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

4.9 Inventories

Land other than that transferred to real estate properties under development is valued at lower of cost or net realizable value.

Real estate project (developed and under development) includes cost of land under development, internal and external development costs, construction costs, and development/construction materials, borrowing costs and related overhead costs and is valued at lower of cost or net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs of necessary to make the sale.

4.10 Income taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognised 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).

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).

4.11 Investments

Investment in equity instruments of subsidiaries are measured at cost as per Ind AS-27 'Separate Financial Statements'.

4.12 Cash and 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.

4.13 Provisions, contingent liabilities and contingent assets

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

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

Indiabulls Estate Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

4.14 Earnings per 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.

4.15 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.

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

Revenue and inventories – The estimates around total budgeted cost i.e. outcomes of underlying construction and service contracts, which further require assessments and judgements to be made on changes in work scopes, claims and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the Company used the available contractual and historical information. The estimates of the saleable area are also reviewed periodically and effect of any changes in such estimates is recognised in the period such changes are determined.

Useful lives of depreciable 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.



Indiabulls Estate Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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.



(This space has been intentionally left blank)

5 Property, plant and equipment	Building - temporary structure	Plant and equipment	Office equipment	Computers	Furniture and fixtures	Vehicles	(₹ in lakhs) Total
Gross block							
At 1 April 2018	6.26	10.64	7.19	4.40	2.76	10.07	41.32
Additions	2.88	-	1.34	-	-	-	4.22
Adjustment for disposals	-	-	-	-	-	-	-
Balance as at 31 March 2019	9.14	10.64	8.53	4.40	2.76	10.07	45.54
Additions	-	-	0.40	0.82	-	-	1.22
Adjustment for disposals	-	-	-	-	-	-	-
Balance as at 31 March 2020	9.14	10.64	8.94	5.22	2.76	10.07	46.77
Accumulated depreciation							
At 1 April 2018	6.26	4.14	4.64	3.82	1.53	10.07	30.46
Depreciation charge for the year	0.54	0.91	0.89	0.25	0.21	-	2.80
Adjustments for disposals	-	-	-	-	-	-	-
Balance as at 31 March 2019	6.80	5.05	5.53	4.07	1.74	10.07	33.26
Depreciation charge for the year	0.96	0.91	1.00	0.32	0.21	-	3.40
Adjustments for disposals	-	-	-	-	-	-	-
Balance as at 31 March 2020	7.76	5.96	6.53	4.39	1.95	10.07	36.66
Net block as at 31 March 2019	2.34	5.59	3.00	0.33	1.02	-	12.28
Net block as at 31 March 2020	1.38	4.68	2.41	0.83	0.81	-	10.11

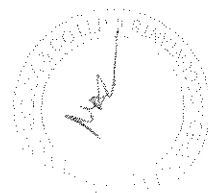
(i) Property, plant and equipment pledged as security

Property, plant and equipment have not been pledged as security for borrowings.

(ii) Capitalisation of borrowing cost on property, plant and equipment

No borrowing cost has been capitalised on property, plant and equipment.

(This space has been intentionally left blank)



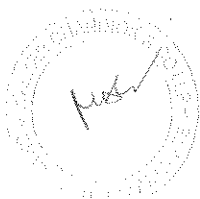
Indiabulls Estate Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

	31 March 2020		31 March 2019	
	Number	Amount (₹ in lakhs)	Number	Amount (₹ in lakhs)
Note - 6				
A Investments - non-current (refer note 35)*				
(i) Investment in equity shares**				
Subsidiaries - unquoted				
Indiabulls Commercial Estate Limited	50,000	5.00	50,000	5.00
Indiabulls Engineering Limited	50,000	5.00	50,000	5.00
Indiabulls Infrastructure Projects Limited	50,000	5.00	50,000	5.00
Indiabulls Land Holdings Limited	50,000	5.00	50,000	5.00
Nilgiri Infrastructure Limited	50,000	5.00	50,000	5.00
Nilgiri Land Development Limited	1,00,000	10.00	1,00,000	10.00
Nilgiri Land Holdings Limited	50,000	5.00	50,000	5.00
Nilgiri Lands Limited	50,000	5.00	50,000	5.00
Indiabulls Commercial Properties Limited	50,000	5.00	50,000	5.00
		<u>50.00</u>		<u>50.00</u>
Aggregate amount of unquoted investments		50.00		50.00

*All the investment in subsidiary are measured at cost as per Ind AS 27 'Separate Financial Statements'. Refer note 35.

**Face value of ₹ 10 each unless otherwise stated.



(This space has been intentionally left blank)

Indiabulls Estate Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

	31 March 2020 (₹ in lakhs)	31 March 2019 (₹ in lakhs)
Note - 7		
Deferred tax assets (net)		
Deferred tax asset arising on account of:		
Employee benefits	3.24	5.07
Deferred tax liability arising on account of:		
Property, plant and equipment - depreciation	1.18	(0.24)
	<u>4.42</u>	<u>4.83</u>

(i) The Company has unabsorbed business losses of ₹ 5,785.39 lakhs (31 March 2019: ₹ 4,225.95 lakhs) on which no deferred tax asset is created as a matter of prudence.

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

Particulars	31 March 2019	Recognised in statement of profit and loss	Recognised in other comprehensive income	31 March 2020
Deferred tax assets arising on:				
Employee benefits	5.07	(2.20)	0.37	3.24
Deferred tax liability arising on:				
Property, plant and equipment - depreciation	(0.24)	1.42	-	1.18
Total	4.83	(0.78)	0.37	4.42

Particulars	1 April 2018	Recognised in statement of profit and loss	Recognised in other comprehensive income	31 March 2019
Deferred tax assets arising on:				
Employee benefits	3.27	1.02	0.78	5.07
Deferred tax liability arising on:				
Property, plant and equipment - depreciation	0.49	(0.73)	-	(0.24)
Total	3.76	0.29	0.78	4.83

Note - 8
Non-current tax assets (net)

Advance income tax, including tax deducted at source (net of provision)

28.57	79.04
<u>28.57</u>	<u>79.04</u>

Note - 9
A Other non-current assets

(Unsecured, considered good)

Prepaid expenses

Balances with statutory and government authorities

1.10	0.62
-	86.20
<u>1.10</u>	<u>86.82</u>

B Other current assets

(Unsecured)

Considered good

Advance to staff

Advance to suppliers/service providers

Prepaid expenses

Other advances

Considered doubtful

Advance for land purchase

0.40	0.82
-	0.24
3.38	4.77
122.36	123.69
17.07	17.07
<u>143.21</u>	<u>146.59</u>
<u>(17.07)</u>	<u>(17.07)</u>
<u>126.14</u>	<u>129.52</u>

Less: Impairment of advances

(This space has been intentionally left blank).



Indiabulls Estate Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

	31 March 2020 (₹ in lakhs)	31 March 2019 (₹ in lakhs)
Note - 10		
Inventories		
A Real estate properties under development (at cost)		
Cost of properties under development	30,283.79	28,328.11
Less: transferred to developed properties	(30,283.79)	(28,328.11)
	<u>-</u>	<u>-</u>
B Real estate properties - developed (at cost)		
Cost of developed properties	30,283.79	28,328.11
Less: cost of revenue recognized till date	(11,840.78)	(3,764.84)
	<u>18,443.01</u>	<u>24,563.28</u>
Less: Provision for expected loss	(5,428.11)	(2,947.18)
	<u>13,014.90</u>	<u>21,616.10</u>
C Construction materials in stock (at cost)		
	-	3.67
	<u>13,014.90</u>	<u>21,619.76</u>
Note - 11		
Trade receivables#		
(Unsecured, considered good)		
Trade receivables	710.63	380.82
	<u>710.63</u>	<u>380.82</u>
#The Company does not have any receivables which are either credit impaired or where there is significant increase in credit risk.		
Note - 12		
Cash and cash equivalents		
Cash on hand	0.28	0.04
Balances with banks - in current accounts	26.69	66.63
	<u>26.97</u>	<u>66.67</u>
Note - 13		
Other bank balances		
Bank deposits-with maturity of more than three months and upto twelve months	1,061.81	1,061.48
	<u>1,061.81</u>	<u>1,061.48</u>
*Bank deposit with banks (exclusive of interest accrued) of ₹ 1,055.87 lakhs (31 March 2019: ₹ 1,055.87 lakhs) are earmarked for guarantees provided by the bank on behalf of the Company.		
Note - 14		
Loans - current*		
(Unsecured, considered good)		
Security deposits	10.21	10.21
Inter-corporate loans to related parties (refer note 36)	3,274.76	3,275.51
	<u>3,284.97</u>	<u>3,285.72</u>
* The Company does not have any loans which are either credit impaired or where there is significant increase in credit.		
Note - 15		
Other financial assets - current		
Loans to employees	-	0.48
	<u>-</u>	<u>0.48</u>



Indiabulls Estate Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Note - 16	31 March 2020		31 March 2019	
		(₹ in lakhs)		(₹ in lakhs)
A Equity share capital				
i Authorised	Number	Amount	Number	Amount
Equity share capital of face value of ₹ 10 each	40,00,000	400.00	40,00,000	400.00
		<u>400.00</u>		<u>400.00</u>
ii Issued, subscribed and fully paid up				
Equity share capital of face value of ₹ 10 each	32,74,734	327.47	32,74,734	327.47
		<u>327.47</u>		<u>327.47</u>
iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year				
Equity shares				
Balance at the beginning of the year	32,74,734	327.47	32,74,734	327.47
Balance at the end of the year	32,74,734	327.47	32,74,734	327.47

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	31 March 2020	31 March 2019
	Number of shares	Number of shares
Indiabulls Real Estate Limited (including nominee shares)	32,74,734	32,74,734

vi The Company does not have any shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.
vii Shares reserved for issue under option

The Company has 20,633,954 (31 March 2019: 20,633,954) optionally convertible preference shares outstanding.
The Company has 317,081 (31 March 2019: 317,081) optionally convertible debentures outstanding.

B Optionally convertible preference shares ('OCPS')

	31 March 2020		31 March 2019	
	Number	(₹ in lakhs)	Number	(₹ in lakhs)
i Authorised				
Optionally convertible preference shares of face value of ₹ 10 each	2,10,00,000	2,100.00	2,10,00,000	2,100.00
		<u>2,100.00</u>		<u>2,100.00</u>
ii Issued, subscribed and fully paid up				
0.0001% Optionally convertible preference shares of face value of ₹ 10 each fully paid up	2,06,33,954	2,063.40	-	-
		<u>2,063.40</u>		<u>-</u>
iii Reconciliation of number of optionally convertible preference shares outstanding at the beginning and at the end of the year				
Optionally convertible preference shares				
Balance at the beginning of the year	-	-	-	-
Transferred to equity on account of modification of terms during the year (refer note iv below)	2,06,33,954	2,063.40	-	-
Balance at the end of the year	2,06,33,954	2,063.40	-	-

iv Rights, preferences and restrictions attached to optionally convertible preference shares

0.0001% optionally convertible preference shares (OCPS) of face value of ₹ 10 each fully paid up are held by Holding Company namely Indiabulls Real Estate Limited and its nominees. These are convertible into equity shares and if not converted, these are redeemable at the option of the holder/issuer on or before the expiry of term.

As per the revised terms, agreed with the preference share holders and approved by the board of director in their meeting dated 10 March 2020, OCPS are convertible or redeemable at the option of issuer, on or before the expiry of the term. OCPS are convertible in the ratio of one equity share for each OCPS. Accordingly, the OCPS have been classified as instruments entirely equity in nature during the current year.

v OCPS are held by the Holding Company namely Indiabulls Real Estate Limited and its nominees.
vi The Company does not have any shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

Indiabulls Estate Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
C Optionally convertible debentures ('OCD')

	31 March 2020		31 March 2019	
	Number	(₹ in lakhs)	Number	(₹ in lakhs)
i Issued and fully paid up				
0.0001% Optionally convertible debentures of face value of ₹ 1,000 each fully paid up	3,17,081	3,170.81	-	-
		<u>3,170.81</u>		<u>-</u>
ii Reconciliation of number of optionally convertible debentures outstanding at the beginning and at the end of the year				
Optionally convertible preference shares				
Balance at the beginning of the year	-	-	-	-
Transferred to equity on account of modification of terms during the year (refer note iii below)	3,17,081	3,170.81	-	-
Balance at the end of the year	<u>3,17,081</u>	<u>3,170.81</u>	<u>-</u>	<u>-</u>

iii Rights, preferences and restrictions attached to optionally convertible debentures

During the year ended 31 March 2014, the Company has issued 317,081 optionally convertible debentures (OCDs) of face value of ₹ 1,000 each, bearing interest rate of 0.0001% per annum, to its Holding Company. These debentures are convertible into equity shares, at any time over the maturity period of 20 years. If holder does not exercise its right of conversion, the debentures will be redeemed at the end of the period of 20 years. These optionally convertible debentures are redeemable at the option of the holder, at any time over the maturity period of 20 years.

As per the revised terms, agreed with the debenture holders and approved by the board of director in their meeting dated 10 March 2020, OCD are convertible or redeemable at the option of issuer, on or before the expiry of the term. OCD are convertible in the ratio of one equity share for each OCD. Accordingly the OCDs have been classified as instruments entirely equity in nature during the current year.

iv OCDs are held by the Holding Company namely Indiabulls Real Estate Limited and its nominees.

Note - 17	31 March 2020	31 March 2019
Other equity	(₹ in lakhs)	(₹ in lakhs)
Reserve and surplus		
Securities premium	15,129.41	15,129.41
Retained earnings	(6,433.86)	(3,795.43)
	<u>8,695.55</u>	<u>11,333.98</u>

(i) Nature and purpose of other reserves
Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act 2013.

Note - 18
A Provision non-current

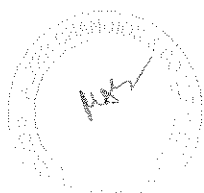
Provision for employee benefits (refer note 37):

Gratuity	10.13	11.21
Compensated absences	2.44	3.07
	<u>12.57</u>	<u>14.28</u>

B Provision-current

Provision for employee benefits (refer note 37):

Gratuity	0.25	0.29
Compensated absences	0.06	0.09
	<u>0.31</u>	<u>0.37</u>



(This space has been intentionally left blank).

Indiabulls Estate Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

	31 March 2020 (₹ in lakhs)	31 March 2019 (₹ in lakhs)
Note - 19		
Borrowings - current		
Unsecured loans		
Optionally convertible debentures*	-	3,170.81
Optionally convertible preference share*	-	2,063.40
Inter-corporate borrowings* (Refer note 36)	833.55	1,978.25
	<u>833.55</u>	<u>7,212.46</u>

Repayment terms for optionally convertible debentures:

During the year ended 31 March 2014, the Company has issued 317,081 optionally convertible debentures (OCDs) of face value of ₹ 1,000 each, bearing interest rate of 0.0001% per annum, to its Holding Company. These debentures are convertible into equity shares, at any time over the maturity period of 20 years. If holder does not exercise its right of conversion, the debentures will be redeemed at the end of the period of 20 years. These optionally convertible debentures are redeemable at the option of the holder, at any time over the maturity period of 20 years.

As per the revised terms, agreed with the debenture holders and approved by the board of director in their meeting dated 10 March 2020, OCD are convertible or redeemable at the option of issuer, on or before the expiry of the term. OCD are convertible in the ratio of one equity share for each OCD. Accordingly, the OCDs have been classified as instruments entirely equity in nature during the current year.

Repayment terms for optionally convertible preference shares:

0.0001% optionally convertible preference shares (OCPS) of face value of ₹ 10 each fully paid up are held by Holding Company namely Indiabulls Real Estate Limited and its nominees. These are convertible into equity shares and if not converted, these are redeemable at the option of the holder/issuer on or before the expiry of term.

As per the revised terms, agreed with the preference share holders and approved by the board of director in their meeting dated 10 March 2020, OCPS are convertible or redeemable at the option of issuer, on or before the expiry of the term. OCPS are convertible in the ratio of one equity share for each OCPS. Accordingly, the OCPS have been classified as instruments entirely equity in nature during the current year.

* Repayable on demand and are interest free.

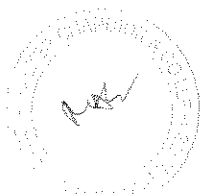
	31 March 2020 (₹ in lakhs)	31 March 2019 (₹ in lakhs)
Note - 20		
Trade payables - current		
A Total outstanding dues of micro enterprises and small enterprises*	22.13	-
	<u>22.13</u>	<u>-</u>

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2020 and 31 March 2019

Particulars	31 March 2020 (₹ in lakhs)	31 March 2019 (₹ in lakhs)
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	22.13	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 has been determined to the extent such parties have been identified on the basis of information available with the Company.

B Total outstanding dues of creditors other than micro enterprises and small enterprises	1,671.60	204.13
	<u>1,671.60</u>	<u>204.13</u>



Indiabulls Estate Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

	31 March 2020 (₹ in lakhs)	31 March 2019 (₹ in lakhs)
Note - 21		
Other financial liabilities - current		
Retention money payable	0.72	0.38
Expenses payable	46.09	51.42
	<u>46.81</u>	<u>51.80</u>
Note - 22		
Other current liabilities		
Payable to statutory authorities	2.18	3.09
Advance from customers	1,352.89	7,541.89
Other liabilities	118.12	87.95
	<u>1,473.19</u>	<u>7,632.93</u>
Note - 23		
Current tax liabilities (net)		
Provision for income tax	2.23	-
	<u>2.23</u>	<u>-</u>

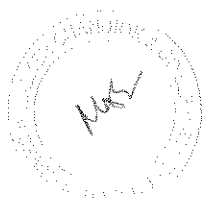


(This space has been intentionally left blank).

Indiabulls Estate Limited
Summary of significant accounting policies and other explanatory information for the period ended 31 March 2020

	31 March 2020 (₹ in lakhs)	31 March 2019 (₹ in lakhs)
Note - 24		
Revenue from operations		
Operating revenue		
Revenue from real estate properties	8,075.90	179.27
Other operating revenue		
Interest from customers on overdue balances	0.15	-
Service receipts	6.49	0.03
	<u>8,082.54</u>	<u>179.29</u>
Note - 25		
Other income		
Interest income on bank deposits	75.06	69.93
Interest on income tax refund	11.10	-
Miscellaneous income	0.30	1.08
	<u>86.46</u>	<u>71.01</u>
Note - 26		
Cost of revenue		
Cost incurred during the year	1,955.67	314.73
Decrease in real estate properties		
Opening stock	21,616.10	22,896.25
Closing stock	<u>(13,014.90)</u>	<u>(21,616.10)</u>
	<u>10,556.87</u>	<u>1,594.89</u>
Note - 27		
Employee benefits expense		
Salaries and wages	69.98	82.78
Contribution to provident fund and other funds	0.98	1.22
Staff welfare expenses	6.50	10.99
	<u>77.46</u>	<u>94.99</u>
Note - 28		
Finance costs		
Interest expense on taxation (refer note 41)	23.78	0.01
Other borrowing costs	7.56	6.28
	<u>31.34</u>	<u>6.29</u>
Note - 29		
Other expenses		
Auditor's remuneration		
Audit fees*	12.39	10.50
Communication expenses	0.69	0.77
Insurance expenses	0.12	0.97
Legal and professional charges	3.26	0.86
Printing and stationery	0.09	0.25
Rates and taxes	2.26	1.22
Repairs and maintenance	10.73	11.83
Brokerage and marketing expenses	-	0.58
Traveling and conveyance expenses	3.07	3.18
Claims and compensation	52.59	0.47
Business support expenses	9.41	8.79
Miscellaneous expenses	2.28	11.11
	<u>96.89</u>	<u>50.54</u>

*Current year fees inclusive of applicable taxes. During the previous year ended 31 March 2019, the Company claimed input credit for taxes on audit fees.



Indiabulls Estate Limited
Summary of significant accounting policies and other explanatory information for the period ended 31 March 2020

	31 March 2020 (₹ in lakhs)	31 March 2019 (₹ in lakhs)
Note - 30		
Income tax		
Current tax (including earlier years) (refer note 41)	39.58	-
Deferred tax credit	0.78	(0.29)
Income tax expense reported in the statement of profit or loss	40.36	(0.29)

The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended 31 March 2020 and re-measured its deferred tax assets/liabilities basis the rate prescribed in the aforesaid section.

The major components of the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168% (31 March 2019: 27.82%) and the reported tax expense in statement of profit and loss are as follows:

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Accounting profit before tax from continuing operations	(2,596.96)	(1,499.20)
Accounting profit before income tax	(2,596.96)	(1,499.20)

At India's statutory income tax rate of 25.168% (31 March 2019: 27.82%)	(653.60)	(417.09)
---	----------	----------

Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

Tax impact of earlier years items (refer note 41)	39.58	-
Tax impact of expenses which will never be allowed	5.99	0.01
Tax impact on account of changes in income tax rate	1.32	-
Tax impact of unrecognised deferred tax on unabsorbed business losses	646.87	416.21
Others	0.20	0.57
Income tax expense/(credit)	40.36	(0.29)

Note - 31
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.

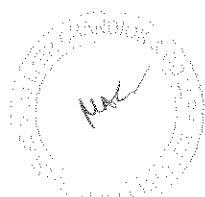
The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2020	31 March 2019
Loss attributable to equity holders (in ₹ lakhs)	(2,637.32)	(1,498.91)
Weighted average number of equity shares for basic and diluted earning per share	32,74,734	32,74,734
Add: Optionally convertible preference shares	12,43,690	-
Add: Optionally convertible debentures	19,112	-
Weighted average number of equity shares for basic and diluted EPS	45,37,536	32,74,734

Earnings per equity share :

Basic ₹	(58.12)	(45.77)
Diluted ₹*	(58.12)	(45.77)

*As the Company has loss in previous year, impact of potential equity shares (optionally convertible debentures and optionally convertible preference shares) is anti dilutive in nature.



(This space has been intentionally left blank).

Note - 32

Financial risk management

i) Financial instruments by category

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
	Amortised cost	
Financial assets		
Trade receivables	710.63	380.82
Loans	3,284.97	3,285.72
Cash and cash equivalents	26.97	66.67
Other bank balances	1,061.81	1,061.48
Other financial assets	-	0.48
Total financial assets	5,084.38	4,795.17

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
	Amortised cost	
Financial liabilities		
Borrowings	833.55	7,212.46
Trade payables	1,693.73	204.13
Other financial liabilities	46.81	51.80
Total financial liabilities	2,574.09	7,468.39

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

iii) Risk management

The Company's activities expose it to the 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 is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

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: High credit risk

Asset group	Basis of categorisation	Provision for expenses credit loss
Low credit risk	Trade receivables, cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss/Life time expected credit losses
High credit risk	Not applicable	Not applicable

In respect of trade receivables, the Company recognises a provision for lifetime expected credit loss.

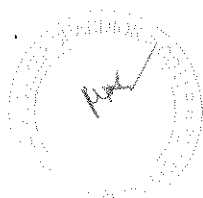
Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences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

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy, other advance not recoverable 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 -		(₹ in lakhs)	
Credit rating	Particulars	31 March 2020	31 March 2019
Low credit risk	Cash and cash equivalents, trade receivable, other bank balances, loans and other financial assets	5,084.38	4,795.17

ii) Concentration of financial assets

The Company's principal business activities are development of real estate properties and all other related activities. The Company's outstanding receivables are for real estate project. Loans and other financial assets majorly represents inter-company loans and other advances.



(This space has been intentionally left blank).

b) Credit risk exposure

Provision for expected credit losses

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

(₹ in lakhs)			
As at 31 March 2020			
Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	710.63	-	710.63
Loans	3,284.97	-	3,284.97
Cash and cash equivalents	26.97	-	26.97
Other bank balances	1,061.81	-	1,061.81

(₹ in lakhs)			
As at 31 March 2019			
Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	380.82	-	380.82
Loans	3,285.72	-	3,285.72
Cash and cash equivalents	66.67	-	66.67
Other bank balances	1,061.48	-	1,061.48
Other financial assets	0.48	-	0.48

Expected credit loss for trade receivables under simplified approach

In respect of trade receivables, the Company considers provision for lifetime expected credit loss. Given the nature of business operations, Company's trade receivables does not have any expected credit loss as transfer of legal title of properties sold is generally passed on to the customer, once the Company receives the entire consideration and hence, these are been considered as low credit risk assets. Further, during the periods presented, the Company made no write-offs of trade receivables and no recoveries from receivables previously written off.

(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.

Maturities of financial liabilities

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

(₹ in lakhs)				
31 March 2020	Less than 1 year	1-3 years	More than 3 years	Total
Non-derivatives				
Borrowings	833.55	-	-	833.55
Trade payables	1,693.73	-	-	1,693.73
Other financial liabilities	46.81	-	-	46.81
Total	2,574.09	-	-	2,574.09

(₹ in lakhs)				
31 March 2019	Less than 1 year	1-3 years	More than 3 years	Total
Non-derivatives				
Borrowings	7,212.46	-	-	7,212.46
Trade payable	204.13	-	-	204.13
Other financial liabilities	51.80	-	-	51.80
Total	7,468.39	-	-	7,468.39

(C) The Company does not have any market risk.

(This space has been intentionally left blank).



Note - 33

Revenue related disclosures

A Disaggregation of revenue

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	(₹ in lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from contracts with customers		
Operating revenue		
(i) Revenue from operations - Revenue from sale of properties	8,075.90	179.27
(ii) Other operating income (interest from customers on overdue balances and service receipts)	6.64	0.03
Total revenue covered under Ind AS 115	8,082.54	179.29

B Contract balances

The following table provides information about receivables and contract liabilities from contract with customers:

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Contract liabilities		
Advance from customers	1,352.89	7,541.89
Total contract liabilities	1,352.89	7,541.89
Receivables		
Trade receivables	710.63	380.82
Total receivables	710.63	380.82

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets (unbilled receivables) are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

C Significant changes in the contract liabilities balances during the year are as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
	Contract liabilities	Contract liabilities
	Advances from customers	Advances from customers
Opening balance	7,541.89	7,370.99
Addition during the year	294.92	331.79
Adjustment on account of revenue recognised during the year	(6,483.92)	(160.89)
Closing balance	1,352.89	7,541.89

D The aggregate amount of transaction price allocated to the unsatisfied performance obligations as at 31 March 2020 is ₹ 1,352.89 (31 March 2019: ₹ 7,541.89). This represents the advance received from customers (gross) against real estate properties under development. The management expects to further bill and collect the remaining balance of total consideration in the coming years. These balances will be recognised as revenue in future years as per the policy of the Company.

(This space has been intentionally left blank).

Indiabulls Estate Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2020

Note – 34

Capital management

The Company's objectives when managing capital are:

- To ensure Company's ability to continue as a going concern, and
- 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 –

Debt equity ratio

	31 March 2020	31 March 2019
Net debt	(255.23)	6,084.32
Total equity	14,257.23	11,661.45
Net debt to equity ratio	(0.02)	0.52

**Net debt = Current borrowing – cash and cash equivalent – other bank balances*

Note – 35

Information about subsidiaries

The information about subsidiaries of the company is as follows:

Name of subsidiary	Country of incorporation	Proportion of ownership interest as at 31 March 2020	Proportion of ownership interest as at 31 March 2019
Indiabulls Commercial Estate Limited	India	100.00%	100.00%
Indiabulls Engineering Limited	India	100.00%	100.00%
Indiabulls Infrastructure Projects Limited	India	100.00%	100.00%
Indiabulls Land Holdings Limited	India	100.00%	100.00%
Nilgiri Infrastructure Limited	India	100.00%	100.00%
Nilgiri Land Development Limited	India	100.00%	100.00%
Nilgiri Land Holdings Limited	India	100.00%	100.00%
Nilgiri Lands Limited	India	100.00%	100.00%
Indiabulls Commercial Properties Limited	India	100.00%	100.00%

Note – 36

Related party transactions

i) Related parties exercising control

Holding Company

Indiabulls Real Estate Limited

ii) Related parties where control exists

Subsidiaries

Details in reference to subsidiaries are presented in Note 35.

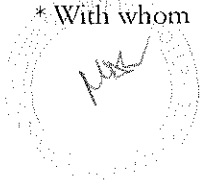
iii) Other related parties*

Fellow Subsidiary Companies

Indiabulls Constructions Limited

Lucina Land Development Limited

* With whom transactions have been made during the year/previous year.



Indiabulls Estate Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2020

(i) Statement of transactions with related parties (₹ in lakhs)

Particulars	31 March 2020		31 March 2019	
	Holding Company	Subsidiary / fellow Subsidiary companies	Holding Company	Subsidiary / fellow Subsidiary companies
Inter-corporate borrowings taken				
- Indiabulls Real Estate Limited	426.50	-	1,806.30	-
- Indiabulls Constructions Limited	-	367.80	-	1,849.75
Inter-corporate borrowings repaid				
- Indiabulls Real Estate Limited	(555.00)	-	(3,333.75)	-
- Indiabulls Constructions Limited	-	(1,384.00)	-	-
Interest expenses				
- Indiabulls Real Estate Limited	0.01	-	0.01	-
Inter-corporate loans given (net)				
- Indiabulls Commercial Estate Limited	-	0.40	-	20.40
- Indiabulls Land Holdings limited	-	0.40	-	0.40
- Indiabulls Engineering Limited	-	(2.80)	-	5.00
- Nilgiri Land Development Limited	-	0.20	-	8.50
- Nilgiri Lands Limited	-	(0.20)	-	5.90
- Nilgiri Land Holdings Limited	-	0.40	-	3.60
- Nilgiri Infrastructure Limited	-	0.25	-	0.22
- Indiabulls Commercial Properties Limited	-	0.20	-	0.27
- Indiabulls Infrastructure Projects Limited	-	0.40	-	-
Business support expenses				
- Indiabulls Real Estate Limited	9.41	-	8.79	-

(ii) Statement of balances outstanding: (₹ in lakhs)

	31 March 2020		31 March 2019	
	Holding Company	Subsidiary / fellow Subsidiary companies	Holding Company	Subsidiary / fellow Subsidiary companies
Inter-corporate borrowings taken				
- Indiabulls Real Estate Limited	-	-	128.50	-
- Indiabulls Constructions Limited	-	833.55	-	1,849.75
Inter-corporate loans given				
- Indiabulls Commercial Estate Limited	-	395.89	-	395.49
- Indiabulls Land Holdings limited	-	264.54	-	264.14
- Indiabulls Engineering Limited	-	341.74	-	344.54
- Nilgiri Land Development Limited	-	273.82	-	273.62
- Indiabulls Infrastructure Projects Limited	-	108.26	-	107.86
- Nilgiri Lands Limited	-	450.44	-	450.64
- Nilgiri Land Holdings Limited	-	997.59	-	997.19
- Nilgiri Infrastructure Limited	-	262.92	-	262.67
- Indiabulls Commercial Properties Limited	-	179.56	-	179.37
Investment in equity shares				
- Indiabulls Commercial Estate Limited	-	5.00	-	5.00
- Indiabulls Engineering Limited	-	5.00	-	5.00
- Indiabulls Infrastructure Projects	-	5.00	-	5.00
- Indiabulls Land Holdings Limited	-	5.00	-	5.00

Indiabulls Estate Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2020

	31 March 2020		31 March 2019	
	Holding Company	Subsidiary / fellow Subsidiary companies	Holding Company	Subsidiary / fellow Subsidiary companies
- Nilgiri Infrastructure Limited	-	5.00	-	5.00
- Nilgiri Land Development Limited	-	10.00	-	10.00
- Nilgiri Land Holdings Limited	-	5.00	-	5.00
- Nilgiri Lands Limited	-	5.00	-	5.00
- Indiabulls Commercial Properties Limited	-	5.00	-	5.00
Optionally convertible debentures held by				
- Indiabulls Real Estate Limited	-	-	3,170.81	-
Optionally convertible preference shares held by				
- Indiabulls Real Estate Limited	-	-	2,063.40	-

(iii) Statement of maximum balance outstanding at any time during the year: (₹ in lakhs)

	31 March 2020		31 March 2019	
	Holding Company	Subsidiary / fellow Subsidiary companies	Holding Company	Subsidiary / fellow Subsidiary companies
Inter-corporate borrowings taken				
- Indiabulls Real Estate Limited	217.5	-	2,801.95	-
-Indiabulls Constructions Limited	-	1,916.75	-	1,849.75
Inter-corporate loans given				
- Indiabulls Commercial Estate Limited	-	395.89	-	395.49
- Indiabulls Land Holdings limited	-	264.54	-	264.14
- Indiabulls Engineering Limited	-	344.54	-	344.54
- Nilgiri Land Development Limited	-	278.62	-	273.62
- Indiabulls Infrastructure Projects Limited	-	108.26	-	107.85
- Nilgiri Lands Limited	-	450.94	-	450.64
- Nilgiri Land Holdings Limited	-	997.59	-	997.19
- Nilgiri Infrastructure Limited	-	262.92	-	262.67
- Indiabulls Commercial Properties Limited	-	179.57	-	179.37
Optionally convertible debentures held by*				
- Indiabulls Real Estate Limited	3,170.81	-	3,170.81	-
Optionally convertible preference shares held by*				
- Indiabulls Real Estate Limited	2,063.40	-	2,063.40	-

* Reclassified during the year to instrument entirely equity in nature due to change in terms.

Disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed.

Note – 37

Employee benefit

Defined contribution plan

The Company has made ₹ 0.98 lakhs (31 March 2019 - ₹ 1.22 lakhs) contribution in respect of provident fund and other funds.



Indiabulls Estate Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2020

Defined Benefit Plan

The Company has the following Defined Benefit Plans:

- Gratuity (Unfunded)
- Compensated absences (Unfunded)

Risks associated with plan provisions

Discount rate risk	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality risk	Actual death and liability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Salary risk	Actual salary increase will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Withdrawal risk	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

Compensated absences

The leave obligations cover the Company's liability for sick and earned leaves. The amount of provision of ₹ 0.06 lakhs (31 March 2019 – ₹ 0.09 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. The weighted average duration of the defined benefit obligation is 15.18 years (31 March 2019: 17.08 years).

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

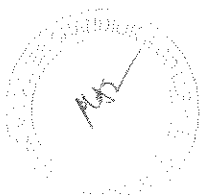
	31 March 2020	31 March 2019
Service cost	0.29	0.51
Net interest cost	0.24	0.19
Actuarial (gain)/loss on obligation	(1.19)	0.10
Expense recognized in the statement of profit and loss	(0.66)	1.40

Movement in the liability recognized in the balance sheet is as under: (Amount in ₹ lakhs)

	31 March 2020	31 March 2019
Present value of defined benefit obligation at the beginning of the year	3.16	2.36
Service cost	0.29	0.51
Net Interest cost	0.24	0.19
Past service cost including curtailment gains/losses	(1.19)	0.10
Present value of defined benefit obligation at the end of the year	2.50	3.16

Bifurcation of projected benefit obligation at the end of the year in current and non-current

		31 March 2020	31 March 2019
a)	Current liability (amount due within one year)	0.06	0.09
b)	Non - current liability (amount due over one year)	2.44	3.07
	Total projected benefit obligation at the end of the year	2.50	3.16



Indiabulls Estate Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2020

For determination of the liability of the Company, the following actuarial assumptions were used:

Particulars	Compensated absences	
	31 March 2020	31 March 2019
Discount rate	6.99%	7.71%
Salary escalation rate	5.50%	5.50%
Mortality table	Indian Assured Lives Mortality (2012 -14)	Indian Assured Lives Mortality (2006 -08)

As the Company does not have any plan assets, the movement of present value of defined benefit obligation and fair value of plan assets has not been presented.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Maturity plan of Defined Benefit Obligation (Amount in ₹ lakhs)

	Year	31 March 2020	Year	31 March 2019
a)	0 to 1 Year	0.06	0 to 1 Year	0.09
b)	1 to 2 Year	0.06	1 to 2 Year	0.06
c)	2 to 3 Year	0.06	2 to 3 Year	0.06
d)	3 to 4 Year	0.06	3 to 4 Year	0.06
e)	4 to 5 Year	0.07	4 to 5 Year	0.07
f)	5 to 6 Year	0.57	5 to 6 Year	0.06
g)	6 Year onwards	4.01	6 Year onwards	2.76

Sensitivity analysis for compensated absences liability (Amount in ₹ lakhs)

		31 March 2020	31 March 2019
Impact of the change in discount rate			
	Present value of obligation at the end of the year	2.50	3.16
a)	Impact due to increase of 0.50 %	(0.17)	(0.22)
b)	Impact due to decrease of 0.50 %	0.18	0.25
Impact of the change in salary increase			
	Present value of obligation at the end of the year	2.50	3.16
a)	Impact due to increase of 0.50 %	0.18	0.25
b)	Impact due to decrease of 0.50 %	(0.17)	(0.23)

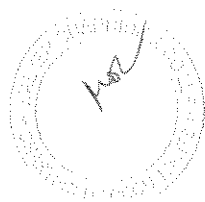
Sensitivities due to mortality and withdrawal are not material and hence impact of change not calculated.

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity plan is a non-funded plan. The weighted average duration of the defined benefit obligation is 15.18 years (31 March 2019: 17.02 years)

Actuarial loss recognised in other comprehensive income (₹ in lakhs)

	31 March 2020	31 March 2019
Actuarial loss on arising from change in experience adjustment	1.47	2.26



Indiabulls Estate Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2020

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

	31 March 2020	31 March 2019
Service cost	1.12	1.59
Net interest cost	0.89	0.56
Expense recognized in the statement of profit and loss	2.01	2.15

Movement in the liability recognized in the balance sheet is as under: (Amount in ₹ lakhs)

	31 March 2020	31 March 2019
Present value of defined benefit obligation at the beginning of the year	11.50	7.09
Service cost	1.12	1.59
Interest cost	0.89	0.56
Past service cost including curtailment gains/losses	-	-
Actuarial loss on obligation	1.47	2.26
Benefits paid	(4.60)	-
Present value of defined benefit obligation at the end of the year	10.38	11.50

Bifurcation of projected benefit obligation at the end of the year in current and non-current (Amount in ₹ lakhs)

	31 March 2020	31 March 2019
a) Current liability (amount due within one year)	0.25	0.29
b) Non - current liability (amount due over one year)	10.13	11.21
Total projected benefit obligation at the end of the year	10.38	11.50

For determination of the liability of the Company, the following actuarial assumptions were used:

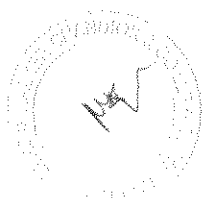
Particulars	Gratuity	
	31 March 2020	31 March 2019
Discount rate	6.99%	7.71%
Salary escalation rate	5.50%	5.50%
Mortality table	Indian Assured Lives Mortality (2012 -14)	Indian Assured Lives Mortality (2006 -08)

As the Company does not have any plan assets, the movement of present value of defined benefit obligation and fair value of plan assets has not been presented.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Maturity plan of Defined Benefit Obligation (Amount in ₹ lakhs)

	Year	31 March 2020	Year	31 March 2019
a)	April 2020 – March 2021	0.25	April 2019 – March 2020	0.29
b)	April 2021 – March 2022	0.23	April 2020 – March 2021	0.22
c)	April 2022 – March 2023	0.24	April 2021 – March 2022	0.22
d)	April 2023 – March 2024	0.26	April 2022 – March 2023	0.21
e)	April 2024 – March 2025	0.27	April 2023 – March 2024	0.21
f)	April 2025 – March 2026	3.22	April 2024 – March 2025	0.21
g)	April 2026 onwards	15.38	April 2025 onwards	10.14



Indiabulls Estate Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2020

Sensitivity analysis for gratuity liability

(Amount in ₹ lakhs)

		31 March 2020	31 March 2019
Impact of the change in discount rate			
	Present value of obligation at the end of the year	10.38	11.50
a)	Impact due to increase of 0.50 %	(0.65)	(0.76)
b)	Impact due to decrease of 0.50 %	0.72	0.84
Impact of the change in salary increase			
	Present value of obligation at the end of the year	10.38	11.50
a)	Impact due to increase of 0.50 %	0.72	0.86
b)	Impact due to decrease of 0.50 %	(0.66)	(0.78)

Sensitivities due to mortality and withdrawal are not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Note – 38

The Company has certain litigations involving customers and other land related matters. However, based on legal advice, the management does not expect any unfavourable outcome resulting in material adverse effect on the financial position of the Company.

Note – 39

Segment reporting

The Company's primary business segment is reflected based on principal business activities carried on by the Company i.e. development of real estate projects and all other related activities, which as per Ind AS 108 on 'Operating Segments' is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment.

Note – 40

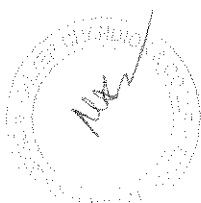
Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows

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

(₹ in lakhs)

Particulars	Current borrowings	Total
Net debt as at 31 March 2019	7,212.46	7,212.46
Proceeds from borrowings	794.30	834.30
Repayment of borrowings	(1,939.00)	(1,979.00)
Reclassification of optionally convertible debentures to instrument entirely equity in nature	(3,170.81)	(3,170.81)
Reclassification of optionally convertible preference shares to instrument entirely equity in nature	(2,063.40)	(2,063.40)
Net debt as at 31 March 2020	833.55	833.55

Particulars	Current borrowings	Total
Net debt as at 1 April 2018	6,890.16	6,890.16
Proceeds from borrowings	3,656.05	3,656.05
Repayment of borrowings	(3,333.75)	(3,333.75)
Net debt as at 31 March 2019	7,212.46	7,212.46



Indiabulls Estate Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2020

Note – 41

Income tax settlement commission

During the year, the Settlement Commission passed final orders under section 245D(4) in respect of the applications made to the Settlement Commission dated 3 October 2017. Pursuant to the orders, additional tax expense (including interest) of ₹ 61.13 lakhs has been determined and recorded in financial statements. Additionally, the Company has also booked interest expense of ₹ 2.23 lakhs due to payment of above additional tax expense on instalment basis.

Note – 42

The Company has not entered into any derivative instruments during the year.

Note – 43

All loans, guarantees and securities as disclosed in respective notes are provided for business purposes.

Note – 44

The Hon'ble Supreme Court of India has passed a judgement dated 28 February 2019 and it was held that basic wages, for the purpose of provident fund, to include allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies. Currently, the Company has not considered any impact in these financial statements.

Note-45

The outbreak of Covid-19 has severely impact businesses around the world. In many countries, including India, there has been severe disruption of regular business operations due to lock down restrictions and other emergency measures imposed by the Government. The management has made a detailed assessment of its liquidity position including recoverability and carrying values of its receivables, inventory, business and other advances as at balance sheet date, however, the actual impact of Covid-19 pandemic on the Company's results remains uncertain and dependant on spread of Covid-19 and steps taken by the Government to mitigate the economic impact and may differ from that estimated as at the date of approval of these financial statements.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No: 001076N/N500013

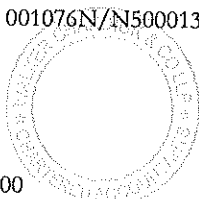
Manish Agrawal

Partner

Membership No.:507000

Place: Ghaziabad

Date: 13 May 2020



For and on behalf of board of directors

Manoj Kumar

Whole Time Director

[DIN: 07133559]

Place: Gurugram

Ravi Telkar

Company Secretary

Place: Gurugram

Mehul Jhonson

Director

[DIN: 000166075]

Place: Gurugram

Anil Mittal

Chief Financial officer

Place: Gurugram