

# Agarwal Prakash & Co.

CHARTERED ACCOUNTANTS

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

Phone: 011-43516377

E-mail: contact@apnco.org

## INDEPENDENT AUDITOR'S REPORT

To the Members of Indiabulls Constructions Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Indiabulls Constructions Limited ("the Company"), which comprise the balance sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('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 2023, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SA's') specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are



required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

### **Management's Responsibility for the Financial Statements**

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify



our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows 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.
- (e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as at 31 March 2023— Refer Note 47 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023.




- 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 2023.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared and paid dividend during the year.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- (h) With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

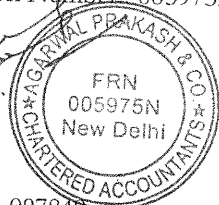
For Agarwal Prakash & Co.  
Chartered Accountants

Firm's Registration Number: 005975N

  
Vikas Aggarwal  
Partner

Membership No.: 097848

UDIN: 23097848BGUTZK1795



Place: Gurugram

Date: 29 May 2023

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2023, 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) In respect of the Company's Property, Plant and Equipment and Intangible assets:
    - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
    - (B) The company has maintained proper records showing full particulars of intangible assets.
  - (b) 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 physical verification of the property, plant and equipment and intangible assets is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
  - (d) The Company has not revalued its Property, Plant and Equipment (and Right of Use assets) and intangible assets during the year.
  - (e) According to the information, explanation and representation provided to us and based on verification carried out by us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) According to the information, explanation and representation provided to us and based on verification carried out by us, the management has conducted physical verification of inventory at reasonable intervals during the year and no discrepancies were noticed on verification between physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
  - (b) According to the information, explanation and representation provided to us and based on verification carried out by us, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, clause 3(ii)(b) of the Order is not applicable.



(iii)

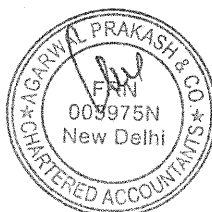
According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not made any investment in, provided any guarantee or security or advances in the nature of loans, secured or unsecured to firms, Limited Liability Partnerships (LLPs) and Company. The Company has granted loans to fellow subsidiary companies.

- (a) The Company has granted loans to fellow subsidiary companies. The details of the same are given below:

(Rs. in Lakhs)				
Particulars	Guarantees	Security	Loans	Advances in nature of loans
<b>Aggregate amount during the year</b>				
-Others (Fellow Subsidiary Companies)	-	-	31,211.28	-
<b>Balance outstanding as at balance sheet date</b>				
-Others (Fellow Subsidiary Companies)	-	-	2,94,510.47	-

- (b) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not made any investment or provided guarantees or given any security during the year but granted loans to fellow subsidiary Companies. However, the Company has granted loans to fellow subsidiary Companies at nil interest rate which is lower than the market rate of interest. In respect of such loan, we have not been provided with adequate explanation of the benefits, if any, accruing to the Company for giving such loans, we are unable to comment as to whether the terms and conditions of grant of such loans, are, prima facie, prejudicial to the interest of the Company.
- (c) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has granted loans to the fellow subsidiary companies that are repayable on demand. The loans, which were, demanded during the year have been duly received. For loans outstanding at the year end, we are informed that the Company has not demanded repayment of any such loan during the year.
- (d) There is no overdue amount in respect of loans granted to such companies.
- (e) The Company has not granted any loans which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans.
- (f) The Company has granted loans which are repayable on demand, as per details below:

(Rs. in Lakhs)			
Particulars	All Parties	Promoters	Related Parties
<b>Aggregate of loans</b>			
-Repayable on demand (A)	2,94,510.47	-	2,94,510.47



-Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	2,94,510.47	-	2,94,510.47
Percentage of loans			100%

- (iv) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
- (v) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not accepted deposits or deemed deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under, are applicable. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products/services where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act and the rules framed there under and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. 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) According to the information, explanation and representation provided to us and based on verification carried out by us, the dues outstanding of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Value Added Tax Act, 1991	VAT Demand	214.42	F.y. 2008-09	JC (Appeals)
Central Excise Tariff Act, 1985	Excise duty demand	15.18	May 2013 to February 2016	CESTAT, Mumbai



Value Added Tax Act, 1991	VAT demand	39.55	April 2017 to June 2017	Dy. Commissioner of State Tax, Mumbai
Income Tax Act, 1961	Tax demand	1,178.78	A.y. 2018-19	Commissioner (Appeals)
Income Tax Act, 1961	Tax demand	1,724.90	A.y. 2021-22	Commissioner (Appeals)

- (viii) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) that has not been recorded in the books of accounts.
- (ix) (a) According to the records of the company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender. The company does not have any borrowings from financial institutions or government.
- (b) According to the information and explanations given to us including confirmations received from banks and other lenders and written representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us, and the procedures performed by us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us, and the procedures performed by us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) (a) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.





- (b) According to the information, explanation and representation provided to us and based on verification carried out by us, during the year, the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us, and the procedures performed by us, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, and the procedures performed by us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information, explanation and representation provided to us and based on verification carried out by us, during the year, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.



- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred any cash losses in the current financial year 2022-23 as well as in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Section 135 of the Companies Act, 2013 with regards to Corporate Social Responsibility are not applicable to the Company. Accordingly, clause 3(xx) of the Order is not applicable.

For **Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number.: 005975N

  
**Vikas Aggarwal**

Partner

Membership No.: 097848

UDIN: 23097848BGUTZK1795



Place: Gurugram

Date: 29 May 2023

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure B referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2023 of even date.

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

We have audited the internal financial controls with reference to financial statements of Indiabulls Constructions Limited ('the Company') as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

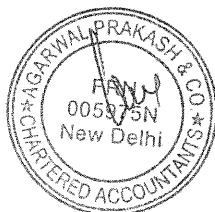
The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on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

#### **Auditors' Responsibility**

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

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

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



## Meaning of Internal Financial Controls with reference to Financial Statements

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


## Inherent Limitations of Internal Financial Controls with reference to Financial Statements

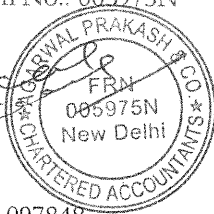
Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation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

## Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Agarwal Prakash & Co.**  
Chartered Accountants  
Firm's Registration No.: 005975N

  
**Vikas Aggarwal**  
Partner  
Membership No.: 097848  
UDIN: 23097848BGUTZK1795



Place: Gurugram  
Date: 29 May 2023

Balance Sheet as at	Note	31 March 2023	31 March 2022
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	5 A	51.56	85.70
(b) Other intangible assets	5 B	-	-
(c) Financial assets			
Other financial assets	6 A	-	1.00
(d) Deferred tax assets, net	7	72.14	85.64
(e) Non-current tax assets, net	8	348.01	402.92
(f) Other non-current assets	9 A	-	0.42
		<u>471.71</u>	<u>575.68</u>
<b>Current assets</b>			
(a) Inventories	10	1,517.65	3,491.24
(b) Financial assets			
Investments	11	3,679.90	3,679.90
Trade receivables	12	56.25	168.18
Cash and cash equivalents	13	53.07	16.73
Other bank balances	14	1.00	0.62
Loans	15	234,980.00	289,032.09
Other financial assets	6 B	497.57	18.51
(c) Other current assets	9 B	1,826.03	2,444.68
		<u>242,611.47</u>	<u>298,851.95</u>
<b>Total of Assets</b>		<u><b>243,083.18</b></u>	<u><b>299,427.63</b></u>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	5.00	5.00
(b) Instruments entirely equity in nature	17 A	104,828.00	104,828.00
(c) Other equity	18	(73,330.13)	(77,010.58)
		<u>31,502.87</u>	<u>27,822.42</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Provisions	19 A	111.13	146.10
		<u>111.13</u>	<u>146.10</u>
<b>Current liabilities</b>			
(a) Financial liabilities			
Borrowings	20	152,222.55	163,073.77
Trade payables	21		
-total outstanding dues of micro and small enterprises		377.41	726.57
-total outstanding dues of creditors other than micro and small enterprises		7,820.17	12,140.67
Other financial liabilities	22	87.72	123.41
Redeemable preference shares	18 B	45,000.00	45,000.00
(b) Other current liabilities	23	5,930.32	50,343.05
(c) Provisions	19 B	31.01	51.64
		<u>211,469.18</u>	<u>271,459.11</u>
<b>Total of Equity and Liabilities</b>		<u><b>243,083.18</b></u>	<u><b>299,427.63</b></u>

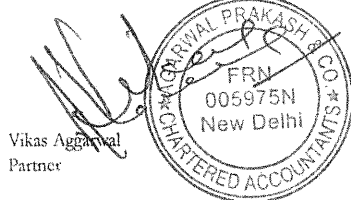
**Summary of significant accounting policies**

4

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

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


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

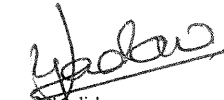


Vikas Agarwal  
Partner

Place: Gurugram  
Date: 29 May 2023

For and on behalf of the Board of Directors

  
Rahul Naik  
Whole Time Director  
[DIN: 10161570]

  
Jagdish  
Director  
[DIN: 10161675]

  
Aashima Singla  
Company Secretary

  
Priyabrata Pardhi  
Chief Financial Officer

Statement of profit and loss for the		Year ended 31 March	
	Note	2023	2022
<b>Revenue</b>			
Revenue from operations	24	15,332.76	11,565.60
Other income	25	517.16	2,013.25
<b>Total of Revenue</b>		<b>15,849.92</b>	<b>13,578.85</b>
<b>Expenses</b>			
Cost of revenue	26		
Cost incurred during the year		11,408.10	9,181.13
decrease/(Increase) in work in progress		2,810.42	1,213.84
Employee benefits expenses	27	805.27	838.42
Finance costs	28	49.82	965.26
Depreciation and amortisation expenses	5	31.01	68.78
Other expenses	29	80.57	11,870.60
<b>Total of Expenses</b>		<b>15,185.19</b>	<b>24,138.03</b>
<b>Profit/(loss) before exceptional and tax</b>		<b>664.73</b>	<b>(10,559.18)</b>
Exceptional items	48	3,020.85	-
<b>Profit/(Loss) before tax</b>		<b>3,685.58</b>	<b>(10,559.18)</b>
Tax expenses	30		
Current tax		-	-
Deferred tax charge/(credit)		13.49	(9.74)
<b>Profit/(Loss) after tax</b>		<b>3,672.09</b>	<b>(10,549.44)</b>
<b>Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
-Re-measurement (loss)/gains on defined benefit plans		8.36	(0.82)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>8.36</b>	<b>(0.82)</b>
<b>Total comprehensive income for the year</b>		<b>3,680.45</b>	<b>(10,550.26)</b>
<b>Earnings per equity share</b>	31		
Equity share of par value ₹ 10/- each			
Basic (₹)		7,344.19	(21,098.88)
Diluted (₹)		7,344.19	(21,098.88)

**Summary of significant accounting policies**

4

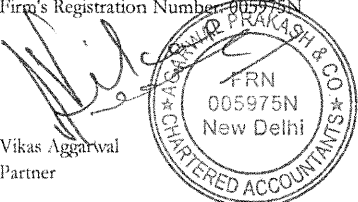
The accompanying notes form an integral part of the financial statements.

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

For Agarwal Prakash &amp; Co.


Chartered Accountants

Firm's Registration Number: 005975N




Vikas Aggarwal  
Partner

For and on behalf of the Board of Directors



Rahul Naik  
Whole Time Director  
[DIN: 10161570]



Jagdish  
Director  
[DIN: 10161675]

Place: Gurugram

Date: 29 May 2023



Aashima Singla  
Company Secretary



Priyabrata Pardhi  
Chief Financial Officer

Statement of Cash Flows for the	Year ended 31 March	
	2023	2022
<b>A. Cash flow from operating activities:</b>		
Profit/(Loss) before income tax for the year	3,685.58	(10,559.18)
<b>Adjustments to reconcile net profit/(loss) to net cash provided by operating activities:</b>		
Depreciation and amortisation expense	31.01	68.78
Interest expense	49.82	963.98
Interest income	(490.85)	(1,832.74)
Profit on sale of mutual fund	-	(0.01)
Allowance for expected credit loss on advances	8.10	11,464.55
Balances written off	222.95	305.24
Balances written back	(3,243.80)	-
(Provision)/Reversal of gratuity and compensated absences	(25.27)	28.65
Loss on sale of property plant & equipment	6.93	11.21
<b>Operating profit before working capital changes and other adjustments</b>	<b>244.47</b>	<b>450.48</b>
<b>Change in operating assets and liabilities</b>		
Decrease in inventories	1,973.60	1,203.98
Decrease/(Increase) in trade receivables	132.28	(189.12)
Decrease in loans, other financial assets and other assets	132.53	136,561.39
(Decrease)/Increase in trade payables	(1,582.72)	1,325.98
Decrease in other financial liabilities, other liabilities and provisions	(14,776.97)	(42,328.49)
<b>Cash (used in)/generated operating activities</b>	<b>(13,876.81)</b>	<b>97,024.23</b>
Income tax refund received, net	54.91	816.94
<b>Net cash (used in)/generated operating activities</b>	<b>(13,821.90)</b>	<b>97,841.17</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant & equipment	(3.80)	(4.86)
Proceeds from sale of mutual funds	-	0.01
Inter-corporate loans and advances given	(31,211.28)	(177,395.77)
Inter-corporate loans and advances received back	55,417.53	86,184.24
Interest received on inter-corporate loans given	622.96	1,700.44
Interest received on fixed deposit receipts	0.23	0.07
Interest received from investments in debentures	0.00	0.00
<b>Net cash generated/(used in) from investing activities</b>	<b>24,825.64</b>	<b>(89,515.87)</b>
<b>C. Cash flow from financing activities: (Refer note 53)</b>		
Repayment of inter-corporate borrowings	(158,338.55)	(198,918.97)
Proceeds from inter-corporate borrowings	147,487.33	191,500.17
Interest paid on inter-corporate borrowings	(116.18)	(897.63)
<b>Net cash used in from financing activities</b>	<b>(10,967.40)</b>	<b>(8,316.43)</b>
<b>D. Increase in cash and cash equivalents, net (A+B+C)</b>	<b>36.34</b>	<b>8.87</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>16.73</b>	<b>7.86</b>
<b>F. Cash and cash equivalents at the end of the year (D+E)</b>	<b>53.07</b>	<b>16.73</b>



## Statement of Cash Flows for the

Year ended 31 March

2023

2022

## G. Reconciliation of cash and cash equivalents as per cash flow statement

Cash and cash equivalents includes

Cash on hand

Balances with scheduled banks

- In current accounts

53.07

16.73

53.07

16.73

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

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

For Agarwal Prakash &amp; Co.

Chartered Accountants

Firm's Registration Number: 005975N

Vikas Aggarwal  
Partner

For and on behalf of the Board of Directors

Rahul Naik  
Whole Time Director  
[DIN: 10161570]Jagdish  
Director  
[DIN: 10161675]Place: Gurugram  
Date: 29 May 2023Aashima  
Aashima Singla  
Company SecretaryP. Pardhi  
Priyabrata Pardhi  
Chief Financial Officer



(A) Equity share capital\*

Particulars	Opening balance as at 01 April 2021	Issue of equity share capital during the year	Balance as at 31 March 2022	Issue of equity share capital during the year	Balance as at 31 March 2023
Equity share capital	5.00	-	5.00	-	5.00

(B) Optionally convertible redeemable preference share\*\*

Particulars	Opening balance as at 01 April 2021	Issue of preference share capital during the year	Balance as at 31 March 2022	Issue of preference share capital during the year	Balance as at 31 March 2023
Optionally convertible redeemable preference share	104,828.00	-	104,828.00	-	104,828.00

(C) Other equity\*\*\*

Particulars	Reserves and surplus			Other comprehensive income - Reserve	Total
	Other component of equity	Deferred employee compensation reserve	Retained earnings	Remeasurement of defined benefit plans	
Balance as at 01 April 2021	107.54	21.01	(66,588.87)	-	(66,460.32)
Profit/ (loss) for the year	-	-	(10,549.44)	-	(10,549.44)
Other comprehensive income:					
Re-measurement of defined benefit plans (net of tax)	-	-	(0.82)	-	(0.82)
Share based payment expense	-	-	-	-	-
Balance as at 31 March 2022	107.54	21.01	(77,139.13)	-	(77,010.58)
Profit/ (loss) for the year	-	-	3,672.09	-	3,672.09
Other comprehensive income:					
Re-measurement of defined benefit plans (net of tax)	-	-	8.36	-	8.36
Share based payment expense	-	-	-	-	-
Balance as at 31 March 2023	107.54	21.01	(73,458.68)	-	(73,330.13)

\*Refer Note-16

\*\*Refer Note-17 A

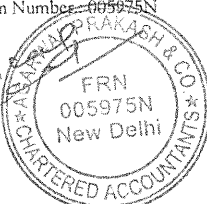
\*\*\*Refer Note-18

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

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

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

Vikas Aggarwal  
Partner



For and on behalf of the Board of Directors

Rahul Naik  
Whole Time Director  
[DIN: 10161570]

Jagdish  
Director  
[DIN: 10161675]

Place: Gurugram  
Date: 29 May 2023

Aashima Singla  
Company Secretary

P. Pandhi  
Priyabrata Pandhi  
Chief Financial Officer

## INDIABULLS CONSTRUCTIONS LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

### 1. Nature of principal activities

Indiabulls Constructions Limited ("the Company") was incorporated on 13 June 2006. The Company is engaged in the business of construction contracts and all other related and ancillary objects. The Company is domiciled in India and its registered office is situated at Office no 202, 2nd Floor, A-18, Rama House, Middle Circle, 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 related provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.

The Company has uniformly applied the accounting policies during the periods presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on 29 May 2023. The revisions to the financial statements are permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act, 2013.

#### Recent accounting pronouncement

Recent accounting pronouncements Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

#### Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

#### Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

#### Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

### 3. Basis of accounting

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 measure at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are



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

##### 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 construction contracts

Revenue and related expenditures in respect of short-term works contracts that are entered into and completed during the year are accounted for on accrual basis as they are earned. Revenue and related expenditures in respect of long-term works contracts are accounted for on the basis of 'input method' as the performance obligations are satisfied over time. In case of cost plus contracts, revenue is recognised as per terms of specific contract, i.e. cost incurred plus an agreed profit margin. Further, the Company considers the terms of the contract and its customary business practices to determine the transaction price. The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

##### Interest income

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

##### Dividend income

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

##### Income from sale of Investment

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

##### Service revenue

Income from real estate projects advisory services is recognized on accrual basis. Marketing and lease management income are accounted for when the underline contracts are duly executed, on accrual basis when the services are completed, except in cases where ultimate collection is considered doubtful.

##### Gain on amortised cost financial assets

Gain on de-recognition of amortised cost financial assets is recognised in the year when the entire payment is received against the outstanding balance of amortised cost financial assets.



**4.3 Property, plant and equipment (PPE)***Recognition and initial measurement*

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in Statement of Profit and Loss 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	1 year
Plant and machinery	12 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.

**4.4 Intangible assets***Recognition and initial measurement*

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

*Subsequent measurement (amortisation)*

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

**4.5 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 recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

#### 4.6 Share based payments

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

#### 4.7 Operating leases

*Company is lessee*

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straightline basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

#### 4.8 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.

#### 4.9 Inventories

Construction raw materials, stores and spares, tools and consumables are valued at lower of cost or net realizable value determined on a weighted average basis and excludes refundable duties and taxes.

Construction work in progress is valued at cost.

Cost of work yet to certified or billed and pertaining to contract cost that relate to future activity on the contract, is recognized as contract work-in-progress.

#### 4.10 Impairment of non-financial assets

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



and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

#### 4.11 Foreign currency

##### *Functional and presentation currency*

The financial statements are presented in Indian Rupee ('INR' or ₹) which is also the functional and presentation currency of the Company.

##### *Transactions and balances*

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

#### 4.12 Financial instruments

##### **Financial assets**

##### *Initial recognition and measurement*

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

##### *Subsequent measurement*

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.
- ii. **Equity investments** – All equity investments in scope of 'Ind AS 109 Financial Instruments' ('Ind AS 109') are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).
- iii. **Mutual funds** – All mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

##### *De-recognition of financial assets*

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



## Financial liabilities

### *Initial recognition and measurement*

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

### *Subsequent measurement – Amortised cost*

Subsequent to initial recognition, long-term liabilities are measured at amortised cost using the effective interest rate method.

### *De-recognition of financial liabilities*

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

## Offsetting of financial instruments

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

### 4.13 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.

### 4.14 Income taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).



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

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference 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).

#### **4.15 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.

#### **4.16 Provisions, contingent liabilities and contingent assets**

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

Contingent liability is disclosed for:

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

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

#### **4.17 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.





#### 4.18 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.

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

**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** – Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. This requires forecasts to be made of total budgeted cost with the outcomes of underlying construction and service contracts, which further require assessments and judgements to be made on changes in work scopes, claims (compensation, rebates etc.) 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. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

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

**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.

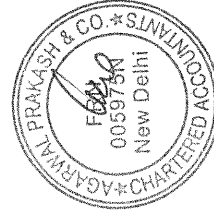
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Note - 5 A

All amount in ₹ lakhs, unless otherwise stated

Property, plant and equipment	Building temporary structure	Plant and machinery	Office equipment	Computers	Furniture and fixtures	Vehicles	Total
<b>Gross carrying amount</b>							
Opening balance as at 01 April 2021	5.50	1,336.54	21.75	10.76	12.46	78.25	1,465.26
Additions	-	3.12	0.08	1.66	-	-	4.86
Disposals/assets written off	-	(17.36)	-	-	(7.41)	-	(24.77)
Balance as at 31 March 2022	5.50	1,322.30	21.83	12.42	5.05	78.25	1,445.35
Additions	-	-	-	3.80	-	-	3.80
Disposals/assets written off	-	-	-	-	-	(25.95)	(25.95)
Balance as at 31 March 2023	5.50	1,322.30	21.83	16.22	5.05	52.30	1,423.20
<b>Accumulated depreciation</b>							
Opening balance as at 01 April 2021	5.21	1,231.68	13.20	7.56	3.35	43.43	1,301.43
Charge for the year	0.29	51.36	3.53	2.65	1.18	9.78	63.79
Adjustments for disposals	-	(11.11)	-	-	(2.46)	-	(13.57)
Balance as at 31 March 2022	5.50	1,271.93	16.73	10.21	2.07	53.21	1,359.65
Charge for the year	-	16.65	3.16	2.27	0.44	8.49	31.01
Adjustments for disposals	-	-	-	-	-	(19.02)	(19.02)
Balance as at 31 March 2023	5.50	1,288.58	19.89	12.48	2.51	42.68	1,371.64
<b>Net carrying amount as at 31 March 2022</b>	-	50.37	5.10	2.21	2.98	25.04	85.70
<b>Net carrying amount as at 31 March 2023</b>	-	33.72	1.94	3.74	2.54	9.62	51.56



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# INDIABULLS CONSTRUCTIONS LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

## 5 B Intangible assets

*All amount in ₹ lakhs, unless otherwise stated*

	Software	Total
Gross carrying amount		
Opening balance as at 01 April 2021	0.08	0.08
Additions	-	-
Balance as at 31 March 2022	0.08	0.08
Additions	-	-
Balance as at 31 March 2023	0.08	0.08
Accumulated amortisation		
Opening balance as at 01 April 2021	0.08	0.08
Amortisation charge for the year	-	-
Balance as at 31 March 2022	0.08	0.08
Charge for the year	-	-
Balance as at 31 March 2023	0.08	0.08
Net carrying amount as at 31 March 2022	-	-
Net carrying amount as at 31 March 2023	-	-

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All amounts in ₹ lakhs, unless otherwise stated

	As at 31 March 2023	As at 31 March 2022
<b>Note - 6</b>		
<b>A Other financial assets - non-current</b>		
Bank deposits with maturity of more than 12 months*	-	1.00
Interest accrued on bank deposits	-	0.00
*refer note 15	-	1.00
<b>B Other financial assets - current (Unsecured, considered good)</b>		
Loans to employees	4.28	2.98
Other Receivable	476.13	-
Security Deposits	17.16	15.53
	<b>497.57</b>	<b>18.51</b>

**Note - 7**

**Deferred tax assets**

Deferred tax asset arising on account of :

Provision of employee benefits	35.77	49.77
Property, plant and equipment and intangible assets	36.37	35.87
	<b>72.14</b>	<b>85.64</b>

The Company has decided to restrict recognition of Deferred Tax Assets on brought forward losses on the extent there is convincing evidence which demonstrate probability of realisation of deferred tax assets in near future. The Company has unabsorbed business losses of ₹ 14,260.86 lakhs (previous year ₹ 17,331.11 lakhs) on which no Deferred Tax Assets is created.

Caption wise movement in deferred tax as follows:

Particulars	01 April 2021	Recognised in other comprehensive income	Recognised/ (reversed) in statement of profit and loss	31 March 2022
<b>Deferred tax assets / (liabilities) arising on:</b>				
Provision of employee benefits	49.81	-	(0.04)	49.77
Property, plant and equipment and intangible assets	26.09	-	9.78	35.87
<b>Total</b>	<b>75.90</b>	<b>-</b>	<b>9.74</b>	<b>85.64</b>

Particulars	31 March 2022	Recognised in other comprehensive income	Recognised/ (reversed) in statement of profit and loss	31 March 2023
<b>Deferred tax assets / (liabilities) arising on:</b>				
Provision of employee benefits	49.77	-	(13.99)	35.77
Property, plant and equipment and intangible assets	35.87	-	0.50	36.37
<b>Total</b>	<b>85.64</b>	<b>-</b>	<b>(13.49)</b>	<b>72.14</b>

**Note - 8**

**Non-current tax assets, net**

Advance income tax, including tax deducted at source	348.01	402.92
	<b>348.01</b>	<b>402.92</b>

**Note - 9**

**A Other non-current assets**

(Unsecured, considered good)

Capital advance	-	0.42
	<b>-</b>	<b>0.42</b>

**B Other current assets**

(Unsecured, considered good)

Advance to staff	0.60	0.40
Mobilization advances	368.57	1,189.94
Advance to material/service providers	1,024.64	789.62
Prepaid expenses	-	0.28
Balances with statutory authorities	404.37	436.59
Other Receivable	27.85	27.85
	<b>1,826.03</b>	<b>2,444.68</b>

**Note - 10**

**Inventories, at cost**

Construction work in progress	139.70	2,950.12
Construction materials in stock	1,377.95	541.12
	<b>1,517.65</b>	<b>3,491.24</b>



All amount in ₹ lakhs, unless otherwise stated

	As at 31 March 2023		As at 31 March 2022	
Note - 11				
Investments - current				
(i) Investment in debentures*				
Unquoted	Number	Amount	Number	Amount
Fellow subsidiary companies				
Fully paid up 0.0001% optionally convertible, non-cumulative debentures of face value ₹ 1,000 each				
IB Holdings Limited	367,990	3,679.90	367,990	3,679.90
<b>Total of current investments</b>		<b>3,679.90</b>		<b>3,679.90</b>

\*Investment in optionally convertible debentures have been shown at a value which based on management assessment, corresponds to the value that would eventually be realized

Aggregate book value of unquoted investments 3,679.90 3,679.90

Note - 12

Trade receivables- current

Unsecured

Considered good	56.25	168.18
Trade receivables - credit impaired	307.27	464.56
	<b>363.52</b>	<b>632.74</b>
Less : Allowances for doubtful trade receivable	(307.27)	(464.56)
<b>Net Trade Receivable</b>	<b>56.25</b>	<b>168.18</b>

As at 31 March 2023

Particulars	Less than 6 months	6 months to 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
(i) Undisputed trade receivables - considered good	16.11	-	-	12.24	27.91	56.25
(ii) Undisputed trade receivables - considered doubtful (Having significant increase in risk)	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	307.27	307.27
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-
(v) Disputed trade receivables - considered doubtful (Having significant increase in risk)	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-
	16.11	-	-	12.24	335.18	363.52
Less : Allowances for doubtful trade receivable						(307.27)
<b>Net Trade Receivable</b>						<b>56.25</b>

As at 31 March 2022

Particulars	Less than 6 months	6 months to 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
(i) Undisputed trade receivables - considered good	55.40	-	-	40.93	71.85	168.18
(ii) Undisputed trade receivables - considered doubtful (Having significant increase in risk)	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	7.71	78.33	378.52	464.56
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-
(v) Disputed trade receivables - considered doubtful (Having significant increase in risk)	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-
	55.40	-	7.71	119.26	450.37	632.74
Less : Allowances for doubtful trade receivable						(464.56)
<b>Net Trade Receivable</b>						<b>168.18</b>

Note - 13

Cash and cash equivalents

Cash on hand

Balances with banks

In current accounts



53.07	16.73
<b>53.07</b>	<b>16.73</b>

All amount in ₹ lakhs, unless otherwise stated

	As at 31 March 2023	As at 31 March 2022
<b>Note - 14</b>		
<b>Other bank balances</b>		
(a) Bank deposits*		
With maturity of more than three months and upto twelve months	1.00	0.47
With maturity of more than twelve months	-	1.00
	1.00	1.47
Less: Non-current bank balances in fixed deposit accounts	-	1.00
	<b>1.00</b>	<b>0.47</b>
(b) Interest Accrued on bank deposits	0.00	0.15
	<b>1.00</b>	<b>0.62</b>

\*fixed deposits of ₹1.00 lakhs (31 March 2022: ₹ 1.47 lakhs) have been pledged, (excluding interest)

**Note - 15**

**Loans - current**

(a) Loans & advance to related party (refer note 46 & 48)

Considered good - Unsecured	2,34,980.00	2,88,899.90
Credit impaired	59,530.47	59,530.47
	2,94,510.47	3,48,430.37
Less: Allowance for expected credit loss	59,530.47	59,530.47
	<b>2,34,980.00</b>	<b>2,88,899.90</b>

(b) Interest Accrued thereon	-	132.19
	<b>2,34,980.00</b>	<b>2,89,032.09</b>

**Note - 16**

**Equity share capital**

i	Authorised	Number	Amount	Number	Amount
	Equity share capital of face value of ₹ 10 each	10,05,00,000	10,050.00	10,05,00,000	10,050.00
		<b>10,05,00,000</b>	<b>10,050.00</b>	<b>10,05,00,000</b>	<b>10,050.00</b>
ii	Issued, subscribed and fully paid up				
	Equity share capital of face value of ₹ 10 each fully paid up	50,000	5.00	50,000	5.00
		<b>50,000</b>	<b>5.00</b>	<b>50,000</b>	<b>5.00</b>
iii	Reconciliation of number and amount of equity shares outstanding at the beginning and at the end of the year				
	Equity shares				
	Balance at the beginning of the year	50,000	5.00	50,000	5.00
	Add: Issued during the year	-	-	-	-
	Less: Redeemed during the year	-	-	-	-
	Balance at the end of the year	<b>50,000</b>	<b>5.00</b>	<b>50,000</b>	<b>5.00</b>

iv Rights, preferences and restrictions attached to equity shares

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

v Details of shareholder holding more than 5% share capital

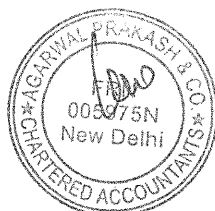
Name of the equity shareholder	Number of shares	Number of shares
Indiabulls Real Estate Limited (including nominee shares)	50,000	50,000

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

vii Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at 31 March 2023 is as follows :

	Share Held by Promoters				
Promoter Name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	Number of shares	% Total of Shares	Number of shares	% Total of Shares	
Indiabulls Real Estate Limited (including nominee shares)	50,000	100%	50,000	100%	-



As at  
31 March 2023As at  
31 March 2022

Disclosure of shareholding of promoters as at 31 March 2022 is as follows :

	Share Held by Promoters				
Promoter Name	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of shares	% Total of Shares	Number of shares	% Total of Shares	
Indiabulls Real Estate Limited (including nominee shares)	50,000	100%	50,000	100%	-

## Note - 17

## Preference shares

## Authorised

Preference shares of face value of ₹ 10 each

Number	Amount	Number	Amount
3,05,00,00,000	3,05,000.00	3,05,00,00,000	3,05,000.00
<b>3,05,00,00,000</b>	<b>3,05,000.00</b>	<b>3,05,00,00,000</b>	<b>3,05,000.00</b>

## A Optionally convertible redeemable preference shares ('OCPS')

## i Issued, subscribed and fully paid up

Preference shares of face value of ₹ 10 each, fully paid up

1,04,82,80,000	1,04,828.00	1,04,82,80,000	1,04,828.00
<b>1,04,82,80,000</b>	<b>1,04,828.00</b>	<b>1,04,82,80,000</b>	<b>1,04,828.00</b>

## ii Reconciliation of number of Optionally convertible redeemable preference shares ('OCPS') outstanding at the beginning and at the end of the year

Balance at the beginning of the year	1,04,82,80,000	1,04,828.00	1,04,82,80,000	1,04,828.00
Add: Issued during the year	-	-	-	-
Balance at the end of the year	<b>1,04,82,80,000</b>	<b>1,04,828.00</b>	<b>1,04,82,80,000</b>	<b>1,04,828.00</b>

## iii Rights, preferences and restrictions attached to Optionally convertible redeemable preference shares ('OCPS')

During the financial year 2017-18, the Company issued 0.00001% Optionally convertible redeemable preference shares (OCPS) of face value of ₹ 10 each fully paid up. The payment of dividend shall be on non cumulative basis. Subject to the provisions of the Companies Act 2013, the OCPS shall be optionally convertible, at the sole discretion of the issuer Company, at any time in one or more tranches within a period not exceeding 20 years from the date of allotment at the price which shall be the face value of the equity shares of the issuer Company.

Subject to the provisions of the Companies Act 2013, the OCPS shall be redeemable, at cash, on the expiry of 20 years from the date of allotment, at the lower of either (i) an appropriate discount to the fair value of the equity shares (on the date of such redemption) of the Issuer Company, assuming conversion, OR (ii) issue price of OCPS (including securities premium, if any).

## iv Details of shareholder holding more than 5% share capital

## Name of the Optionally convertible redeemable preference shares ('OCPS') shareholder

	Number of shares	Number of shares
Indiabulls Properties Private Limited	42,50,00,000	42,50,00,000
Indiabulls Real Estate Limited*	62,32,80,000	62,32,80,000

\*Holding shares of the company since 25.09.2019

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

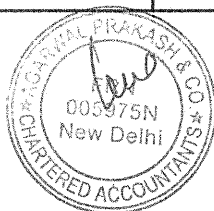
## vi Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at 31 March 2023 is as follows :

Share Held by Promoters					
Promoter Name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	Number of shares	% Total of Shares	Number of shares	% Total of Shares	
Indiabulls Real Estate Limited	62,32,80,000	59%	62,32,80,000	59%	-

Disclosure of shareholding of promoters as at 31 March 2022 is as follows :

	Share Held by Promoters				
Promoter Name	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of shares	% Total of Shares	Number of shares	% Total of Shares	
Indiabulls Real Estate Limited	62,32,80,000	59%	62,32,80,000	59%	-



All amount in ₹ lakhs, unless otherwise stated

	As at 31 March 2023	As at 31 March 2022
<b>B Redeemable preference share ('RPS')</b>		
<b>i Issued, subscribed and fully paid up</b>		
Preference shares of face value of ₹ 10 each, fully paid up	45,00,00,000 45,00,00,000	45,00,00,000 45,00,00,000
<b>ii Reconciliation of number of Redeemable preference share ('RPS') outstanding at the beginning and at the end of the year</b>		
Balance at the beginning of the year	45,00,00,000	45,00,00,000
Add: Issued during the year	-	-
<b>Balance at the end of the year</b>	<b>45,00,00,000</b>	<b>45,00,00,000</b>

**iii Rights, preferences and restrictions attached to Redeemable preference share ('RPS')**

During the current financial year 2018-19, the Company issued 0.001% Redeemable preference shares (RPS) of face value of ₹ 10 each fully paid up. The payment of dividend shall be on non cumulative basis. Subject to the provisions of the Companies Act 2013, the RPS shall be not convertible, at sole discretion of the issuer Company, at any time in one or more tranches within a period not exceeding 20 years from the date of allotment at the price which shall be the face value of equity shares of the issuer Company.

**iv Details of shareholder holding more than 5% share capital**

Name of the Optionally convertible redeemable preference shares ('OCPS') shareholder	Number of shares	Number of shares
Indiabulls Real Estate Limited*	45,00,00,000	45,00,00,000
*Holding shares of the company since 19.03.2020		

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

**vi Disclosure of Shareholding of Promoters**

Disclosure of shareholding of promoters as at 31 March 2023 is as follows :

	Share Held by Promoters				
Promoter Name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	Number of shares	% Total of Shares	Number of shares	% Total of Shares	
Indiabulls Real Estate Limited	45,00,00,000	100%	45,00,00,000	100%	-

Disclosure of shareholding of promoters as at 31 March 2022 is as follows :

	Share Held by Promoters				
Promoter Name	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of shares	% Total of Shares	Number of shares	% Total of Shares	
Indiabulls Real Estate Limited	45,00,00,000	100%	45,00,00,000	100%	-

Note - 18

**Other equity**
**Reserve and surplus**

Other component of equity	107.54	107.54
Deferred employee compensation reserve	21.01	21.01
Retained earnings	(73,458.68)	(77,139.13)
<b>Total of other equity</b>	<b>(73,330.13)</b>	<b>(77,010.58)</b>

**Nature and purpose of other reserves**
**General reserve**

The Company is required to create a general reserve out of the profits when the Company declares dividend to shareholders.

**Other comprehensive income**

The Company has elected to recognise the fair value of certain investments in equity shares in other comprehensive income. These changes are accumulated within this reserve under the head equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

**Deferred employee compensation reserve**

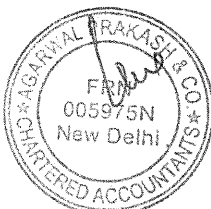
The reserve is used to recognised the grant date fair value of the options issued to employees under Company's employee stock option plan.

Note - 19

**A Provisions - non-current**

Provision for employee benefits: (refer note: 19)

Gratuity	84.01	115.46
Compensated absences	27.12	30.64





All amount in ₹ lakhs, unless otherwise stated

	As at 31 March 2023	As at 31 March 2022
	111.13	146.10
<b>B Provisions - current</b>		
Provision for employee benefits: (refer note 49)		
Gratuity	26.15	39.34
Compensated absences	4.86	12.30
	<b>31.01</b>	<b>51.64</b>
<b>Note - 20</b>		
<b>Borrowings - current</b>		
<b>Unsecured loans</b>		
Loans and advances from related parties	1,52,222.55	1,63,073.77
	<b>1,52,222.55</b>	<b>1,63,073.77</b>
<b>Note - 21</b>		
<b>Trade payables - current</b>		
(i) Total outstanding dues of micro enterprises and small enterprises*	377.41	726.57
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,280.42	2,257.25
(iii) Retention Money	5,539.75	9,883.42
	<b>8,197.58</b>	<b>12,867.24</b>

(iii) Trade payables ageing as at 31 March 2023

Particulars	Outstanding for the year ended 31 March 2023					
	Not Due	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
(i) MSME	2,112.34	377.41	-	-	-	2,489.75
(ii) Other than MSME	3,427.41	2,170.35	5.19	3.76	101.12	5,707.83
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-

(iv) Trade payables ageing as at 31 March 2022

Particulars	Outstanding for the year ended 31 March 2022					
	Not Due	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
(i) MSME	2,578.97	666.58	30.04	23.72	6.24	3,305.55
(ii) Other than MSME	7,304.45	1,208.50	160.21	147.58	740.95	9,561.69
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-

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

Particulars	31 March 2023	31 March 2022
i) the principal amount remaining unpaid to any supplier as at the end of each accounting year;	377.41	726.57
ii) and the interest due thereon	-	-
iii) 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;	-	-
iv) 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;	-	-
v) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
vi) 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.	-	-

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.

**Note - 22**

**Other financial liabilities - current**

Security deposits	2.25	4.25
Expenses payable	85.47	52.81
Interest accrued and due on borrowings	-	66.35
	<b>87.72</b>	<b>123.41</b>

**Note - 23**

**Other current liabilities**

Payable to statutory authorities	70.67	180.91
Advance from customers		
- related party	229.50	229.50
- others	5,630.15	5,859.65
	<b>5,859.65</b>	<b>6,089.15</b>
Deferred revenue	-	51.08
	<b>5,859.65</b>	<b>6,140.23</b>



All amount in ₹ lakhs, unless otherwise stated

	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Note - 24</b>		
<b>Revenue from operations</b>		
Construction and project related income	14,929.45	10,914.73
Other operating income	403.31	650.87
	<b>15,332.76</b>	<b>11,565.60</b>
<b>Note - 25</b>		
<b>Other income</b>		
Interest income on inter corporate deposit		
- related party	490.77	1,832.63
Interest income on fixed deposits	0.07	0.11
Interest income on optionally convertible debentures	0.00	0.00
Interest on income tax refund and vat refund	16.64	178.89
Profit on sale of mutual fund	-	0.01
Miscellaneous income	9.68	1.61
	<b>517.16</b>	<b>2,013.25</b>
<b>Note - 26</b>		
<b>Cost of revenue</b>		
Cost incurred during the year		
Opening stock of raw material	541.12	836.48
Add : Purchases of raw material	12,244.93	8,885.77
	12,786.05	9,722.25
Less : Closing stock of raw material	(1,377.95)	(541.12)
	<b>11,408.10</b>	<b>9,181.13</b>
(Increase)/decrease in work in progress (WIP)		
Opening stock	2,950.12	4,163.96
Closing stock	(139.70)	(2,950.12)
	2,810.42	1,213.84
	<b>14,218.52</b>	<b>10,394.97</b>
<b>Note - 27</b>		
<b>Employee benefits expenses</b>		
Salaries and wages	755.53	791.36
Gratuity and leave encashment	34.31	28.65
Contribution to provident fund and other funds	15.29	17.79
Staff welfare expenses	0.14	0.62
	<b>805.27</b>	<b>838.42</b>
<b>Note - 28</b>		
<b>Finance costs</b>		
Interest on inter-corporate deposits		
-related party	49.82	963.98
Interest expenses on taxation	0.00	1.28
	<b>49.82</b>	<b>965.26</b>
<b>Note - 29</b>		
<b>Other expenses</b>		
Bank charges	0.04	0.19
Auditor's remuneration - as auditor (refer note (i) below)	5.96	5.90
Foreign exchange loss	-	0.02
Communication expenses	0.91	3.05
Insurance expenses	0.58	2.25
Legal and professional charges	39.56	50.77
Loss on sale of property plant & equipment	6.93	11.21



All amount in ₹ lakhs, unless otherwise stated

	For the year ended 31 March 2023	For the year ended 31 March 2022
Printing and stationery	0.65	8.42
Allowance for expected credit loss on advances	8.10	11,464.55
Rates and taxes	0.20	0.45
Rent expenses	-	0.71
Repairs and maintenance		
Vehicles	1.45	5.21
Others	6.69	2.22
Software expenses	-	1.03
Subscription fees	0.05	0.04
Traveling and conveyance expenses	9.45	6.00
Balances written off	-	305.24
Miscellaneous expenses	0.00	3.34
	<b>80.57</b>	<b>11,870.60</b>
<b>(i) Details of auditor's remuneration</b>		
<b>Auditor's remuneration</b>		
Audit fee	5.96	5.90
	<b>5.96</b>	<b>5.90</b>

**Note - 30****Income tax****Tax expense comprises of:**

Current tax \*

Deferred tax charge/(credit) -Refer note 8

**Income tax expense reported in the statement of profit and loss**

-	-
13.49	(9.74)
<b>13.49</b>	<b>(9.74)</b>

\*Since company has adopted concessional tax rate u/s 115BAA of the Income Tax Act, 1961, no tax was payable for current financial year 2022-23 and Since the Company incurred losses during the financial year 2021-22 no tax was payable for previous year as well as per provisions of the Income Tax Act, 1961, the calculation of effective tax rate is not relevant and hence not given.

**Note - 31****Earnings per share (EPS)**

The Company's Earnings per Share ("EPS") is determined based on the net profit attributable to the shareholders. 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:

<b>Profit/(loss) attributable to equity holders</b>	3,672.09	(10,549.44)
Nominal value of equity shares (₹)	10.00	10.00
Total number of equity shares outstanding at the beginning of the year	50,000	50,000
Total number of equity shares outstanding at the end of the year	50,000	50,000
Weighted average number of equity shares for basic EPS	50,000	50,000
Add: convertible preference shares*	-	-
<b>Weighted average number of equity shares adjusted for the effect of dilution</b>	<b>50,000</b>	<b>50,000</b>

**Earnings per equity share:**

(1) Basic (₹)	7,344.19	(21,098.88)
(2) Diluted (₹)	7,344.19	(21,098.88)



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

All amount in ₹ lakh, unless otherwise stated

Note - 32

A) Financial Instruments by category

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

	31 March 2023			31 March 2022		
Particulars	FVTPL (See note 1 below)	FVOCI (See note 2 below)	Amortised cost	FVTPL (See note 1 below)	FVOCI (See note 2 below)	Amortised cost
<b>Financial assets</b>						
Investments						
Debentures in fellow subsidiaries*	-	-	-	-	-	-
Trade receivables	-	-	363.52	-	-	632.74
Loans	-	-	2,34,980.00	-	-	2,88,899.90
Cash and cash equivalents	-	-	53.07	-	-	16.73
Other bank balances	-	-	1.00	-	-	0.47
Other financial assets	-	-	497.57	-	-	19.51
<b>Total financial assets</b>	-	-	<b>2,35,895.16</b>	-	-	<b>2,89,569.35</b>

\*Investments in optionally convertible debenture in fellows subsidiaries have been shown at carrying value, as carrying value represent the best estimate of fair value

Notes

1. These financial assets are mandatorily measured at fair value through profit and loss.
2. These financial assets represent investments in equity instruments designated as such upon initial recognition.

	31 March 2023			31 March 2022		
Particulars	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial liabilities</b>						
Borrowings (including interest accrued)	-	-	1,52,222.55	-	-	1,63,073.77
Trade payables	-	-	8,197.58	-	-	12,867.24
Security deposits	-	-	2.25	-	-	4.25
Other financial liabilities	-	-	85.47	-	-	119.16
Redeemable preference shares	-	-	45,000.00	-	-	45,000.00
<b>Total financial liabilities</b>	-	-	<b>2,05,507.85</b>	-	-	<b>2,21,064.42</b>

B) Fair value measurements

(i) Fair value hierarchy

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

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Financial instruments measured at amortised cost

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

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

- Investment in optionally convertible debentures have been shown at a value which based on management assessment, corresponds to the values that would eventually be realized



## Note -33

## Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for establishment and oversight of 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 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.

## i) Credit risk management

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

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Asset group	Basis of categorisation	Provision for expenses credit loss
Low credit risk	Investments, Cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss, life time expected credit loss

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 condition

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

## Assets under credit risk –

Credit rating	Particulars	31 March 2023	31 March 2022
A	Cash and cash equivalents	53.07	16.73
A	Trade receivables	56.25	168.18
A	Loans	2,34,980.00	2,89,032.09
C	Loans- Credit impaired	59,530.47	59,530.47
A	Other bank balances	1.00	0.47
A	Other financial assets	497.57	19.51

The risk parameters are same for all financial assets for all period presented. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

## ii) Credit risk exposure

## Provision for expected credit losses

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

## As at 31 March 2023

Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment
Cash and cash equivalents	53.07	-	53.07
Loans	2,94,510.47	59,530.47	2,34,980.00
Other bank balances	1.00	-	1.00
Other financial assets	497.57	-	497.57



As at 31 March 2022

Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment
Cash and cash equivalents	16.73	-	16.73
Loans	3,48,430.37	59,530.47	2,88,899.89
Other bank balances	0.47	-	0.47
Other financial assets	19.51	-	19.51

**Expected credit loss for trade receivables under simplified approach**

The Company's trade receivables are against construction of real estate project and ancillary activities. It is Company's policy to monitor individuals contracts receivable balances on an ongoing basis.

**Reconciliation of loss provision – trade receivables**

Reconciliation of loss allowance	Trade receivables
<b>Loss allowance on 01 April 2021</b>	-
Impairment loss recognised/reversed during the year	(464.56)
<b>Loss allowance on 31 March 2022</b>	<b>(464.56)</b>
Impairment loss recognised/reversed during the year	157.28
<b>Loss allowance on 31 March 2023</b>	<b>(307.27)</b>

**(B) Liquidity risk**

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements. Company also have an option to arrange funds by taking loans and borrowing from Holding Company/Ultimate Holding Company/Fellow Subsidiary Company. Accordingly no liquidity risk is being perceived.

**Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is insignificant.

31 March 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	More than 4 years	Total
<b>Non-derivatives</b>						
Borrowings	1,52,222.55	-	-	-	-	1,52,222.55
Trade payables	8,197.58	-	-	-	-	8,197.58
Security deposits	2.25	-	-	-	-	2.25
Other financials liabilities	85.47	-	-	-	-	85.47
Redeemable preference shares	45,000.00	-	-	-	-	45,000.00
<b>Total</b>	<b>2,05,507.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,05,507.85</b>

31 March 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	More than 4 years	Total
<b>Non-derivatives</b>						
Borrowings	1,63,073.77	-	-	-	-	1,63,073.77
Trade payables	12,867.24	-	-	-	-	12,867.24
Security deposits	4.25	-	-	-	-	4.25
Other financials liabilities	119.16	-	-	-	-	119.16
Redeemable preference shares	45,000.00	-	-	-	-	45,000.00
<b>Total</b>	<b>2,21,064.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,21,064.42</b>

**(C) Market risk****Foreign exchange risk**

Company does not have any foreign currency risks and therefore sensitivity analysis has not been shown.

**Interest rate risk**

Company does not have any interest rate risks and therefore sensitivity analysis has not been shown.

**Price risk**

Company does not have any price risk



## Note -34

## Revenue related disclosures

## A Disaggregation of revenue

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

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
<b>Revenue from contracts with customers</b>		
<b>(i) Revenue from operations</b>		
Revenue from construction contracts	14,929.45	10,914.73
<b>(ii) Other operating income</b>	403.31	650.87
<b>Total revenue covered under Ind AS 115</b>	<b>15,332.76</b>	<b>11,565.60</b>

## B Contract balances

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

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Contract assets</b>	-	-
<b>Total contract assets</b>	-	-
<b>Contract liabilities</b>		
Advance from customers	5,859.65	50,111.06
<b>Total contract liabilities</b>	<b>5,859.65</b>	<b>50,111.06</b>
<b>Receivables</b>		
Trade receivables	363.52	632.74
<b>Total receivables</b>	<b>363.52</b>	<b>632.74</b>

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.

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**INDIABULLS CONSTRUCTIONS LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

All amount in ₹ lakhs, unless otherwise stated

**Note - 35**
**Details with respect to the Benami properties**

No proceedings have been initiated or pending against the entity under the Benami Transactions (Prohibition) Act, 1988 for the year ended 31 March 2023 and 31 March 2022.

**Note - 36**
**Undisclosed income**

There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 for the year ended 31 March 2023 and 31 March 2022.

**Note - 37**
**Details of Crypto Currency or Virtual Currency**

Profit or loss on transactions involving Crypto currency or Virtual Currency	No such transaction has taken place during the year ended 31 March 2023 and 31 March 2022.
Amount of currency held as at the reporting date	No such transaction has taken place during the year ended 31 March 2023 and 31 March 2022.
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency / virtual currency	No such transaction has taken place during the year ended 31 March 2023 and 31 March 2022.

**Note - 38**
**Ratio Analysis**

The following are analytical ratios for the year ended 31 March 2023 and 31 March 2022

Particulars	Numerator	Denominator	31 March 2023	31 March 2022	Variance
Current Ratio	Current Assets	Current Liabilities	1.15	1.10	4.21
Debt Equity Ratio	Total Debts	Shareholder's Equity	4.83	5.86	(17.56)
Debt Service Coverage Ratio)^	Earnings available for debt services	Debt Service	NA	NA	NA
Return on Equity (ROE)^	Net Profit After Taxes	Average Share holder's Equity	NA	NA	NA
Trade Receivables turnover ratio#	Revenue	Average Trade Receivable	136.64	37.81	261.39
Trade Payables turnover ratio \$	Purchase of services and other expenses	Average Trade Payable	1.16	0.69	68.35
Net Capital Turnover Ratio	Revenue	Working Capital	0.49	0.42	16.39
Net profit ratio^^	Net profit	Revenue	NA	NA	NA
Return on Capital Employed (ROCE)^	Earning before interest taxes	Capital Employed	NA	NA	NA
Inventory turnover ratio ##	Cost of Goods sold	Average Inventory	5.68	2.45	131.89
Return on investment***	Income generated from Investment	Time Weighted Average investment	NA	NA	NA

**Reasons for Variance for more than 25% from Previous year:-**

#Due to increase in revenue

## Due to increase in cost of goods sold

\$ Written back old payable balances.

\*\*\* Since this is not an investment company

^^Ratio can not be calculated due to net loss in previous year.

**Note - 39**
**Wilful Defaulter:**

No bank or financial institution has declared the company as "Wilful defaulter" during the year ended 31 March 2023 and 31 March 2022.

**Note - 40**
**Details in respect of Utilization of Borrowed funds and share premium:**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Note - 41**
**Relationship with Struck off Companies:**

No transaction has been made with the company struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 and 31 March 2022.

**Note - 42**
**Registration of charges or satisfaction with Registrar of Companies:**

All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction is pending for the year ended 31 March 2023 and 31 March 2022.

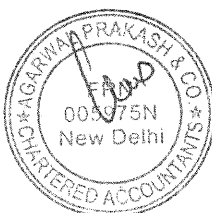
**Note - 43**
**Compliance with number of layers of companies:**

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 and no layers of companies has been established beyond the limit prescribed as per above said section / rules, during the year ended 31 March 2023 and 31 March 2022.

**Note - 44**
**Loan or advances granted to the promoters, directors and KMPs and the related parties:**

Particular	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Type of Borrower	Amount of Loan or advance in the nature of loan outstanding (₹ in lakhs)	Amount of Loan or advance in the nature of loan outstanding (₹ in lakhs)	Percentage to the total Loans and advances in natures of loans(%)	Percentage to the total Loans and advances in natures of loans(%)
Related Parties (Refer note 46)	2,94,510.47	3,48,430.37	100.00%	100.00%
<b>Total</b>	<b>2,94,510.47</b>	<b>3,48,430.37</b>	<b>100.00%</b>	<b>100.00%</b>

These loans are granted to related parties which are repayable on demand.





Note – 45

Capital management

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio.

Particulars	31 March 2023	31 March 2022
Net debt*	1,52,168.48	1,63,056.42
Total equity	31,502.87	27,822.42
Net debt to equity ratio	4.83	5.86

\*Net debt includes long term borrowings, short term borrowings and current maturity of long term borrowings net off cash and cash equivalents (including FDR and other liquid securities).

Note – 46

Related party transactions:

Name and nature of relationship with related parties:

Relationship

Name of the related parties

i) Related parties exercising control

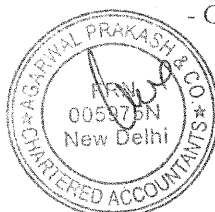
- Holding Company

- Indiabulls Real Estate Limited

ii) Other related parties

- Fellow Subsidiary Companies\*

- Aedos Real Estate Company Limited  
 - Airmid Developers Limited  
 - Airmid Real Estate Limited  
 - Albasta Constructions Limited  
 - Albasta Real Estate Limited  
 - Albina Real Estate Limited  
 - Angles Constructions Limited  
 - Apesh Constructions Limited  
 - Apesh Properties Limited  
 - Apesh Real Estate Limited  
 - Athena Builders & Developers Limited  
 - Athena Buildwell Limited  
 - Athena Infrastructure Limited  
 - Athena Land Development Limited  
 - Ceres Estate Limited  
 - Ceres Properties Limited

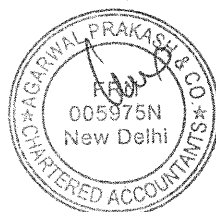


INDIABULLS CONSTRUCTIONS LIMITED

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2023

*All amount in ₹ lakhs, unless otherwise stated*

- Diana Land Development Limited
- Devona Infrastructure Limited
- Fama Infrastructure Limited
- Fama Properties Limited
- Fornax Real Estate Limited
- Galium Builders & Developers Limited
- Hermes Builders & Developers Limited
- Hermes Properties Limited
- IB Holdings Limited
- Indiabulls Buildcon Limited
- Indiabulls Commercial Properties Limited
- Indiabulls Engineering Limited
- Indiabulls Projects Limited
- Indiabulls Estate Limited
- Indiabulls Infraestate Limited
- Indiabulls Infrastructure Projects Limited
- Indiabulls Lands Limited
- Indiabulls Land Holdings Limited
- Indiabulls Multiplex Services Limited
- Juventus Constructions Limited
- Juventus Estate Limited
- Kailash Buildwell Limited
- Kaltha Developers Limited
- Karakoram Properties Limited
- Kenneth Builders and Developers Limited
- Lenus Constructions Limited
- Lenus Infrastructure Limited
- Lenus Properties Limited
- Lorita Developers Limited
- Lucina Land Development Limited
- Lorena Builders Limited
- Mariana Constructions Limited
- Mariana Properties Limited
- Mariana Real Estate Limited
- Mabon Constructions Limited
- Mabon Infrastructure Limited
- Milky Way Buildcon Limited
- Nerissa Infrastructure Limited
- Nilgiri Buildwell Limited
- Nilgiri Infrastructure Limited
- Nilgiri Land Development Limited
- Nilgiri Lands Limited
- Noble Realtors Limited
- Selene Buildwell Limited
- Selene Constructions Limited
- Selene Properties Limited
- Sentia Constructions Limited
- Sentia Developers Limited
- Sentia Infrastructure Limited



# INDIABULLS CONSTRUCTIONS LIMITED

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2023

*All amount in ₹ lakhs, unless otherwise stated*

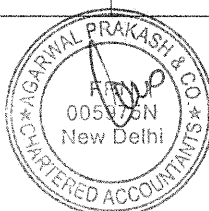
- Sentia Real Estate Limited
- Sepset Developers Limited
- Sepset Real Estate Limited
- Serida Properties Limited
- Sophia Real Estate Limited
- Sophia Constructions Limited
- Shivalik Properties Limited
- Sylvanus Properties Limited
- Tapir Constructions Limited
- Tefia Land Development Limited
- Varali Constructions Limited
- Varali Properties Limited
- Varali Real Estate Limited
- Vindhyanchal Buildwell Limited
- Zeus Builders and Developers Limited
- Zeus Buildwell Limited
- Zeus Estate Limited

## iii) Related parties over which control exists

- Joint controlled Entity
- JSR Constructions Private Limited and Indiabulls Constructions Limited Joint Venture

## a) Statement of material transactions with related parties:

Particulars	2022-23	2021-22
<b>Loans &amp; advances taken/(repaid), net:</b>		
<i><b>Holding Company</b></i>		
- Indiabulls Real Estate Limited	20,347.13	(16,860.50)
<i><b>Fellow Subsidiary Companies:</b></i>		
- Kenneth Builders and Developers Limited	2,000.00	-
- Indiabulls Infraestate Limited	(35,194.77)	17,678.00
- Selene Constructions Limited	(2,790.20)	2,790.20
- Indiabulls Estate Limited	3,469.87	1,880.00
- Ceres Properties Limited	285.20	(12,903.00)
- Athena Builders And Developers Limited	2.20	(3.50)
- Indiabulls Land Holdings Limited	317.00	-
- Nilgiri Infrastructure Limited	86.00	-
- Indiabulls Infrastructure Projects Limited	53.00	-
- Indiabulls Commercial Properties Limited	67.00	-
- Nilgiri Land Development Limited	47.60	-
- Indiabulls Engineering Limited	256.25	-
- Nilgiri Lands Limited	202.50	-

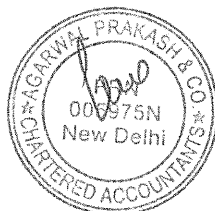


**INDIABULLS CONSTRUCTIONS LIMITED**

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2023

*All amount in ₹ lakhs, unless otherwise stated*

Particulars	2022-23	2021-22
Loans (given)/received back, net		
<i>Fellow Subsidiary Companies:</i>		
- Fornax Real Estate Limited	(1.40)	(0.50)
- Varali Properties Limited	-	220.70
- Juventus Estate Limited	17,381.24	(1,662.62)
- Mabon Constructions Limited	-	(0.10)
- Lucina Land Development Limited	13,062.76	16,930.44
- Indiabulls Lands Limited	-	(0.14)
- Zeus Estate Limited	(0.51)	(0.60)
- Albina Real Estate Limited	(21.92)	6.4
- Kaltha Developers Limited	(2.81)	-
- Angles Constructions Limited	-	(0.10)
- Lenus Infrastructure Limited	(0.06)	(0.10)
- Sepset Developers Limited	(0.06)	(0.10)
- Sepset Real Estate Limited	914.50	12,956.85
- Sophia Real Estate Limited	(10.00)	(19.80)
- Athena Infrastructure Limited	-	15,546.40
- Galium Builders & Developers Limited	-	(0.10)
- Tefia Land Development Limited	53.99	(0.10)
- Zeus Builders and Developers Limited	(16.01)	(0.10)
- Aedos Real Estate Company Limited	(0.06)	-
- Apesh Properties Limited	(0.30)	49.7
- Selene Buildwell Limited	15.00	-
- Lenus Properties Limited	(0.06)	(0.10)
- Mariana Real Estate Limited	-	(0.10)
- Indiabulls Buildcon Limited	(0.10)	(0.14)
- Lenus Constructions Limited	(0.30)	(0.30)
- Selene Constructions Limited	-	10,055.26
- Athena Land Development Limited	-	(0.13)
- Sentia Developers Limited	(0.06)	(0.10)
- Noble Realtors Limited	(0.01)	(0.10)
- Serida Properties Limited	(0.06)	(0.10)
- Athena Buildwell Limited	(13.50)	-
- Lorita Developers Limited	-	2.71
- Hermes Builders & Developers Limited	0.49	0.01
- Lorena Builders Limited	(0.06)	-
- Milky Way Buildcon Limited	13.10	(0.10)
- Airmid Developers Limited	25,882.60	(1,457.90)
- Albasta Real Estate Limited	-	(0.10)
- Mariana Constructions Limited	-	(0.10)
- Shivalik Properties Limited	(0.01)	-
- Airmid Real Estate Limited	(3,350.70)	(2,540.53)
- Varali Real Estate Limited	(0.06)	(0.10)
- IB Holdings Limited	(0.40)	(1,35,705.15)
- Vindhyanchal Buildwell Limited	28.50	-
- Diana Land Development Limited	(0.06)	-
- Karakoram Properties Limited	(0.06)	-



**INDIABULLS CONSTRUCTIONS LIMITED**

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2023

*All amount in ₹ lakhs, unless otherwise stated*

Particulars	2022-23	2021-22
- Fama Infrastructure Limited	(0.01)	(0.10)
- Juventus Constructions Limited	(0.01)	(0.10)
- Fama Properties Limited	7.00	144.50
- Hermes Properties Limited	(0.06)	(0.10)
- Kailash Buildwell Limited	(0.01)	(0.10)
- Selene Properties Limited	(0.01)	(0.10)
- Apesh Constructions Limited	-	2.00
- Indiabulls Multiplex Services Limited	(0.30)	(0.30)
- Apesh Real Estate Limited	-	379.90
- Mariana Properties Limited	(8.50)	(3.85)
- Sentia Infrastructure Limited	(9.50)	(6,112.34)
- Mabon Infrastructure Limited	(2.30)	-
<b>Jointly Controlled Entity</b>		
<b>Other receivable</b>		
- JSR Constructions Private Limited and Indiabulls Constructions Limited Joint Venture	-	119.06
<b>Receipt against trade receivable</b>		
<b>Fellow Subsidiary Companies:</b>		
- Albasta Constructions Limited	-	0.27
<b>Jointly Controlled Entity</b>		
- JSR Constructions Private Limited and Indiabulls Constructions limited Joint Venture	-	53.28
<b>Advance taken/ (repay) from/(to) customer</b>		
<b>Fellow Subsidiary Companies:</b>		
- Lucina Land Development Limited	-	(8,841.55)
<b>Interest Income</b>		
<b>Fellow Subsidiary Companies:</b>		
- Sepset Real Estate Limited	490.77	1,832.63
<b>Interest expense</b>		
<b>Fellow Subsidiary Companies:</b>		
- Ceres Properties Limited	9.96	-
- Indiabulls Engineering Limited	2.02	-
- Indiabulls Land Holdings Limited	5.73	-
- Indiabulls Infrastructure Projects Limited	1.29	-
- Nilgiri Lands Limited	1.60	-
- Nilgiri Land Development Limited	0.39	-
- Nilgiri infrastructure Limited	1.53	-
- Indiabulls Commercial Properties Limited	0.96	-
- Sophia Constructions Limited	1.15	-
- Ceres Estate Limited	-	959.48
- Kenneth Builders and Developers Limited	21.21	-
- Athena Builders and Developers Limited	3.99	4.50



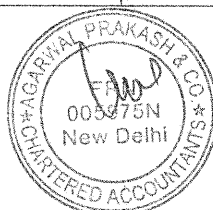
**INDIABULLS CONSTRUCTIONS LIMITED**

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2023

*All amount in ₹ lakhs, unless otherwise stated*

**b) Statement of balances outstanding:**

Particulars	31 March 2023	31 March 2022
<b>Loans &amp; advances taken:</b>		
<i><b>Holding Company:</b></i>		
- Indiabulls Real Estate Limited	1,34,458.25	1,14,111.12
<i><b>Fellow Subsidiary Companies:</b></i>		
- Indiabulls Infraestate Limited	7,851.23	43,046.00
- Selene Constructions Limited	-	2,790.20
- Indiabulls Estate Limited	6,553.82	3,083.95
- Kenneth Builders And Developers Limited	2,000.00	-
- Ceres Properties Limited	285.20	-
- Indiabulls Land Holdings Limited	317.00	-
- Nilgiri Infrastructure Limited	86.00	-
- Indiabulls Infrastructure Projects Limited	53.00	-
- Indiabulls Commercial Properties Limited	67.00	-
- Nilgiri Land Development Limited	47.60	-
- Indiabulls Engineering Limited	256.25	-
- Nilgiri Lands Limited	202.50	-
- Athena Builders And Developers Limited	44.70	42.50
<b>Loans given:</b>		
<i><b>Fellow Subsidiary Companies:</b></i>		
- Fornax Real Estate Limited	5,703.21	5701.81
- Lucina Land Development Limited#	97,721.95	1,10,784.71
- Sepset Real Estate Limited	4,585.23	5,499.73
- Juventus Estate Limited	-	17,381.24
- Sophia Real Estate Limited	13,634.49	13,624.49
- Indiabulls Lands Limited	286.44	286.44
- Zeus Estate Limited	174.09	173.58
- Albina Real Estate Limited	1,727.42	1,705.50
- Athena Buildwell Limited	1,128.30	1,114.80
- Angles Constructions Limited	1,996.59	1,996.59
- Lenus Infrastructure Limited	1,371.88	1,371.82
- Sepset Developers Limited	4,002.70	4,002.64
- Mabon Constructions Limited	291.85	291.85
- Diana Land Development Limited	59.29	59.23
- Kaltha Developers Limited	13.13	10.32
- Karakoram Properties Limited	18.84	18.78
- Galium Builders & Developers Limited	91.08	91.08
- Tefia Land Development Limited	15.97	69.96
- Zeus Builders and Developers Limited	108.52	92.51
- Zeus Buildwell Limited	64.44	64.44
- Apesh Properties Limited	11.14	10.84
- Varali Constructions Limited	32.20	32.20
- Lenus Properties Limited	1.01	0.95
- Mariana Real Estate Limited	21.70	21.70
- Indiabulls Buildcon Limited	21.30	21.20

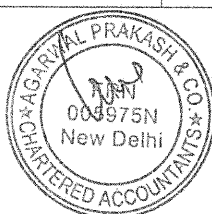


# INDIABULLS CONSTRUCTIONS LIMITED

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2023

*All amount in ₹ lakhs, unless otherwise stated*

Particulars	31 March 2023	31 March 2022
- Lenus Constructions Limited	96.08	95.78
- Noble Realtors Limited	0.65	0.64
- Athena Land Development Limited	36.95	36.95
- Sentia Developers Limited	0.35	0.29
- Serida Properties Limited	0.58	0.52
- Hermes Builders & Developers Limited^	-	0.49
- Milky Way Buildcon Limited\$	-	13.10
-Fama Infrastructure Limited	137.79	137.78
-Juventus Constructions Limited	274.58	274.57
-Fama Properties Limited	23.15	30.15
-Hermes Properties Limited	110.06	110.00
-Kailash Buildwell Limited	287.46	287.45
-Aedos Real Estate Company Limited	224.81	224.75
-Selene Buildwell Limited	226.50	241.50
-Selene Properties Limited	120.96	120.95
-Nilgiri Buildwell Limited	104.30	104.30
-Airmid Real Estate Limited	7,138.79	3,788.09
-Varali Real Estate Limited	101.60	101.54
-IB Holdings Limited	1,35,749.95	1,35,749.55
-Airmid Developers Limited	-	25,882.60
-Albasta Real Estate Limited	192.50	192.50
-Mariana Constructions Limited	118.24	118.24
-Sentia Constructions Limited	280.04	280.04
-Vindhyanchal Buildwell Limited	1,459.50	1,488.00
-Shivalik Properties Limited	421.89	421.88
-Apesh Real Estate Limited	36.17	36.17
-Apesh Constructions Limited	1,095.25	1,095.25
-Sentia Real Estate Limited	455.95	455.95
-Indiabulls Multiplex Services Limited	508.00	507.70
- Devona Infrastructure Limited	300.70	300.70
-Lorena Builders Limited	1,985.26	1,985.20
-Nerissa Infrastructure Limited	1,200.00	1,200.00
-Mariana Properties Limited	188.85	180.35
-Sentia Infrastructure Limited	6,646.34	6,636.84
-Mabon Infrastructure Limited	1,904.45	1,902.15
<b>Investment in optionally convertible debentures</b>		
<i>Fellow Subsidiary Companies:</i>		
- IB Holdings Limited	3,679.90	3,679.90
<b>Advance From customer</b>		
<i>Fellow Subsidiary Companies:</i>		
- Lucina Land Development Limited	229.50	229.50
<b>Interest receivable on ICD given</b>		
<i>Fellow Subsidiary Companies:</i>		
- Sepset Real Estate Limited	-	132.19



# INDIABULLS CONSTRUCTIONS LIMITED

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2023

All amount in ₹ lakhs, unless otherwise stated

Particulars	31 March 2023	31 March 2022
<b>Interest payable on ICD taken</b>		
<b>Fellow Subsidiary Companies:</b>		
- Ceres Estate Limited	-	66.06
- Athena Builders and Developers Limited	-	0.29
<b>Trade receivable</b>		
<b>Fellow Subsidiary Companies:</b>		
- Tapir Constructions Limited	-	1.33

# Amount of ₹ 29,700/- lakhs receivable as on 31<sup>st</sup> March 2023 has been written off. (Refer Note No. 48)

^ Amount of ₹ 0.49/- lakhs receivable as on 31<sup>st</sup> March 2023 has been written off. (Refer Note No.48)

\$ Amount of ₹ 13.17/- lakhs receivable as on 31<sup>st</sup> March 2023 has been written off. (Refer Note No.48)

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

## Note – 47

### Contingent liabilities and Commitments

Contingent liabilities, not acknowledged as debt, include:

Particulars	31 March 2023	31 March 2022
VAT demand has been raised by Sale Tax Department for the Financial Year 2008-09 in respect of the which appeals have been filed with the J C (Appeals)	214.42	214.42
Show Cause Notice has been issued by Assistant Commissioner Service Tax, for the Financial Years 2010-11 to 2012-13 in respect of which reply has been filed.	-	913.22
Excise duty demand has been raised for Rs. 39.41 Lakhs by Central Excise for the period May 13 to February 16 in respect of which appeal have been filed against which amount of Rs.24.23 Lakhs paid under protest with CESTAT (Custom,Excise ,Service Tax Applant Tribunal).	15.18	39.41
Vat demand has been raised by Sale Tax Department for the period April 2017 to June 2017 in respect of this online appeals have been file on 14.01.2022 with Dy. Commr. of Sales Tax. 10% appeal fees has been paid against this.	39.55	39.55
Show Cause notice received from Commissioner, CGST & C.Ex., Audit-II,Mumbai for the period June 15 to September 15 toward cenvat Credit claimed u/r 6(4A). Notice received on 31 Dec 2020 vide Email and reply filed on 22 April 2021	-	647.59
Notice under section 246A issued by Income tax toward Disallowance on account of rejection of books of accounts for A Y 2018-19	1,178.78	-
Notice under section 246A issued by Income tax toward Disallowance on account of rejection of books of accounts for A Y 2021-22	1,724.90	-

The Company has certain litigation cases pending; 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.

### Bank Guarantee:

Guarantee provided by the bank to “The Collector, Alibag, Raigad” (secured by way of fixed deposits of the Company ₹ 1.00 lakhs (31 March 2022 ₹ 0.47 lakhs))





**Legal Case:**

The Company has Certain Litigation cases pending; 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.

There are no other contingent liabilities and commitments to be reported as at 31 March 2023 and 31 March 2022.

**Note – 48**

Exceptional item for the year ended 31 March 2023 includes effect of ₹ 3,020.85 lakhs due to write back of payables based on the internal assessments of the new management.

**Note – 49****Employee benefits****Defined contribution plan**

The Company has made ₹ 10.57 lakhs (31 March 2022 ₹ 13.51 lakhs) contribution in respect of provident fund.

**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 & 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.

**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.

**Bifurcation of actuarial gain/loss on obligation**

Particulars	31 March 2023	31 March 2022
Actuarial (gain)/loss on arising from change in demographic assumptions	-	-
Actuarial (gain)/loss on arising from change in financial assumptions	(1.54)	(12.76)
Actuarial (gain)/loss on arising from change in experience assumptions	(6.81)	13.58



# INDIABULLS CONSTRUCTIONS LIMITED

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2023

All amount in ₹ lakhs, unless otherwise stated

Amount recognized in the statement of profit and loss is as under:

Particulars	31 March 2023	31 March 2022
Service cost	12.18	17.48
Net interest cost	11.11	10.62
<b>Expense recognized in the statement of profit and loss</b>	<b>23.29</b>	<b>28.10</b>

Change in benefit obligation:

Particulars	31 March 2023	31 March 2022
Present value of defined benefit obligation at the beginning of the year	154.80	155.50
Acquisition adjustment	-	-
Current service cost	12.18	17.48
Interest cost	11.11	10.62
Past service cost including curtailment gains/losses	-	-
Benefits paid	(59.58)	(29.62)
Total actuarial (gain)/loss on obligation	(8.36)	0.82
<b>Present value of defined benefit obligation at the end of the year</b>	<b>110.16</b>	<b>154.80</b>
- Current	26.15	39.34
- Non-Current	84.01	115.46

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

Particulars	Gratuity	
	31 March 2023	31 March 2022
Discount rate	7.36%	7.18%
Salary escalation rate	5.00%	5.00%
Mortality table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

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:

	Year	31 March 2023	Year	31 March 2022
a)	April 2023 - March 2024	26.15	April 2022 - March 2023	39.34
b)	April 2024 - March 2025	1.49	April 2023 - March 2024	2.14
c)	April 2025 - March 2026	11.59	April 2024 - March 2025	2.07
d)	April 2026 - March 2027	1.27	April 2025 - March 2026	9.85
e)	April 2027 - March 2028	5.67	April 2026 - March 2027	1.81



**INDIABULLS CONSTRUCTIONS LIMITED**

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2023

*All amount in ₹ lakhs, unless otherwise stated*

f)	April 2028 - March 2029	1.20	April 2027 - March 2028	5.67
g)	April 2029 onwards	62.79	April 2028 onwards	939.27

**Sensitivity analysis for gratuity liability:**

Particulars		31 March 2023	31 March 2022
<b>Impact of the change in discount rate</b>			
	Present value of obligation at the end of the year	110.16	154.80
a)	Impact due to increase of 0.50 %	(4.12)	(6.68)
b)	Impact due to decrease of 0.50 %	4.46	7.26
<b>Impact of the change in salary increase</b>			
	Present value of obligation at the end of the year	110.16	154.80
a)	Impact due to increase of 0.50 %	4.54	7.39
b)	Impact due to decrease of 0.50 %	(4.23)	(6.85)

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

**Compensated absences**

The Leave obligations cover the Company's liability for sick and earned leaves. The amount of provision of ₹4.86 lakhs (31 March 2022 ₹ 12.30 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

**Actuarial (gain)/loss on obligation:**

Particulars	31 March 2023	31 March 2022
Actuarial (gain)/loss on arising from change in demographic assumptions	-	-
Actuarial (gain)/loss on arising from change in financial assumptions	(0.48)	(3.35)
Actuarial (gain)/loss on arising from change in experience assumptions	(18.43)	(4.75)

**Amount recognized in the statement of profit and loss is as under:**

Particulars	31 March 2023	31 March 2022
Service cost	4.88	5.75
Net Interest cost	3.08	2.90
Actuarial (gain) / loss for the year	(18.91)	(8.10)
<b>Expense recognized in the statement of profit and loss</b>	<b>(10.95)</b>	<b>0.54</b>



# INDIABULLS CONSTRUCTIONS LIMITED

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2023

All amount in ₹ lakhs, unless otherwise stated

Movement in the liability recognized in the balance sheet is as under:

Particulars	31 March 2023	31 March 2022
Present value of defined benefit obligation at the beginning of the year	42.93	42.39
Acquisition adjustment	-	-
Current service cost	4.88	5.75
Interest cost	3.08	2.90
Past service cost	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	(18.91)	(8.10)
Present value of defined benefit obligation at the end of the year	31.98	42.93
- Current	4.86	12.30
- Non-Current	27.12	30.64

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

Particulars	Compensated absences	
	31 March 2023	31 March 2022
Discount rate	7.36%	7.18%
Salary escalation rate	5.00%	5.00%
Mortality table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

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

	Year	31 March 2023	Year	31 March 2022
a)	April 2023 - March 2024	4.86	April 2022 - March 2023	12.30
b)	April 2024 - March 2025	0.50	April 2023 - March 2024	0.60
c)	April 2025 - March 2026	3.50	April 2024 - March 2025	0.56
d)	April 2026 - March 2027	0.42	April 2025 - March 2026	3.18
e)	April 2027 - March 2028	1.62	April 2026 - March 2027	0.48
f)	April 2028 - March 2029	0.42	April 2027 - March 2028	1.73
g)	April 2029 onwards	20.67	April 2028 onwards	24.10



## Sensitivity analysis for compensated absences liability:

	31 March 2023	31 March 2022
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	31.98	42.93
a) Impact due to increase of 0.50 %	(1.32)	(1.76)
b) Impact due to decrease of 0.50 %	1.39	1.88
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	31.98	42.93
a) Impact due to increase of 0.50 %	1.43	1.92
b) Impact due to decrease of 0.50 %	(1.33)	(1.78)

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

## Note -50

## Segmental information

The Company's primary business segment is reflected based on principal business activities carried on by the Company i.e. constructions of real estate projects which as per Ind AS 108 on 'Segment Reporting' is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment.

## Note -51

## Operating leases

The Company has taken various premises on operating leases and lease rent of ₹ Nil (31 March 2022: ₹ 0.71 lakhs) in respect of the same has been charged to statement of profit and loss for the year ended 31 March 2023. The underlying agreements are executed for a period generally ranging from two to five years, renewable on mutual consent and are cancellable in some cases, by either party giving notice generally of 30 to 180 days. There are no restrictions imposed by such leases and there are no subleases. The minimum lease rentals payable in respect of such operating leases are as under:

## Note – 52

## 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:

Particulars	Amount (₹)
Net debt as at 01 April 2021	1,70,492.57
Proceeds from current borrowings	1,91,500.17
Repayment of current borrowings	(1,98,918.97)
Interest expense	963.98
Interest paid	(897.63)
Net debt as at 31 March 2022	1,63,140.13
Proceeds from current borrowings	1,47,487.33
Repayment of current borrowings	(1,58,338.55)
Interest expense	49.82
Interest paid	(116.18)
Net debt as at 31 March 2023	1,52,222.55



**INDRABULLS CONSTRUCTIONS LIMITED**

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2023


*All amount in ₹ lakhs, unless otherwise stated*

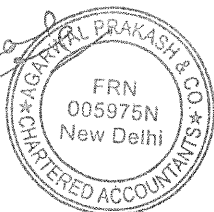
**Note – 53**

**Other matters**

- a. The Company has not entered into any derivative instrument during the year. The Company does not have any foreign currency exposures towards receivables, payables or any other derivative instrument that have not been hedged.
- b. In respect of amounts as mentioned under Section 125 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2023 and 31 March 2022.
- c. In the opinion of the Board of Directors, all current assets and long term loans & advances, appearing in the balance sheet as at 31 March 2023, have a value on realization, in the ordinary course of the Company's business, at least equal to the amount at which they are stated in the financial statements. In the opinion of the board of directors, no provision is required to be made against the recoverability of these balances.


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

  
Vikas Aggarwal  
Partner



For and on behalf of the Board of Directors

  
Rahul Naik  
Whole Time Director  
[DIN: 10161570]

  
Jagdish  
Director  
[DIN: 10161675]

Place: Gurugram  
Date: 29 May 2023

  
Aashima Singla  
Company Secretary

  
Priyabrata Pardhi  
Chief Financial Officer