

# Agarwal Prakash & Co.

CHARTERED ACCOUNTANTS

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

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Indiabulls Infraestate Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Indiabulls Infraestate Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

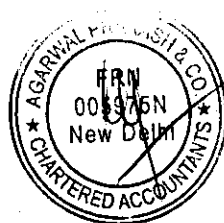
#### Information other than the Financial Statements and Auditor's Report thereon

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.



# Independent Auditor's Report of even date to the members of Indiabulls Infraestate Limited on the financial statements for the year ended 31 March 2021 (cont'd)

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



## Independent Auditor's Report of even date to the members of Indiabulls Infraestate Limited on the financial statements for the year ended 31 March 2021 (cont'd)

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

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

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, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report to the extent applicable, that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 22 April 2021 as per 'Annexure B' expressed unmodified opinion; and
- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company, as detailed in note 42 to the financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2021;
  - 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 2021;



**Independent Auditor's Report of even date to the members of Indiabulls Infraestate Limited on the financial statements for the year ended 31 March 2021 (cont'd)**

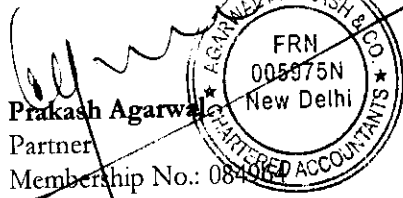

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021.

h) As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

For **Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration No.: 005975N

  
  
**Prakash Agarwal**  
Partner  
Membership No.: 084062

UDIN: 21084964AAAAAP2132

Place: New Delhi

Date: 22 April 2021

**Annexure A to the Independent Auditor's Report of even date to the members of Indiabulls Infraestate Limited on the financial statements for the year ended 31 March 2021**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, right of use assets and other 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 verification of the property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The lease deeds of all the immovable properties (which are included under the head 'right of use assets') are held in the name of the Company. The Company does not hold any immovable property (in the nature of 'property, plant and equipment').
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted interest free unsecured loans to companies covered in the register maintained under Section 189 of the Act, and with respect to the same:
- (a) in our opinion, the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.
- (b) the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is regular.
- (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion, the Company has complied with the provisions of Section 185 in respect of loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of investment, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services 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) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.



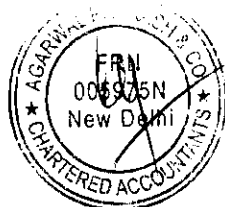
**Annexure A to the Independent Auditor's Report of even date to the members of Indiabulls Infraestate Limited, on the financial statements for the year ended 31 March 2021**

- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax and goods and services tax on account of any dispute, are as follows:

**Statement of disputed dues**

Name of the statute	Nature of dues	Amount ( in lakhs)	Amount paid under protest ( in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Tax deducted at source	122.75	-	Financial Year 2016-17	Commissioner of Income Tax – Appeals
Income-tax Act, 1961	Tax deducted at source	10.64	-	Financial Year 2017-18	Commissioner of Income Tax – Appeals
Central Goods and Services Tax Act, 2017	Input tax credit under TRAN-1	42.23	-	Financial Year 2017-18	Joint Commissioner of State Taxes, Mumbai

- (viii) In our opinion, the Company has not defaulted in repayment of loans or borrowings to any financial institution or debenture-holders during the year. Further, the Company has no loans or borrowings payable to a bank or government during the year.
- (ix) As explained to us, no money raised by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not obtained any term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.



**Annexure A to the Independent Auditor's Report of even date to the members of Indiabulls Infraestate Limited, on the financial statements for the year ended 31 March 2021**

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Agarwal Prakash & Co.**

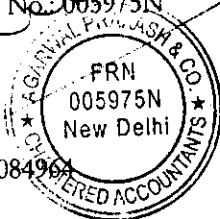
Chartered Accountants

Firm's Registration No.: 005975N

**Prakash Agarwal**

Partner

Membership No.: 084964



UDIN: 21084964AAAAAP2132

Place: New Delhi

Date: 22 April 2021

**Annexure B to the Independent Auditor's Report of even date to the members of Indiabulls Infraestate Limited on the financial statements for the year ended 31 March 2021**

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

1. In conjunction with our audit of the financial statements of Indiabulls Infraestate Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

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

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable





**Annexure B to the Independent Auditor's Report of even date to the members of Indiabulls Infraestate Limited on the financial statements for the year ended 31 March 2021**

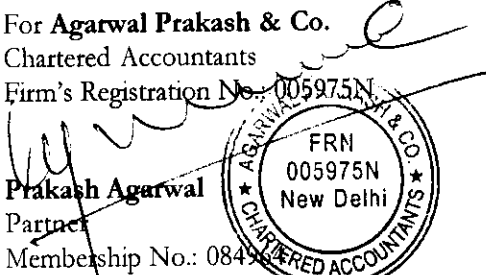
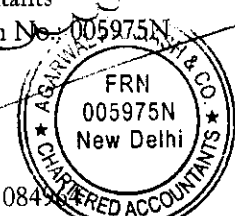
assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; 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**

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

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Agarwal Prakash & Co.**  
Chartered Accountants  
Firm's Registration No. 005975N  
  
**Prakash Agarwal**  
Partner  
Membership No.: 084964  


UDIN: 21084964AAAAAP2132

Place: New Delhi  
Date: 22 April 2021

Indiabulls Infraestate Limited  
Balance sheet as at 31 March 2021

	Note	31 March 2021 (₹ in lakhs)	31 March 2020 (₹ in lakhs)
<b>I ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	113.66	182.54
Right of use asset	6	-	1,828.81
Intangible assets	7	11.62	23.55
<b>Financial assets</b>			
Loans	8 A	17.05	170.75
Other financial assets	9 A	57.66	55.40
Deferred tax assets (net)	10	3,772.93	9,924.71
Non-current tax assets (net)	11	1,917.37	2,003.77
		<u>5,890.29</u>	<u>14,189.53</u>
<b>Current assets</b>			
Inventories	13	159,638.26	258,042.30
<b>Financial assets</b>			
Investments	14	-	1.12
Trade receivables	15	25,593.53	2,711.59
Cash and cash equivalents	16	5,321.86	409.53
Other bank balances	17	61.69	28.09
Loans	8 B	25,368.00	83,000.00
Other financial assets	9 B	34.48	304.86
Other current assets	12	3,354.81	4,079.16
		<u>219,372.63</u>	<u>348,576.65</u>
		<u>225,262.92</u>	<u>362,766.18</u>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	22.74	22.74
Other equity	19	155,308.43	140,215.94
		<u>155,331.17</u>	<u>140,238.68</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20 A	-	32,958.33
Lease liabilities	21 A	-	1,456.76
Provisions	23 A	119.19	236.08
		<u>119.19</u>	<u>34,651.17</u>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20 B	19,626.00	97,446.00
Lease liabilities	21 B	-	534.69
Trade payables			
-total outstanding dues of micro enterprises and small enterprises	22 (i)	1,387.13	2,280.42
-total outstanding dues of creditors other than micro enterprises and small enterprises	22 (ii)	2,875.81	12,499.62
Other financial liabilities	24	2,423.74	3,136.85
Other current liabilities	25	43,445.48	71,896.65
Provisions	23 B	54.40	7.18
Current tax liabilities (net)	26	-	74.92
		<u>69,812.56</u>	<u>187,876.33</u>
		<u>225,262.92</u>	<u>362,766.18</u>

Summary of significant accounting policies

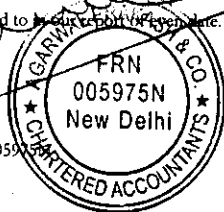
The accompanying notes are integral part of the financial statements.

This is the balance sheet referred to in the report of the auditor.

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

Prakash Agarwal  
Partner

Place: New Delhi  
Date: 22 April 2021



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*Gurbans Singh*  
For and on behalf of the board of directors

Gurbans Singh  
Director  
[DIN: 06667127]

Place: Mumbai  
Date: 22 April 2021

*Shashi Kant*  
Shashi Kant  
Chief Financial Officer

Place: Gurugram  
Date: 22 April 2021

*Mehul Johnson*  
Mehul Johnson  
Director  
[DIN: 00016075]

Place: Mumbai  
Date: 22 April 2021

*Sunil Kanthuria Singh*  
Sunil Kanthuria Singh  
Company Secretary

Place: New Delhi  
Date: 22 April 2021

**Indiabulls Infraestate Limited**  
**Statement of profit and loss for the year ended 31 March 2021**

	Note	31 March 2021 (₹ in lakhs)	31 March 2020 (₹ in lakhs)
<b>Revenue</b>			
Revenue from operations	27	132,069.40	141,321.82
Other income	28	337.97	303.72
		<u>132,407.37</u>	<u>141,625.54</u>
<b>Expenses</b>			
Cost of revenue	29		
Cost incurred during the year		3,741.14	54,232.04
Decrease in real estate properties		98,404.04	60,631.73
Employee benefits expense	30	813.99	1,784.87
Finance costs	31	103.47	6,375.07
Depreciation and amortisation expense	32	338.36	864.95
Other expenses	33	7,791.51	14,945.73
		<u>111,192.51</u>	<u>138,834.39</u>
<b>Profit before tax</b>		<b>21,214.86</b>	<b>2,791.15</b>
<b>Tax expenses</b>	34		
Current tax (including earlier years)		-	1,062.50
Deferred tax charge		6,144.38	1,237.91
<b>Profit after tax</b>		<u>15,070.48</u>	<u>490.74</u>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		29.41	(7.35)
Income tax relating to items that will not be reclassified to profit or loss		(7.40)	2.57
<b>Total comprehensive income for the year</b>		<u>15,092.49</u>	<u>485.96</u>
<b>Earnings per equity share</b>			
Basic (₹)	35	6,626.13	215.77
Diluted (₹)		6,626.13	215.77
<b>Summary of significant accounting policies</b>	4		
<b>The accompanying notes are integral part of the financial statements.</b>			

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

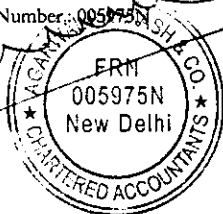
**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number: 005975N

**Prakash Agarwal**  
Partner

Place: New Delhi  
Date: 22 April 2021



**For and on behalf of the board of directors**

**Gurbans Singh**  
Director  
[DIN: 06667127]

Place: Mumbai  
Date: 22 April 2021

**Shashi Kant**  
Chief Financial Officer

Place: Gurugram  
Date: 22 April 2021

**Mehul Johnson**  
Director  
[DIN: 00016075]

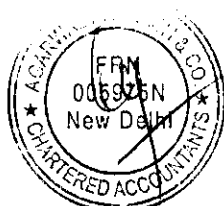
Place: Mumbai  
Date: 22 April 2021

**Sunil Kanthuria Singh**  
Company Secretary

Place: New Delhi  
Date: 22 April 2021

**Indiabulls Infraestate Limited**  
**Cash flow statement for the year ended 31 March 2021**

	31 March 2021 (₹ in lakhs)	31 March 2020 (₹ in lakhs)
<b>A Cash flow from operating activities</b>		
Profit before tax	21,214.86	2,791.15
<i>Adjustments for:</i>		
Depreciation and amortisation expense	338.36	864.95
(Reversal)/provision of employee benefits	(33.42)	11.76
Interest expense on borrowings	-	5,832.08
Interest expense on income tax	36.31	297.73
Interest on lease liabilities	67.06	245.26
Amounts written off	90.01	355.46
Loss on Property, plant and equipment written off	19.54	-
Interest income	(108.21)	(250.42)
Modification gain on de-recognition of lease contracts	(226.10)	-
Profit on sale of investments (net)	(0.01)	(12.48)
Impairment of non-financial asset	-	330.00
Other borrowing costs	0.09	-
Foreign exchange gain (net)	-	(15.79)
<b>Operating profit before working capital changes and other adjustments:</b>	<b>21,398.49</b>	<b>10,449.70</b>
<i>Working capital changes and other adjustments:</i>		
Trade receivables	(22,881.93)	13,979.97
Loans	153.71	32.00
Inventories	102,442.17	64,541.38
Other current and non-current assets	634.35	31,998.96
Other current financial assets	270.37	(87.49)
Current and non-current trade payables	(10,517.09)	(54,343.20)
Other current and non-current financial liabilities	520.89	(38,112.26)
Other current liabilities	(28,451.16)	(44,883.42)
<b>Cash flow from/(used in) operating activities</b>	<b>63,569.80</b>	<b>(16,424.36)</b>
Income tax refund/( paid)	49.46	(1,721.34)
<b>Net cash flow from/(used in) operating activities</b>	<b>63,619.26</b>	<b>(18,145.70)</b>
<b>B Cash flow from investing activities:</b>		
Purchase of property, plant and equipment and other intangible assets	-	(8.75)
Purchase of investment in mutual funds	-	(41,796.00)
Proceeds from sale of investments in mutual funds	1.12	41,808.41
Inter-corporate loans given to related parties	(55,270.00)	(386,922.30)
Inter-corporate loans received back from related parties	112,902.00	362,630.30
Movement in bank deposits (net)	(40.59)	25.38
Interest received	27.82	235.29
<b>Net cash flow from/(used in) investing activities</b>	<b>57,620.35</b>	<b>(24,027.67)</b>
<b>C Cash flow from financing activities: (refer note no .45)</b>		
Proceeds from borrowings	163,204.00	476,455.00
Repayment of borrowings	(241,024.00)	(416,509.00)
Liability for debentures transferred on sale of commercial land (refer note 46)	-	(45,815.06)
Interest paid	(3,970.60)	(9,222.70)
Other borrowing costs	(15.88)	-
Proceeds from issue of non-convertible bonds	-	34,472.77
Redemption of non-convertible bonds	(34,209.00)	(791.00)
Payment of lease liabilities {inclusive of interest paid amounting to ₹ 67.06 lakhs (31 March 2020 ₹ 245.26 lakhs )}	(311.80)	(848.01)
<b>Net cash flow(used in)/from financing activities</b>	<b>(116,327.28)</b>	<b>37,742.00</b>
<b>D Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>4,912.33</b>	<b>(4,431.37)</b>
Cash and cash equivalents at the beginning of the year	409.53	4,840.90
<b>Cash and cash equivalents at the end of the year (D+E)</b>	<b>5,321.86</b>	<b>409.53</b>



31 March 2021 (₹ in lakhs)	31 March 2020 (₹ in lakhs)
-------------------------------	-------------------------------

- Notes:**
- a) **Cash and cash equivalents includes (refer note 16)**
- Cash on hand
- Balances with banks - in current accounts
- Bank deposits with original maturity upto three months

-	1.50
5,321.86	382.87
-	25.16
<b>5,321.86</b>	<b>409.53</b>

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

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number.: 005975N

**Prakash Agarwal**  
Partner

**Place:** New Delhi  
**Date:** 22 April 2021



**For and on behalf of board of directors**

*Gurbans Singh*

**Gurbans Singh**  
Director  
[DIN: 06667127]

**Place:** Mumbai  
**Date:** 22 April 2021

*Shashi Kant*

**Shashi Kant**  
Chief Financial Officer

**Place:** Gurugram  
**Date:** 22 April 2021

*Mehul Johnson*

**Mehul Johnson**  
Director  
[DIN: 00016075]

**Place:** Mumbai  
**Date:** 22 April 2021

*Sunil Kanthuria Singh*

**Sunil Kanthuria Singh**  
Company Secretary

**Place:** New Delhi  
**Date:** 22 April 2021

Indiabulls Infraestate Limited  
Statement of changes in equity for the year ended 31 March 2021

A Equity share capital\* (₹ in lakhs)

Particulars	Balance as at 1 April 2019	Balance as at 31 March 2020	Balance as at 31 March 2021
Equity share capital	22.74	22.74	22.74

B Other equity\*\* (₹ in lakhs)

Description	Reserves and surplus			Total
	Securities premium	Retained earnings	Debenture redemption reserve	
Balance as at 1 April 2019	161,239.14	(24,009.16)	2,500.00	139,729.98
Profit for the year	-	490.74	-	490.74
Re-measurement losses on defined benefit plans (net of tax)	-	(4.78)	-	(4.78)
Balance as at 31 March 2020	161,239.14	(23,523.20)	2,500.00	140,215.94
Profit for the year	-	15,070.48	-	15,070.48
Transfer from retained earnings	-	2,500.00	(2,500.00)	-
Re-measurement profit/losses on defined benefit plans (net of tax)	-	22.01	-	22.01
Balance as at 31 March 2021	161,239.14	(5,930.72)	-	155,308.43

\*Refer note 18 for details

\*\*Refer note 19 for details

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: 005075N

Prakash Agarwal  
Partner

Place: New Delhi  
Date: 22 April 2021



For and on behalf of the board of directors

Gurbans Singh  
Director  
[DIN: 06667127]

Place: Mumbai  
Date: 22 April 2021

Shashi Kant  
Chief Financial Officer

Place: Gurugram  
Date: 22 April 2021

Mehul Johnson  
Director  
[DIN: 00016075]

Place: Mumbai  
Date: 22 April 2021

Sunil Kanthuria Singh  
Company Secretary

Place: New Delhi  
Date: 22 April 2021

Indiabulls Infraestate Limited

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

Note - 5

Property, plant and equipment

	Building - temporary structure*	Plant and equipment*	Office equipment	Computers	Furniture and fixtures	Vehicles	Total
(₹ in lakhs)							
<b>Gross block</b>							
At 1 April 2019	40.58	112.17	53.08	50.84	117.52	75.86	450.05
Additions	-	-	0.56	3.91	1.45	-	5.92
Balance as at 31 March 2020	40.58	112.17	53.64	54.75	118.97	75.86	455.97
Additions	-	-	-	-	-	-	-
Disposals/adjustments	-	37.29	24.10	0.33	29.69	-	91.41
<b>Balance as at 31 March 2021</b>	<b>40.58</b>	<b>74.88</b>	<b>29.54</b>	<b>54.42</b>	<b>89.28</b>	<b>75.86</b>	<b>364.56</b>
<b>Accumulated depreciation</b>							
At 1 April 2019	40.54	33.55	42.51	13.42	80.25	9.74	220.01
Charge for the year	0.03	8.45	6.63	15.77	13.06	9.48	53.42
Balance as at 31 March 2020	40.57	42.00	49.14	29.19	93.31	19.22	273.43
Charge for the year	0.01	8.45	2.27	16.00	13.12	9.48	49.33
Disposals/adjustments	-	20.25	24.10	0.33	27.19	-	71.87
Balance as at 31 March 2021	40.58	30.21	27.30	44.86	79.24	28.71	250.89
Net block as at 31 March 2020	0.01	70.17	4.50	25.56	25.66	56.64	182.54
Net block as at 31 March 2021	-	44.67	2.24	9.56	10.04	47.15	113.66

\*During the year ended 31 March 2021, the depreciation of ₹8.43 lakhs out of ₹ 49.33 lakhs (31 March 2020: ₹8.47 lakhs out of ₹53.42 lakhs) has been inventoried as a part of real estate properties under development.

(i) Capitalised borrowing cost

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



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**Indiabulls Infraestate Limited**

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

**Note - 6**

**Right of use assets (refer note 39)**

(₹ in lakhs)

	Building	Total
<b>Gross block</b>		
At 1 April 2019	2,636.86	2,636.86
Adjustments during the year	-	-
De-recognition on account of early termination of lease contract	-	-
<b>Balance as at 31 March 2020</b>	<b>2,636.86</b>	<b>2,636.86</b>
Adjustments during the year	-	-
De-recognition on account of early termination of lease contract	1,543.27	1,543.27
<b>Balance as at 31 March 2021</b>	<b>1,093.59</b>	<b>1,093.59</b>
<b>Accumulated depreciation</b>		
At 1 April 2019	-	-
Charge for the year	808.05	808.05
<b>Balance as at 31 March 2020</b>	<b>808.05</b>	<b>808.05</b>
Charge for the year	285.54	285.54
<b>Balance as at 31 March 2021</b>	<b>1,093.59</b>	<b>1,093.59</b>
<b>Net block as at 31 March 2020</b>	<b>1,828.81</b>	<b>1,828.81</b>
<b>Net block as at 31 March 2021</b>	<b>-</b>	<b>-</b>

**Note - 7**

**Intangible assets**

(₹ in lakhs)

	Software	Total
<b>Gross block</b>		
At 1 April 2019	38.12	38.12
Additions	2.83	2.83
<b>Balance as at 31 March 2020</b>	<b>40.95</b>	<b>40.95</b>
Additions	-	-
<b>Balance as at 31 March 2021</b>	<b>40.95</b>	<b>40.95</b>
<b>Accumulated amortisation</b>		
At 1 April 2019	5.45	5.45
Charge for the year	11.95	11.95
<b>Balance as at 31 March 2020</b>	<b>17.40</b>	<b>17.40</b>
Charge for the year	11.92	11.92
<b>Balance as at 31 March 2021</b>	<b>29.33</b>	<b>29.33</b>
<b>Net block as at 31 March 2020</b>	<b>23.55</b>	<b>23.55</b>
<b>Net block as at 31 March 2021</b>	<b>11.62</b>	<b>11.62</b>

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

	31 March 2021 (₹ in lakhs)	31 March 2020 (₹ in lakhs)
<b>Note - 8</b>		
<b>A Loans - non-current*</b>		
(Unsecured, considered good)		
Security deposits given to		
Others	17.05	170.75
	<u>17.05</u>	<u>170.75</u>
<b>B Loans - current*</b>		
(Unsecured, considered good)		
Inter-corporate loans to related parties (refer note 41)	25,368.00	83,000.00
	<u>25,368.00</u>	<u>83,000.00</u>

\* The Company does not have any loans which are either credit impaired or where there is significant increase in credit risk.

	31 March 2021 (₹ in lakhs)	31 March 2020 (₹ in lakhs)
<b>Note - 9</b>		
<b>A Other financial assets - non-current</b>		
Bank deposits with maturity of more than 12 months*	57.66	55.40
	<u>57.66</u>	<u>55.40</u>

\* Bank deposits (excluding interest accrued) of ₹ 50.00 lakhs (31 March 2020: ₹ 50 Lakhs) are pledged against bank guarantees for obtaining no-objection certificate in relation to water management from Municipal Corporation of Greater Mumbai.

<b>B Other financial assets - current</b>		
Loans to employees	34.48	268.53
Other recoverable	-	36.33
	<u>34.48</u>	<u>304.86</u>

**Note - 10**

**Deferred tax assets (net)**

Deferred tax asset arising on account of:

Interest expense (adjustment arising on account of Income Computation and Disclosure Standards)	-	-
Provision of employee benefits	43.69	61.23
Right of use assets and lease liabilities	-	49.19
Reversal of revenue and related costs as per Ind AS 115	3,719.72	9,817.43

Deferred tax liabilities arising on account of:

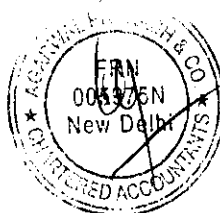
Property, plant and equipment and intangible assets - depreciation and amortisation	9.52	(3.14)
	<u>3,772.93</u>	<u>9,924.71</u>

(i) The unabsorbed business losses amounting to ₹ 48,305.64 lakhs (31 March 2020: ₹ 51,779.25 lakhs) and unabsorbed depreciation amounting to ₹ 131.67 lakhs (31 March 2020: ₹ 134.44 lakhs) on which no deferred tax asset is recognised considering there is no probability which demonstrate realisation of deferred tax asset in the near future. Further these business losses are available for offset for maximum period of eight years from the date of incurrence of loss.

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

Particulars	31 March 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	31 March 2021
<b>Assets</b>				
Provision of employee benefits	61.23	(10.14)	(7.40)	43.69
Right of use assets and lease liabilities	49.19	(49.19)	-	-
Reversal of revenue and related costs as per Ind AS 115	9,817.43	(6,097.70)	-	3,719.72
<b>Liabilities</b>				
Property, plant and equipment and intangible assets	(3.14)	12.67	-	9.52
<b>Total</b>	<b>9,924.71</b>	<b>(6,144.38)</b>	<b>(7.40)</b>	<b>3,772.93</b>

Particulars	1 April 2019	Recognised in statement of profit and loss	Recognised in other comprehensive income	31 March 2020
<b>Assets</b>				
Interest expense (adjustment arising on account of Income Computation and Disclosure Standards)	582.91	(582.91)	-	-
Right of use assets and lease liabilities	-	49.19	-	49.19
Provision of employee benefits	78.33	(19.67)	2.57	61.23
Reversal of revenue and related costs as per Ind AS 115	10,513.94	(696.51)	-	9,817.43
<b>Liabilities</b>				
Property, plant and equipment and intangible assets	(15.14)	12.00	-	(3.14)
<b>Total</b>	<b>11,160.04</b>	<b>(1,237.91)</b>	<b>2.57</b>	<b>9,924.71</b>



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

	31 March 2021 (₹ in lakhs)	31 March 2020 (₹ in lakhs)
<b>Note - 11</b>		
<b>Non-current tax assets (net)</b>		
Advance income tax, including tax deducted at source	1,917.37	2,003.77
	<u>1,917.37</u>	<u>2,003.77</u>
<b>Note - 12</b>		
<b>Other current assets</b>		
<b>(Unsecured, considered good, unless otherwise stated)</b>		
Mobilization advances	157.08	231.76
Advance to suppliers/service providers (doubtful balance of ₹ 330.00 lakhs (31 March 2020: ₹ 330.00))	2,684.40	3,292.44
Prepaid expenses	36.86	19.40
Balances with statutory and government authorities*	746.76	746.76
Other advances	59.70	118.80
	<u>3,684.81</u>	<u>4,409.16</u>
Less: Impairment for non-financial assets	(330.00)	(330.00)
	<u>3,354.81</u>	<u>4,079.16</u>
<i>*The Company has filed for refund of excess service tax paid amounting to ₹ 746.76 lakhs to service tax authority under the category of "Construction of residential complex services" on account of cancellation of bookings for residential units/flat.</i>		
<b>Note - 13</b>		
<b>Inventories</b>		
<b>A Real estate properties - under development (at cost) (refer note no 20.1)</b>		
Cost of properties under development *	517,159.38	516,325.21
Less: transferred to developed properties	(407,576.34)	(399,456.85)
	<u>109,583.04</u>	<u>116,868.36</u>
<b>B Real estate properties - developed (at cost)</b>		
Cost of developed properties	407,576.34	399,456.85
Less: cost of revenue recognized till date	(360,841.23)	(259,031.61)
	<u>46,735.11</u>	<u>140,425.24</u>
<b>C Construction materials in stock (at cost)</b>	3,320.10	748.70
	<u>159,638.26</u>	<u>258,042.30</u>
(i) During the year ended 31 March 2021, the Company has inventorised borrowing cost of ₹ 3,970.60 lakhs (31 March 2020: ₹ 3,901.18 lakhs) to real estate project. The Company has capitalised interest cost pertaining to specific borrowings.		
(ii) The weighted average rate of interest capitalisation is in the range of (10% to 16.65%).		
<b>Note - 14</b>		
<b>Investments - current</b>		
<b>Investment in mutual funds (quoted)</b>		
Indiabulls Mutual Fund - Indiabulls Savings Fund - Direct Plan - Growth [Nil units (31 March 2020: 100 units)]	-	1.12
	<u>-</u>	<u>1.12</u>
Aggregate amount of quoted investments and market value	-	1.12
<b>Note - 15</b>		
<b>Trade receivables#</b>		
<b>(Unsecured, considered good)</b>		
Trade receivables (refer note 20.1)	25,593.53	2,711.59
	<u>25,593.53</u>	<u>2,711.59</u>
#The Company does not have any receivables which are either credit impaired or where there is significant increase in credit risk.		
<b>Note - 16</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	-	1.50
Balances with banks - in current accounts	5,321.86	382.87
Bank deposits with original maturity upto three months*	-	25.16
	<u>5,321.86</u>	<u>409.53</u>
* Bank deposits (excluding interest accrued) of ₹ Nil (31 March 2020: ₹ 25.00 Lakhs) are pledged against bank guarantees for obtaining certificate from Maharashtra Pollution Control Board.		
<b>Note - 17</b>		
<b>Other bank balances</b>		
Bank deposits - with maturity of more than three months and upto twelve months*	61.69	28.09
	<u>61.69</u>	<u>28.09</u>
* Bank deposits (excluding interest accrued) of ₹ 30.00 (31 March 2020: ₹ 27.62 Lakhs) are pledged against bank guarantees for obtaining certificate from Maharashtra Pollution Control Board.		



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

	31 March 2021 (₹ in lakhs)	31 March 2020 (₹ in lakhs)
<b>Note - 20</b>		
<b>A Borrowings non-current</b>		
<i>Secured</i>		
<b>Bonds</b>		
Non-convertible bonds (refer note 20.1)	-	34,192.33
Less: current maturities of long-term borrowings (refer note 24)	-	(1,234.00)
	<u>-</u>	<u>32,958.33</u>

**20.1 Repayment terms (including current maturities) and security details for non-convertible bonds :** (₹ in lakhs)

Particulars	Maturity date	Security details	31 March 2021 (₹ in lakhs)	31 March 2020 (₹ in lakhs)
Redeemable non-convertible bonds issued on 31 December 2019 for ₹ 35,000.00 lakhs of face value ₹ 10 lakhs each. This carries interest rate of 10.85%.	Repayable in 35 monthly instalments of ₹ 135.00 lakhs starting on 31 January 2020 and bullet payment of ₹ 30,275.00 lakhs at the end of 36 months. During the year ended 31 March, 2021 the company has repaid the entire outstanding Non-convertible bonds.	Refer Note 1 below		34,192.33

These non-convertible bonds was listed on the Wholesale Debt Market segment of BSE Limited.

**Note 1**

Details of security:

- (i) First ranking and exclusive mortgage on the -
  - a) Unsold units of the project;
  - b) Chargeable receivables and the insurance policies;
  - c) Chargeable account assets;
  - d) Inter-corporate deposits (current loans);
  - e) Floor space index (FSI), balance TDR/Fungible FSI to be consumed on the project, and other rights, title, benefit and interest arising out of or loaded over/ in respect of the project property, both present and future, pursuant to or in connection with the construction and development of the project;
  - f) Present and future fixed movable assets of the Company pertaining to the Project; and
  - g) All present and future current assets of the Company pertaining to the Project, including without limitation the Company's cash in hand, stocks, raw materials, book debts, inventories, claims, bills, outstanding monies receivables, all investments, other receivables of the Company, (collectively called the "Company Mortgaged Properties");
- (ii) First ranking and exclusive mortgage on the Company additional mortgage properties;
- (iii) First ranking and exclusive charge by way of hypothecation on Indiabulls Distribution Services Limited (IDSLS) hypothecated properties (i.e all right, title, benefits, claims and demands, present and future, whatsoever of IDSLS, in, to, under or in respect of, the IDSLS subordinated debt and the IDSLS transaction documents; and IDSLS trade receivables); however these properties have been cancelled in the month of March 2020;
- (iv) First ranking and exclusive charge by way of hypothecation on corporate guarantor (Holding Company) subordinated debt hypothecated properties; and
- (v) First ranking and exclusive pledge over the equity shares and other securities of the Company constituting 100% of the total issued and paid up share capital of the Company along with voting rights (on a fully diluted basis), but excluding 6 equity shares held by nominees of the corporate guarantor (pledged securities).

**B Borrowings - current**

*Secured*

Loans and advances from others\*

18,000.00

*Unsecured*

Inter-corporate borrowings# (refer note 41)

1,626.00

19,626.00

-

97,446.00

\*During the financial year ended 31 March 2021, the company have availed ₹ 18,000.00 lakhs loan from Non Banking Financial Company (NBFC) are secured by exclusive charge on project under development and unsold developed properties/units and all revenue receivables

#Repayable on demand and carries no interest.

**Note - 21**

**A Lease liabilities - non-current**

Lease liabilities (refer note 39)

-

1,456.76

-

1,456.76

**B Lease liabilities - current**

Lease liabilities (refer note 39)

-

534.69

-

534.69



**Indiabulls Infraestate Limited**

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

31 March 2021      31 March 2020  
(₹ in lakhs)      (₹ in lakhs)

**Note - 22**

**Trade payables - current**

(i) Total outstanding dues of micro enterprises and small enterprises*	1,387.13	2,280.42
	<u>1,387.13</u>	<u>2,280.42</u>

\*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2021 and 31 March 2020.

Particulars	31 March 2021 (₹ in lakhs)	31 March 2020 (₹ in lakhs)
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	1,387.13	2,280.42
ii) 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.

(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Due to others	2,875.81	12,499.62
	<u>2,875.81</u>	<u>12,499.62</u>

**Note - 23**

**A Provisions - non current**

Provision for employee benefits:

Gratuity (refer note 43)	82.25	118.10
Compensated absences (refer note 43)	36.94	117.98
	<u>119.19</u>	<u>236.08</u>

**B Provisions - current**

Provision for employee benefits:

Gratuity (refer note 43)	24.41	4.86
Compensated absences (refer note 43)	29.99	2.32
	<u>54.40</u>	<u>7.18</u>

**Note - 24**

**Other financial liabilities - current**

Current maturities of non-current borrowings		1,234.00
Book overdraft	-	57.03
Expenses payable	2,423.74	1,845.82
	<u>2,423.74</u>	<u>3,136.85</u>

**Note - 25**

**Other current liabilities**

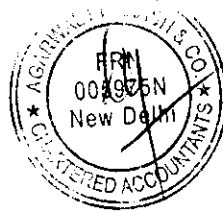
Payable to statutory and government authorities	127.23	846.26
Advance from customers	37,718.25	65,450.39
Liability against development rights	5,600.00	5,600.00
	<u>43,445.48</u>	<u>71,896.65</u>

**Note - 26**

**Current tax liabilities (net)**

Provision for income tax		74.92
	-	<u>74.92</u>

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**Indiabulls Infraestate Limited**

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

	31 March 2021		31 March 2020	
	Number	Amount (₹ in lakhs)	Number	Amount (₹ in lakhs)
<b>Note - 18</b>				
<b>Equity share capital</b>				
<b>i Authorised</b>				
Equity share capital of face value of ₹ 10 each	500,000	50.00	500,000	50.00
	<b>500,000</b>	<b>50.00</b>	<b>500,000</b>	<b>50.00</b>
<b>ii Issued, subscribed and fully paid up</b>				
Equity share capital of face value of ₹ 10 each	227,440	22.74	227,440	22.74
		<b>22.74</b>		<b>22.74</b>
<b>iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year</b>				
<b>Equity shares</b>				
Balance at the beginning of the year	227,440	22.74	227,440	22.744
Add: Issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>227,440</b>	<b>22.74</b>	<b>227,440</b>	<b>22.744</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% equity share capital and shares held by the Holding Company**

Name of the equity shareholder	Number of shares	Number of shares
Indiabulls Real Estate Limited*	227,440	227,440
<i>*including nominee shares</i>		

**vi Aggregate number of shares issued for consideration other than cash**

During the year ended 31 March 2017, on account of conversion of compulsorily and optionally convertible debentures of ₹ 145,987.36 lakhs, the Company has issued 162,519 fully paid up equity shares.

	31 March 2021 (₹ in lakhs)	31 March 2020 (₹ in lakhs)
<b>Note - 19</b>		
<b>Other equity</b>		
Securities premium	161,239.14	161,239.14
Retained earnings	(5,930.72)	(23,523.20)
Debtore redemption reserve	-	2,500.00
	<b>155,308.43</b>	<b>140,215.94</b>

**Nature and purpose of other reserves**

**Securities premium**

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

**Retained earnings**

Retained earnings is used to record balance of statement of profit and loss.

**Debtore redemption reserve**

The Company is required to create a debtore redemption reserve out of the profits which are available for redemption of debentures.

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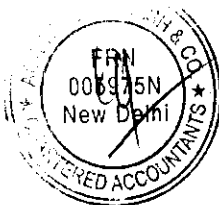


**Indiabulls Infraestate Limited**

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

	<u>31 March 2021</u> (₹ in lakhs)	<u>31 March 2020</u> (₹ in lakhs)
<b>Note - 27</b>		
<b>Revenue from operations</b>		
<b>Operating revenue</b>		
Revenue from real estate properties (refer note 47)	131,419.03	37,237.90
<b>Other operating income</b>		
Revenue from sale of commercial land (refer note 46)	-	103,500.00
Interest from customers on delayed payment	14.45	148.92
Service and forfeiture receipts	635.91	435.00
	<u>132,069.40</u>	<u>141,321.82</u>
<b>Note - 28</b>		
<b>Other income</b>		
<b>Interest income</b>		
Bank deposits	23.09	16.37
Others	85.13	234.05
Profit on sale of investments (net)	0.01	12.48
Foreign exchange gain (net)	3.61	15.79
IND AS 116 Gain on derecognition	226.10	-
Miscellaneous income	0.03	25.02
	<u>337.97</u>	<u>303.72</u>
<b>Note - 29</b>		
<b>Cost of revenue</b>		
Cost incurred during the year	3,741.14	54,232.04
<b>Decrease in real estate properties</b>		
Opening stock	258,042.30	318,674.04
Closing stock	(159,638.26)	(258,042.30)
	<u>102,145.18</u>	<u>114,863.77</u>
<b>Note - 30</b>		
<b>Employee benefits expense</b>		
Salaries and wages	793.98	1,746.58
Contribution to provident fund (refer note 43)	19.83	24.20
Staff welfare expenses	0.18	14.10
	<u>813.99</u>	<u>1,784.87</u>
<b>Note - 31</b>		
<b>Finance costs*</b>		
<b>Interest expenses on:</b>		
Income tax	36.31	297.73
Non-convertible bonds	-	1,508.38
Loans	-	4,323.70
Lease liabilities	67.06	245.26
Other borrowing costs	0.09	-
	<u>103.47</u>	<u>6,375.07</u>
<i>*Refer note 13 for interest capitalized during the year.</i>		
<b>Note - 32</b>		
<b>Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment*	40.90	44.95
Depreciation on right of use asset	285.54	808.05
Amortisation of intangible assets	11.92	11.95
	<u>338.36</u>	<u>864.95</u>

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**Indiabulls Infraestate Limited**

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

	31 March 2021 (₹ in lakhs)	31 March 2020 (₹ in lakhs)
<b>Note - 33</b>		
<b>Other expenses</b>		
Advertisement expenses	14.37	169.01
Bank charges	0.94	1.44
Auditor's remuneration - as auditor (refer note (i) below)	12.39	86.73
Communication expenses	-	3.36
Corporate social responsibility expenses (refer note (ii) below)	582.50	774.00
Donations (refer note (iii) below)	-	2,500.00
Loss on Property, plant and equipment written off	19.54	-
Legal and professional charges	551.40	122.23
Power and fuel expenses	23.55	47.22
Rates and taxes	365.62	14.44
Amounts written off	90.01	355.46
Rent expenses	9.90	51.96
Repairs and maintenance	53.24	158.59
Brokerage and marketing expenses	2,490.80	94.92
Traveling and conveyance expenses	31.91	12.95
Claims and compensation	3,517.59	10,174.17
Impairment of non-financial asset	-	330.00
Miscellaneous expenses	27.74	49.25
	<b>7,791.51</b>	<b>14,945.73</b>

**(i) Details of payment to auditors#**

Audit fees	11.8	69.03
Certification and other services	0.59	17.7
	<b>12.39</b>	<b>86.73</b>

#Inclusive of applicable taxes

**(ii) Corporate social responsibility expenses**

Gross amount required to be spent by the company during the year is ₹ 582.50 lakhs (31 March 2020: ₹ 774.00 lakhs). This amount is paid to trust.

Particulars	Period	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	31 March 2021	-	-	-
	31 March 2020	-	-	-
On purposes other than (i) above	31 March 2021	582.50	-	582.50
	31 March 2020	774.00	-	774.00

(iii) During the previous year, the Company has contributed ₹ 2,500.00 lakhs as political contribution via an Electoral Trust.

	31 March 2021 (₹ in lakhs)	31 March 2021 (₹ in lakhs)
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**Note - 34**
**Tax expenses**

Current tax (including earlier years) (refer note 48)	-	1,062.50
Deferred tax charge	6,144.38	1,237.91
<b>Income tax expense reported in the statement of profit and loss</b>	<b>6,144.38</b>	<b>2,300.41</b>

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

The major components of the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168% and the reported tax expense in profit or loss are as follows:

**Reconciliation of tax expense and the accounting profit multiplied by tax rate**

Accounting profit before tax	21,214.86	2,791.15
<b>Accounting profit before income tax</b>	<b>21,214.86</b>	<b>2,791.15</b>

At statutory income tax rate of 25.168% (31 March 2020: 25.168%)

5,339.36	702.48
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**Tax effect of amounts which are not deductible (taxable) in calculating taxable income:**

Tax impact of expenses which will never be allowed	82.44	172.33
Deferred tax impact on 'Reversal of revenue and related costs as per Ind AS 115'	-	-
Tax impact on account of 'percentage of completion method' of revenue recognition followed under Income Tax Act, 1961	-	(8,011.68)
Tax impact of income not offered for tax	-	-
Tax impact of earlier year items	-	1,062.50
Tax impact of unrecognised deferred tax on unabsorbed losses	722.58	8,382.17
Others	-	(7.39)
<b>Income tax expense</b>	<b>6,144.38</b>	<b>2,300.41</b>



**Indiabulls Infraestate Limited**

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

	<u>31 March 2021</u>	<u>31 March 2020</u>
	(₹ in lakhs)	(₹ in lakhs)
<b>Note - 35</b>		
<b>Earnings per equity share</b>		
Earnings per share ('EPS') is determined based on the net profit attributable to the shareholders' of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.		
<b>Profit attributable to equity shareholders (basic and diluted)</b>	15,070.48	490.74
<b>Weighted average number of equity shares for basic and diluted EPS</b>	227,440	227,440
<b>Weighted average number of equity shares adjusted for the effect of dilution</b>	227,440	227,440
<b>Earnings per equity share (in ₹)</b>		
Basic	6,626.13	215.77
Diluted	6,626.13	215.77



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Note - 36

Fair value measurements

(i) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the financial statements 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: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability.

(ii) Financial assets and financial liabilities measured at fair value through profit and loss

Particulars	(₹ in lakhs)			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Mutual funds				
31 March 2021	-	-	-	-
31 March 2020	1.12	-	-	1.12
<b>Total financial assets - 31 March 2021</b>	-	-	-	-
<b>Total financial assets - 31 March 2020</b>	<b>1.12</b>	-	-	<b>1.12</b>
<b>Financial liabilities</b>				
Compulsorily convertible debentures				
31 March 2021	-	-	-	-
31 March 2020	-	-	-	-
<b>Total financial liabilities - 31 March 2021</b>	-	-	-	-
<b>Total financial liabilities - 31 March 2020</b>	-	-	-	-

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

Financial assets

Use of net asset value for mutual funds fair valuation on the basis of the statement received from investee party.

Financial liabilities

The fair value of unquoted compulsorily convertible debentures is estimated by discounting future cash flows using rates currently available for capital on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

(iv) Fair value of instruments measured at amortised cost:

Particulars	Level	31 March 2021		31 March 2020	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Loans	Level 3	17.05	17.05	170.75	170.75
Other financial assets	Level 3	57.66	57.66	55.40	55.40
<b>Total financial assets</b>		<b>74.71</b>	<b>74.71</b>	<b>226.16</b>	<b>226.16</b>
<b>Financial liabilities</b>					
Borrowings*	Level 3	-	-	32,958.33	32,958.33
Lease liabilities	Level 3	-	-	1,456.76	1,456.76
Trade payables	Level 3	-	-	-	-
<b>Total financial liabilities</b>		-	-	<b>34,415.09</b>	<b>34,415.09</b>

The above disclosures are presented for non-current financial assets and non-current financial liabilities. Carrying value of current financial assets and current financial liabilities (cash and cash equivalents, trade receivables, borrowings, lease liability trade payables and other current financial liabilities) represents the best estimate of fair value.

\*The non-convertible redeemable bonds issued by the Company were listed on stock exchange in the current financial year and there is no comparable instrument having the similar terms and conditions with related security being pledged and hence the carrying value of the debentures represents the best estimate of fair value.

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Note - 37

Financial risk management

i) Financial instruments by category

	31 March 2021		31 March 2020	
	FVTPL*	Amortised cost	FVTPL*	Amortised cost
<b>Financial assets</b>				
Investments - mutual funds	-	-	1.12	-
Trade receivables	-	25,593.53	-	2,711.59
Cash and cash equivalents	-	5,321.86	-	409.53
Other bank balances	-	61.69	-	28.09
Loans	-	25,368.00	-	83,000.00
Security deposits	-	17.05	-	170.75
Other financial assets	-	92.14	-	360.26
<b>Total financial assets</b>	-	<b>56,454.27</b>	<b>1.12</b>	<b>86,680.24</b>

	31 March 2021		31 March 2020	
	FVTPL*	Amortised cost	FVTPL*	Amortised cost
<b>Financial liabilities</b>				
Borrowings (including interest accrued)	-	19,626.00	-	131,638.33
Compulsorily convertible debentures	-	-	-	-
Lease liabilities	-	-	-	1,991.45
Trade payables	-	4,262.95	-	14,780.04
Other financial liabilities	-	2,423.74	-	1,902.85
<b>Total financial liabilities</b>	-	<b>26,312.68</b>	-	<b>150,312.67</b>

\* These financial assets and financial liabilities are mandatorily measured at fair value.

ii) Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(A) Credit risk

Credit risk 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, other bank balances, trade receivables, loans and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

i) Credit risk rating

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

A: Low credit risk

B: High credit risk

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

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

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy, advance not recoverable or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Assets under credit risk -

Credit rating	Particulars	31 March 2021	31 March 2020
A: Low credit risk	Trade receivables, cash and cash equivalents, other bank balances, loans and other financial assets	56,454.27	86,680.24

ii) Concentration of financial assets

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



## b) Credit risk exposure

## Provision for expected credit losses

The Company provides for 12 months or lifetime expected credit losses for following financial assets –

As at 31 March 2021

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	25,593.53	-	25,593.53
Cash and cash equivalents	5,321.86	-	5,321.86
Other bank balances	61.69	-	61.69
Loans	25,368.00	-	25,368.00
Security deposits	17.05	-	17.05
Other financial assets	92.14	-	92.14

As at 31 March 2020

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	2,711.59	-	2,711.59
Cash and cash equivalents	409.53	-	409.53
Other bank balances	28.09	-	28.09
Loans	83,000.00	-	83,000.00
Security deposits	170.75	-	170.75
Other financial assets	360.26	-	360.26

## Expected credit loss for trade receivables under simplified approach

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

## (B) Liquidity risk

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

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

## Maturities of financial liabilities

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

(₹ in lakhs)

31 March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Non-derivatives</b>					
Borrowings (including interest accrued)	19,626.00	-	-	-	19,626.00
Lease liabilities	-	-	-	-	-
Trade payable	4,262.95	-	-	-	4,262.95
Other financial liabilities	2,423.74	-	-	-	2,423.74
<b>Total</b>	<b>26,312.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,312.68</b>

(₹ in lakhs)

31 March 2020	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Non-derivatives</b>					
Borrowings (including interest accrued)	98,680.00	1,620.00	31,355.00	-	131,655.00
Lease liabilities	980.81	1,013.88	253.47	-	2,248.16
Trade payable	14,780.04	-	-	-	14,780.04
Other financial liabilities	1,902.85	-	-	-	1,902.85
<b>Total</b>	<b>116,343.70</b>	<b>2,633.88</b>	<b>31,608.47</b>	<b>-</b>	<b>150,586.05</b>

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**Indiabulls Infrastructure Limited**

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

**(C) Market risk**

**(i) Interest rate risk**

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

Particulars	₹ in lakhs	
	31 March 2021	31 March 2020
Fixed rate borrowing	19,626.00	131,638.33
<b>Total borrowings</b>	<b>19,626.00</b>	<b>131,638.33</b>

**(ii) Foreign exchange risk**

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company does not hedge its foreign exchange receivables/payables.

Particulars	Currency	₹ in lakhs	
		31 March 2021	31 March 2020
Trade payables	USD	-	-
	Euro	-	10.74

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Currency	₹ in lakhs			
		Exchange rate increase by 1%		Exchange rate decrease by 1%	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
Trade payables	USD	-	-	-	-
	Euro	-	0.11	-	(0.11)

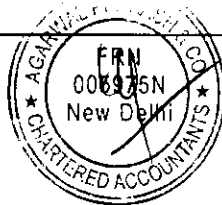
**(iii) Price risk**

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

**Sensitivity**

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Company's profit for the periods -

Particulars	₹ in lakhs	
	31 March 2021	31 March 2020
<b>Price sensitivity</b>		
Price increase by (2%)- FVTPL	-	0.02
Price decrease by (2%)- FVTPL	-	(0.02)



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**Indiabulls Infraestate Limited**

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

**Note - 38**

**Revenue related disclosures**

**A Disaggregation of revenue**

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

Particulars	(₹ in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
<b>Revenue from contracts with customers</b>		
(i) <b>Revenue from operations</b>		
(a) Revenue from sale of properties	131,419.03	37,237.90
(ii) <b>Other operating income</b>		
(a) Revenue from sale of commercial land	-	103,500.00
(b) Interest from customers on overdue balances and service and forfeiture income	650.36	583.92
<b>Total revenue covered under Ind AS 115</b>	<b>132,069.39</b>	<b>141,321.82</b>

**B Contract balances**

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

Particulars	(₹ in lakhs)	
	As at 31 March 2021	As at 31 March 2020
<b>Contract liabilities</b>		
Advance from customers	37,718.25	65,450.39
<b>Total contract liabilities</b>	<b>37,718.25</b>	<b>65,450.39</b>
<b>Receivables</b>		
Trade receivables	25,593.53	2,711.59
<b>Total receivables</b>	<b>25,593.53</b>	<b>2,711.59</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.

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

Particulars	(₹ in lakhs)	
	As at 31 March 2021	As at 31 March 2020
	Contract liabilities	Contract liabilities
	Advances from customers	Advances from customers
<b>Opening balance</b>	<b>65,450.39</b>	<b>106,063.56</b>
(Refunds)/additions during the year - net	78,093.36	(6,086.85)
Adjustment on account of revenue recognised during the year	(105,825.51)	(34,526.32)
<b>Closing balance</b>	<b>37,718.25</b>	<b>65,450.39</b>

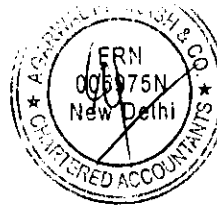
**D** The aggregate amount of transaction price allocated to the performance obligations (yet to complete) as at 31 March 2021 is ₹ 37,718.25 lakhs (31 March 2020: ₹ 65,450.39 lakhs). This balance represents the advance received from customers (gross) against real estate properties under development. The management expects to further bill and collect the remaining balance of total consideration in the coming years. These balances will be recognised as revenue in future years as per the policy of the Company.

**E Reconciliation of revenue from sale of properties with contract revenue:**

Particulars	(₹ in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Contract revenue	134,182.89	40,332.09
Adjustment for:		
- Subvention cost*	(2,763.86)	(3,094.20)
<b>Revenue from sale of properties</b>	<b>131,419.03</b>	<b>37,237.90</b>

\* Subvention cost represent the expected cash outflow under the arrangement determined basis time elapsed.

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**Indiabulls Infraestate Limited**
**Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2021**
**Note - 39**
**Lease related disclosures as per Ind AS 116**

The Company has leases for office building. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

**A Lease payments not included in measurement of lease liability**

The expense relating to payments not included in the measurement of the lease liability is as follows:

(₹ in lakhs)

Particulars	31 March 2021	31 March 2020
Short-term leases	-	51.96

**B Total cash outflow for leases for the year ended 31 March 2021 is ₹311.80 Lakhs(31 March 2020 ₹ 848.01 lakhs).**
**C Total expense recognised during the year**

(₹ in lakhs)

Particulars	31 March 2021	31 March 2020
Interest on lease liabilities	67.06	245.26
Depreciation on right of use asset	285.54	808.05

**D Maturity of lease liabilities**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

(₹ in lakhs)

31 March 2021	Minimum lease payments due				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Lease payments	-	-	-	-	-
Interest expense	-	-	-	-	-
Net present values	-	-	-	-	-

31 March 2020	Minimum lease payments due				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Lease payments	980.81	1,013.88	253.47	-	2,248.16
Interest expense	172.23	80.11	4.37	-	256.71
Net present values	808.58	933.76	249.10	-	1,991.45

**E Information about extension and termination options (31 March 2021)**

Right of use assets	Number of leases	Range of remaining term (in years)	Average remaining lease term (in years)	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Office premises	-	-	-	-	-	-

**Information about extension and termination options(31 March 2020)**

Right of use assets	Number of leases	Range of remaining term (in years)	Average remaining lease term (in years)	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Office premises	1	2.25	2.25	-	-	1

**F Bifurcation of lease liabilities at the end of the year in current and non-current**

(₹ in lakhs)

Particulars	31 March 2021	31 March 2020
a) Current liability (amount due within one year)	-	534.69
b) Non-current liability (amount due over one year)	-	1,456.76
Total lease liabilities at the end of the year	-	1,991.45



## **Indiabulls Infraestate Limited**

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

#### **1. Nature of principal activities**

Indiabulls Infraestate Limited ('the Company') was incorporated on January 04, 2007 with the main objects of carrying on the business of development of real estate properties and other related and ancillary activities. The Company is domiciled in India and its registered office is situated at M-62 and 63, First Floor, Connaught Place, New Delhi – 110001.

#### **2. General information and statement of compliance with Ind AS**

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

The financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on 22 April 2021. The revision to financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of Companies Act, 2013.

#### **Recent accounting pronouncement**

MCA vide notification dated 24 March 2021, makes certain amendments related to disclosure requirements in Schedule III of the Companies Act, 2013 which will be effective for financial year starting 1 April 2021

#### **3. Basis of preparation**

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Certain financial assets and financial liabilities are measured at fair value and are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

#### **4. Summary of significant accounting policies**

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

##### **4.1 Current versus non-current classification**

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

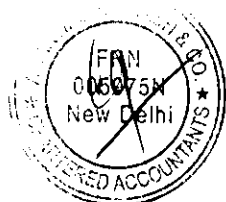
##### **4.2 Revenue recognition**

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

##### *Revenue from sale of properties*

Revenue from sale of properties is recognized when the performance obligations are essentially complete. The performance obligations are considered to be complete when the property is ready to be transferred to the buyer (occupancy certificate received from the issuing authority) i.e. offer for possession can be issued to the buyers by issuing the possession request letter.

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



## Indiabulls Infraestate Limited

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

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

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

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

#### *Revenue from sale of land*

Revenue from sale of land is recognised in the year in which the underlying agreements are executed and there exists no uncertainty in the ultimate collection of consideration from buyer.

#### *Interest income*

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

#### *Service income*

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

### 4.3 Borrowing costs

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

### 4.4 Property, plant and equipment (PPE)

#### *Recognition and initial measurement*

Property, 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	3 years
Plant and equipment	12 - 15 years
Office equipment	5 years
Computers	3 years
Furniture and fixtures	10 years





## Indiabulls Infraestate Limited

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

Vehicles	8 years
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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 de-recognised 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 derecognised.

#### 4.5 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 four years from the date of its acquisition.

##### *De-recognition*

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

#### 4.6 Right of use assets and lease liabilities

Till 31.03.2019, 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 straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease (the transition approach has been explained and disclosed in Note 39). A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

##### *Classification of leases*

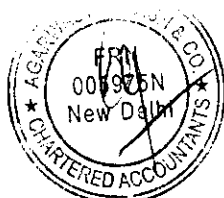
The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

##### *Recognition and initial measurement*

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

##### *Subsequent measurement*

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.



## Indiabulls Infraestate Limited

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

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

#### 4.7 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.

#### 4.8 Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. 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 recognized 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.

#### 4.9 Financial instruments

##### **Financial assets**

##### *Recognition and initial measurement*

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

##### *Subsequent measurement*

- i. **Debt instruments at amortised cost** – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:



## Indiabulls Infraestate Limited

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

- 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. **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**

##### *Recognition and initial measurement – amortised cost*

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

##### *Subsequent measurement – Amortised cost*

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

##### *Recognition, initial and subsequent measurement – fair value*

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

##### *De-recognition of financial liabilities*

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

#### **Offsetting of financial instruments**

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

#### **4.10 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.



## **Indiabulls Infraestate Limited**

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

#### *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.

#### **4.11 Inventories**

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

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

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

#### **4.12 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 statement of profit and loss is recognised in the statement in which the relevant item is recognised.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax losses are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

#### **4.13 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.

#### **4.14 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.



## **Indiabulls Infraestate Limited**

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

#### *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.

#### **4.15 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.

#### **4.16 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.

#### **4.17 Significant management judgement and estimates in applying accounting policies**

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*



## Indiabulls Infraestate Limited

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

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

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

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

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

**Classification of leases** – The Company enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

#### *Significant estimates*

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

**Useful lives of depreciable/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.

**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.



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**Indiabulls Infraestate Limited****Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2021****Note – 40****Capital management**

The Company's objectives when managing capital are to:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

Management assesses the capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company manages its capital requirements by overseeing the following ratios –

		(₹ in lakhs)	
<b>Debt equity ratio</b>		<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Particulars</b>			
Net debt		14,184.79	131,199.59
Total equity		155,331.17	140,238.68
<b>Net debt to equity ratio</b>		0.09	0.94

\*Net debt = non-current borrowing + current borrowing + current maturities of non-current borrowings – cash and cash equivalent (including bank deposits and other liquid securities)

**Note – 41****Related party transactions**

<b>Relationship</b>	<b>Name of the related parties</b>
<i>i) Related parties exercising control</i>	
Holding Company	Indiabulls Real Estate Limited
<i>ii) Other related parties*</i>	
Fellow subsidiaries	Lucina Land Development Limited Indiabulls Constructions Limited
Joint Venture of Holding Company	Indiabulls Real Estate Company Private Limited (till 25 September 2019) Indiabulls Properties Private Limited (till 25 September 2019)
Key management personnel	Mr. Mehul Johnson (From 31 December 2020) Mr. Vishal Gaurishankar Damani (Whole-Time Director) (till 31 December 2020) Mr. Gurbans Singh (Whole-Time Director)

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

**(i) Statement of transaction:**

		(₹ in lakhs)	
<b>Key management personnel</b>		<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Particulars</b>			
<b>Managerial remuneration</b>			
Mr. Vishal Gaurishankar Damani		-	285.68
Mr. Gurbans Singh		357.98	624.32
Mr Mehul Johnson		72.37	
<b>Post-employment benefits – compensated absences</b>			
Mr. Vishal Gaurishankar Damani		-	6.14
Mr. Gurbans Singh		-	1.59



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

<b>Post-employment benefits – gratuity</b>		
Mr. Vishal Gaurishankar Damani	-	1.65
Mr. Gurbans Singh	-	0.57
<b>Salary advance received back (net)</b>		
Mr. Mehul Johnson	22.61	-

**Related parties other than key managerial personnel** (₹ in lakhs)

Particulars	31 March 2021			31 March 2020		
	Holding Company	Fellow subsidiary	Joint venture of holding company	Holding Company	Fellow subsidiary	Joint venture of holding company
<b>Inter-corporate loans given</b>						
Indiabulls Constructions Limited	-	55,270.00	-	-	386,922.30	-
<b>Inter-corporate loans given received back</b>						
Indiabulls Constructions Limited	-	112,902.00	-	-	362,630.30	-
<b>Inter-corporate loans taken</b>						
Indiabulls Real Estate Limited	110,204.00	-	-	97,455.00	-	-
<b>Inter-corporate loans repaid</b>						
Indiabulls Real Estate Limited	206,024.00	-	-	37,509.00	-	-
<b>Interest expense on compulsorily convertible debentures</b>						
Indiabulls Real Estate Limited	-	-	-	3,901.18	-	-
<b>Power and fuel expenses*</b>						
Indiabulls Real Estate Company Private Limited	-	-	-	-	-	20.63
<b>Interest on lease liabilities</b>						
Indiabulls Real Estate Company Private Limited	-	-	-	-	-	130.65

Particulars	31 March 2021			31 March 2020		
	Holding Company	Fellow subsidiary	Joint venture of holding company	Holding Company	Fellow subsidiary	Joint venture of holding company
<b>Depreciation on right of use asset</b>						
Indiabulls Real Estate Company Private Limited	-	-	-	-	-	404.03
<b>Maintenance charges*</b>						
Indiabulls Real Estate Company Private Limited	-	-	-	-	-	46.70
<b>Civil construction charges*</b>						
Indiabulls Constructions Limited	-	-	-	-	54.72	-
<b>Expenses paid on behalf of</b>						
Lucina Land Development Limited	-	-	-	-	2.14	-
<b>Advances received back</b>						
Indiabulls Constructions Limited	-	-	-	-	30,000.00	-

*\*excluding taxes*




**Indiabulls Infraestate Limited**

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

**(ii) Statement of balances outstanding:**

**Key management personnel**

(₹ in lakhs)

Particulars	31 March 2021	31 March 2020
<b>Post-employment benefits – gratuity</b>		
Mr. Vishal Gaurishankar Damani	-	16.49
Mr. Gurbans Singh	19.88	19.60
Mr. Mehul Johnson	17.65	-
<b>Post-employment benefits – compensated absences</b>		
Mr. Vishal Gaurishankar Damani	-	23.55
Mr. Gurbans Singh	30.07	53.51
Mr. Mehul Johnson	17.18	-
<b>Salary Advance Given</b>		
Mr. Mehul Johnson	112.90	-

(₹ in lakhs)

Particulars	31 March 2021			31 March 2020		
	Holding Company	Fellow subsidiary	Joint venture of holding company	Holding Company	Fellow subsidiary	Joint venture of holding company
<b>Inter-corporate loans taken</b>						
Indiabulls Real Estate Limited	1,626.00	-	-	97,446.00	-	-
<b>Inter-corporate loans given</b>						
Indiabulls Construction Limited	-	25,368.00	-	-	83,000.00	-

**(iii) Statement of Maximum balance outstanding during the year:**

(₹ in lakhs)

Particulars	31 March 2021		31 March 2020	
	Holding Company	Fellow subsidiary	Holding Company	Fellow subsidiary
<b>Advances given</b>				
Indiabulls Construction Limited	-	-	-	30,000.00
<b>Inter-corporate loans taken</b>				
Indiabulls Real Estate Limited	114,400.00	-	97,446.00	-
<b>Inter-corporate loans given</b>				
Indiabulls Construction Limited	-	83,000.00	-	238,282.00

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

**Note – 42**

**Contingent liabilities and commitments**

**i) Contingent liabilities**

**a) Disputed demand for tax deducted at source**

(₹ in lakhs)

Particulars	31 March 2021	31 March 2020
Assessment year 2017-18	122.75	122.75
Assessment year 2018-19	10.64	10.64



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

The Company has received a demand from the income-tax department for financial year 2016-17 and 2017-18 on account of short deduction of tax deducted at source. The Company has filed an appeal in Commissioner of Income Tax – Appeals against the demand for respective year.

- b) During the previous year, Company has received demand of ₹ 42.23 lakhs for financial year 2017-18 from Joint Commissioner of State Taxes, Mumbai for additional Valued Added Tax ("VAT") credit claimed by the Company on work-in-progress as at 30 July 2017 while filing GST Trans-1 return, for which Company has filed an appeal.

**Legal Case:**

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's Management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition.

**Note – 43****Employee benefits****Defined contribution plan**

The Company has made ₹ 19.83 lakhs (31 March 2020 - ₹ 24.20 lakhs) contribution in respect of provident fund and other funds.

**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.

**Compensated absences**

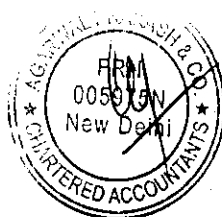
The leave obligations cover the Company's liability for sick and earned leaves. The amount of provision of ₹ 29.99 lakhs (31 March 2020 - ₹ 2.32 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. The weighted average duration of the defined benefit obligation is 15.18 years (31 March 2020: 14.46 years).

**Actuarial (gain)/loss obligation:****(₹ in lakhs)**

	31 March 2021	31 March 2020
Actuarial gain arising from change in demographic assumption	-	(0.06)
Actuarial loss arising from change in financial assumption	0.68	5.96
Actuarial (gain)/loss arising from experience adjustment	(68.98)	(15.74)

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

	31 March 2021	31 March 2020
Service cost	6.52	11.42
Net interest cost	8.41	8.50
Actuarial (gain)/loss on obligation	(68.30)	(9.84)
<b>Expense recognized in the statement of profit and loss</b>	<b>53.39</b>	<b>10.08</b>



**Indiabulls Infraestate Limited**

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

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

	31 March 2021	31 March 2020
Present value of defined benefit obligation at the beginning of the year	120.30	110.22
Current service cost	6.52	11.42
Interest cost	8.41	8.50
Acquisition adjustment	-	-
Actuarial (gain)/loss on obligation	(68.30)	(9.84)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>66.93</b>	<b>120.30</b>

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

	31 March 2021	31 March 2020
a) Current liability (amount due within one year)	29.99	2.32
b) Non – current liability (amount due over one year)	36.94	117.98
<b>Total projected benefit obligation at the end of the year</b>	<b>66.93</b>	<b>120.30</b>

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

Particulars	Compensated absences	
	31 March 21	31 March 20
Discount rate	6.83%	6.99%
Salary escalation rate	5.50%	5.50%
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.

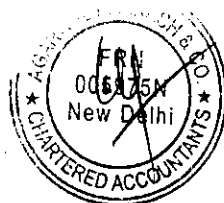
These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation.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

Maturity plan of Defined Benefit Obligation (₹ in lakhs)

	Year	31 March 2021	Year	31 March 2020
a)	April 2021 – March 2022	29.98	April 2020 – March 2021	2.38
b)	April 2022 – March 2023	1.61	April 2021 – March 2022	59.04
c)	April 2023 – March 2024	0.62	April 2022 – March 2023	1.19
d)	April 2024 – March 2025	0.62	April 2023 – March 2024	1.52
e)	April 2025 – March 2026	0.61	April 2024 – March 2025	1.39
f)	April 2026 – March 2027	0.57	April 2025 – March 2026	1.50
g)	April 2027 onwards	32.90	April 2026 onwards	130.79

Sensitivity analysis for compensated absences liability (₹ in lakhs)

	31 March 2021	31 March 2020
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	66.93	120.30
a) Impact due to increase of 0.50 %	(2.07)	(4.23)
b) Impact due to decrease of 0.50 %	2.20	4.47
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	66.93	120.30
a) Impact due to increase of 0.50 %	2.23	4.53



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

b)	Impact due to decrease of 0.50 %	(2.10)	(4.27)
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Sensitivities due to mortality and withdrawal are not material and hence impact of change not calculated.

**Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity plan is a non-funded plan. The weighted average duration of the defined benefit obligation is 15.18 years (31 March 2020: 14.46 years).

Actuarial (gain)/loss obligation:	(₹ in lakhs)	
	31 March 2021	31 March 2020
Actuarial gain arising from change in demographic assumption	-	(0.06)
Actuarial loss arising from change in financial assumption	1.61	8.80
Actuarial (gain)/loss arising from experience adjustment	(31.03)	(1.39)
<b>Actuarial loss recognized in the other comprehensive income</b>	<b>(29.42)</b>	<b>7.35</b>

Amount recognised in the statement of profit and loss is as under:	(₹ in lakhs)	
	31 March 2021	31 March 2020
Service cost	11.36	14.57
Interest cost	8.60	8.78
<b>Expense recognized in the statement of profit and loss</b>	<b>19.96</b>	<b>23.35</b>

Movement in the liability recognized in the balance sheet is as under:	(₹ in lakhs)	
	31 March 2021	31 March 2020
Present value of defined benefit obligation at the beginning of the year	122.97	113.94
Acquisition adjustment	-	-
Interest cost	8.60	8.78
Current service cost	11.36	14.57
Benefits paid	(6.84)	(21.67)
Total actuarial loss on obligation	(29.41)	7.34
<b>Present value of defined benefit obligation at the end of the year</b>	<b>106.66</b>	<b>122.96</b>

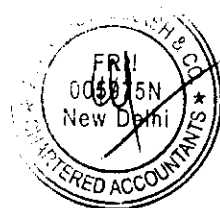
Bifurcation of projected benefit obligation at the end of the year in current and non-current	(₹ in lakhs)	
	31 March 2021	31 March 2020
a) Current liability (amount due within one year)	24.41	4.86
b) Non - current liability (amount due over one year)	82.25	118.10
<b>Total projected benefit obligation at the end of the year</b>	<b>106.66</b>	<b>122.96</b>

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

Particulars	Gratuity	
	31 March 2021	31 March 2020
Discount rate	6.83%	6.99%
Salary escalation rate	5.50%	5.50%
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



**Indiabulls Infraestate Limited**

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

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**

(₹ in lakhs)

	Year	31 March 2021	Year	31 March 2020
a)	April 2021 – March 2022	24.41	April 2020 – March 2021	5.00
b)	April 2022 – March 2023	1.43	April 2021 – March 2022	23.01
c)	April 2023 – March 2024	1.47	April 2022 – March 2023	1.93
d)	April 2024 – March 2025	1.46	April 2023 – March 2024	2.72
e)	April 2025 – March 2026	1.44	April 2024 – March 2025	2.25
f)	April 2026 – March 2027	1.30	April 2025 – March 2026	2.42
g)	April 2027 onwards	75.15	April 2026 onwards	195.50

**Sensitivity analysis for gratuity liability**

(₹ in lakhs)

		31 March 2021	31 March 2020
<b>Impact of the change in discount rate</b>			
	<b>Present value of obligation at the end of the year</b>	106.66	122.97
a)	Impact due to increase of 0.50 %	(4.94)	(6.23)
b)	Impact due to decrease of 0.50 %	5.33	6.74
<b>Impact of the change in salary increase</b>			
	<b>Present value of obligation at the end of the year</b>	106.66	122.97
a)	Impact due to increase of 0.50 %	5.38	6.81
b)	Impact due to decrease of 0.50 %	(5.02)	(6.34)

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

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

**Note – 44**

**Segment reporting**

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

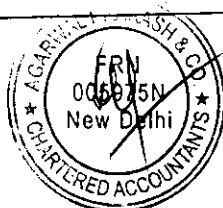
**Note – 45**

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

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

(₹ in lakhs)

Particulars	Amount
<b>Net debt as at 1 April 2019 including interest accrued</b>	83,315.06
Proceeds from current and non-current borrowings (including current maturities)	510,927.77
Repayment of current and non-current borrowings (including current maturities)	(417,300.00)
Interest expense (including interest capitalised)	9,733.26
Interest paid	(9,222.70)
Non-cash adjustments (refer note 46)	(45,815.06)
<b>Net debt as at 31 March 2020 including interest accrued</b>	<b>131,638.33</b>
Proceeds from current and non-current borrowings (including current maturities)	163,204.00
Repayment of current and non-current borrowings (including current maturities)	(275,233.00)
Non-cash adjustments	16.67
Interest expense (including interest capitalised)	3,970.60
Interest paid	(3,970.60)
<b>Net debt as at 31 March 2021</b>	<b>19,626.00</b>



**Indiabulls Infraestate Limited**

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

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

Particulars	Amount (₹ in lakhs)
Lease liabilities as at 1 April 2019 (current and non-current)	2,594.20
Interest on lease liabilities	245.26
Payment of lease liabilities	(848.01)
<b>Lease liabilities as at 31 March 2020 (current and non-current)</b>	<b>1,991.45</b>
Interest on lease liabilities	67.06
Payment of lease liabilities	(311.80)
De-recognition of lease contracts	1746.71
<b>Lease liabilities as at 31 March 2021 (current and non-current)</b>	<b>-</b>

**Note – 46**

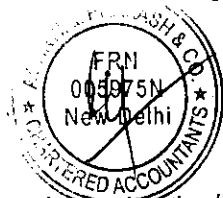
During the previous year, the Company had entered into definitive transaction agreement and had sold one of the commercial asset/developments at Mumbai to one of the entity controlled by the Blackstone Group Inc. ('Purchaser') for a consideration of ₹ 67,500.00 lakhs. Part of this consideration had been settled by transferring existing liability pertaining to debentures of ₹ 45,815.06 lakhs. Additionally, accrued liability of ₹ 36,000.00 lakhs pertaining to government expenses has also been extinguished in connection with this transaction. Accordingly, the Company had recognized related revenue of ₹ 103,500.00 lakhs and charged off the inventory ₹ 87,287.51 lakhs in respect of said commercial asset/development.

**Note – 47**

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

**Note – 48**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. Based on an initial assessment by the Company, the additional impact on Provident Fund contributions by the Company is not expected to be material, whereas, the likely additional impact on Gratuity liability/ contributions by the Company could be material. The Company will complete their evaluation once the subject rules are notified and will give appropriate impact in the financial results in the period in which, the Code becomes effective and the related rules to determine the financial impact are published



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**Indiabulls Infraestate Limited**

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

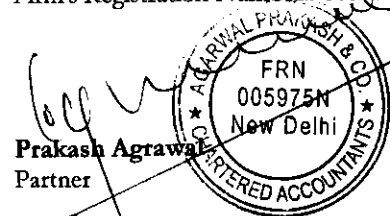
**Note – 49**

Previous year numbers have been regrouped/ reclassified wherever considered necessary.

**For Agarwal Prakash & Co.**

Chartered Accountants

Firm's Registration Number: 005975N



**Prakash Agrawal**  
Partner

**Place: New Delhi**  
**Date: 22 April 2021**

**For and on behalf of the board of directors**

A handwritten signature of Gurbans Singh.

**Gurbans Singh**  
Director

[DIN: 06667127]

**Place: Mumbai**  
**Date: 22 April 2021**

A handwritten signature of Shashi Kant.

**Shashi Kant**  
Chief Financial Officer

**Place: Gurugram**  
**Date: 22 April 2021**

A handwritten signature of Mehul Johnson.

**Mehul Johnson**  
Director

[DIN: 00016075]

**Place: Mumbai**  
**Date: 22 April 2021**

A handwritten signature of Sunil Kanthuria Singh.

**Sunil Kanthuria Singh**  
Company Secretary

**Place: New Delhi**  
**Date: 22 April 2021**