

# Agarwal Prakash & Co.

CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Indiabulls Real Estate Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Indiabulls Real Estate Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the 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 2022, and its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SA's') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.



Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment assessment of investments and loans made to its subsidiaries</b></p> <p>The Company's policies on the impairment assessment of the investments and loans are set out in Note 4.13 to the Standalone Financial Statements.</p> <p>The Company has investments amounting to ₹ 367,437.47 lakhs (net of impairment) and has outstanding loans amounting to ₹ 288,650.03 lakhs (net of impairment) to its subsidiaries as at 31 March 2022 as disclosed under the Note 6 and 13 to the standalone financial statements.</p> <p>Impairment assessment of these investments and loans is considered as a significant risk as there is a risk that recoverability of the investments and loans could not be established, and potential impairment charge might be required to be recorded in the standalone financial statements. The recoverability of these investments is inherently subjective due to reliance on either the net worth of investee or valuations of the properties held or cash flow projections of real estate properties in these investee companies.</p> <p>However, due to their materiality in the context of the Company's standalone financial statements as a whole and significant degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the cash flows used in the impairment evaluation, this is considered to be the area to be of most significance to the audit and accordingly, has been considered as a key audit matter for the current year audit.</p>	<p>Our procedures in relation to the impairment assessment of investments and loans included, but not limited to the following:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of the Company's accounting policy by comparing with applicable Ind AS;</li> <li>We obtained an understanding of the management process for identification of possible impairment indicators and process performed by the management for impairment testing;</li> <li>Enquired of the management and understood the internal controls related to completeness of the list of loans and investment along with the process followed to recover/adjust these and assessed whether further provisioning is required;</li> <li>Performed test of details: <ul style="list-style-type: none"> <li>For all significant additions made during the year, underlying supporting documents were verified to ensure that the transaction has been accurately recorded in the standalone financial statement;</li> <li>For all significant investments and loans outstanding as at 31 March 2022, confirmations were circulated and received. Further, all the significant reconciling items were tested;</li> <li>All material investments and significant loans as at 31 March 2022 were discussed on case to case basis with the management for their plan of recovery/adjustment;</li> <li>Compared the carrying value of material investments and significant loans to the net assets of the underlying entity, to identify whether the net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount; and</li> <li>Wherever the net assets were lower than the recoverable amount, for material amounts:</li> </ul> </li> </ul>





Key audit matter	How our audit addressed the key audit matter
	<p>i. We obtained and verified the management certified cash flow projections of real estate properties and tested the underlying assumptions used by the management in arriving at those projections;</p> <p>ii. We examined the managements' underlying assumptions used for the cash flow projections, considering evidence available to support these assumptions and our understanding of the business;</p> <p>iii. We obtained and verified the valuation of land parcels as per the government prescribed circle rates; and</p> <p>iv. We assessed the appropriateness and adequacy of the disclosures made by the management for the impairment losses recognized in accordance with applicable accounting standards.</p>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone 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 standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

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

The accompanying standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, 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



Independent Auditor's Report of even date to the members of Indiabulls Real Estate Limited on the standalone financial statements for the year ended 31 March 2022 (cont'd)

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

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

- Identify and assess the risks of material misstatement of the Standalone 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 system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





Independent Auditor's Report of even date to the members of Indiabulls Real Estate Limited on the standalone financial statements for the year ended 31 March 2022 (cont'd)

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

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

As required by section 143(3) of the Act, bases 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;
- 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 standalone financial statements dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the 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 as on 31 March 2022, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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 51 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022.
  - 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 2022.



Independent Auditor's Report of even date to the members of Indiabulls Real Estate Limited on the standalone financial statements for the year ended 31 March 2022 (cont'd)

- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared and paid dividend during the year.
- h) With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration No.: 005975N

Prakash Agarwal

Partner

Membership No.: 084964

UDIN: 22084964AKYQNS4389



Place: New Delhi

Date: 27 May 2022

## Annexure A to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2022, 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) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has no intangible assets during the year.
- (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 Company does not have any immovable property (other than immovable properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3 (i)(c) of the Order is not applicable.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no discrepancies were noticed on verification between the physical stocks and the book records.
- b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, clause 3(ii)(b) of the Order is not applicable.
- (iii) (a) The Company has provided loans to subsidiaries companies during the year. The details of the same are given below:

(₹ in lakhs)				
Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year				
-Subsidiaries	62,069.08	-	115,054.14	-
-Others	-	-	-	-
Balance outstanding as at balance sheet date				
-Subsidiaries	97,861.00	-	293,704.91	-
-Others	-	-	136.00	-



## Annexure A to the Independent Auditor's Report

(b) The Company has not made any investment or given any security during the year but provided guarantees and granted loans to certain subsidiaries. However, the Company has granted loans to certain subsidiaries at nil interest rate which is lower than the market rate of interest. In respect of such loans and guarantees provided, we have not been provided with adequate explanation of the benefits, if any, accruing to the Company for giving such loans and guarantees provided, we are unable to comment as to whether the terms and conditions of grant of such loans and guarantees provided, are, prima facie, prejudicial to the interest of the Company.

(c) The Company has granted loans to the subsidiary companies that are repayable on demand. The loans, which were, demanded during the year have been duly received. For loans outstanding at the year end, we are informed that the Company has not demanded repayment of any such loan during the year. The payment of interest has been regular.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has granted loans which are repayable on demand, as per details below:

(₹ in lakhs)			
Particulars	All Parties	Promoters	Related Parties
Aggregate of loans			
- Repayable on demand (A)	293,840.91	-	293,704.91
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	293,840.91	-	293,704.91
Percentage of loans	100.00%	-	99.95%

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, clause 3(v) of the Order is 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 Goods and Services Tax, 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. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the dues outstanding of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess on account of any dispute, are as follows:





## 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	Disallowance under section 14A	146.26	-	Assessment Year 2009-10	Hon'ble High Court of Mumbai
Income-tax Act, 1961	Disallowance under section 14A	161.88	-	Assessment Year 2010-11	Hon'ble High Court of Mumbai
Income-tax Act, 1961	Disallowance under section 14A	213.05	-	Assessment Year 2011-12	Hon'ble High Court of Mumbai
Income-tax Act, 1961	Disallowance under section 14A	38.43	-	Assessment Year 2013-14	Income Tax Appellate Tribunal
Income-tax Act, 1961	Disallowance under section 14A and other expenses	287.84	-	Assessment Year 2018-19	Income Tax Appellate Tribunal
The Finance Act, 2004 and Service tax rules	Denial of service tax input credit	1,685.25	-	Assessment year 2011-12 to 2014-15	Assistant Commissioner of Service Tax
The Finance Act, 2004 and Service tax rules	Denial of service tax input credit	1,019.42	-	Assessment year 2016-17 to June 2017	Deputy Commissioner of Service Tax
The Central Goods and Services Tax Act, 2017	Credit of EC, SHEC and KKC taken in TRAN-1	16.41	-	July 2017	Delhi High Court

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.



## Annexure A to the Independent Auditor's Report

- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) The company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit, have been considered by us.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) As detailed in Note 58 to the financial statements, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance Activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.



Annexure A to the Independent Auditor's Report

- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The company has incurred cash losses of ₹ 4,515.53 lakhs in the current financial year 2021-22 and cash losses of ₹ 14,434.44 lakhs during immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Section 135 of the Companies Act, 2013 with regards to Corporate Social Responsibility are not applicable to the company during the year. Accordingly, clause 3(xx) of the Order is not applicable.

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration No.: 005975N

Prakash Agarwal

Partner

Membership No.: 084964

UDIN: 22084964AKYQNS4389



Place: New Delhi

Date: 27 May 2022



## Annexure B to the Independent Auditor's Report

With reference to the Annexure B referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2022 of even date.

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

We have audited the internal financial controls with reference to standalone financial statements of Indiabulls Real Estate Limited ('the Company') as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control 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 (the '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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone 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 these standalone 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 these standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these standalone 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.

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 these standalone financial statements.

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

A company's internal financial controls with reference to these standalone 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



## Annexure B to the Independent Auditor's Report

accounting principles. A company's internal financial controls with reference to these standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 these Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to these standalone 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 these standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these standalone financial statements and such controls were operating effectively as at 31 March 2022, 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 the ICAI.

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration No.: 005975N

Prakash Agarwal

Partner

Membership No.: 084964

UDIN: 22084964AKYQNS4389



Place: New Delhi

Date: 27 May 2022

Indiabulls Real Estate Limited  
Balance sheet as at

	Note	31 March 2022 (₹ in lakhs)	31 March 2021 (₹ in lakhs)
<b>I ASSETS</b>			
Non-current assets			
Property, plant and equipment	5	539.22	139.39
Financial assets			
Investments	6	385,439.23	379,306.46
Other financial assets	7 A	5,038.14	605.32
Deferred tax assets (net)	8	163.40	275.67
Non-current tax assets (net)	9	4,106.13	6,004.78
		<u>395,286.12</u>	<u>386,331.62</u>
<b>Current assets</b>			
Inventories	10	90.19	90.19
Financial assets			
Trade receivables	11	-	-
Cash and cash equivalents	12	1,187.01	645.70
Other bank balances	13	639.06	5,402.91
Loans	14	288,798.60	283,306.04
Other financial assets	7 B	5.18	21.50
Other current assets	15	1,815.34	1,476.42
Assets classified held for sale	16	3.75	9,003.87
		<u>292,539.13</u>	<u>299,946.63</u>
		<u>687,825.25</u>	<u>686,278.25</u>
<b>II EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	17 A	9,059.81	9,030.77
Other equity	18	624,703.70	623,169.54
		<u>633,763.51</u>	<u>632,200.31</u>
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19 A	-	22,359.32
Lease liabilities	20 A	323.49	-
Provisions	21 A	60.91	44.00
		<u>384.40</u>	<u>22,403.32</u>
Current liabilities			
Financial liabilities			
Borrowings	19 B	51,100.44	29,888.67
Lease liabilities	20 B	157.97	10.19
Other financial liabilities	22	2,151.26	1,765.55
Other current liabilities	23	266.58	9.21
Provisions	21 B	1.09	1.00
		<u>53,677.34</u>	<u>31,674.62</u>
		<u>687,825.25</u>	<u>686,278.25</u>

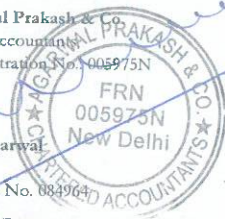
Summary of significant accounting policies

4

The accompanying notes are an integral part of the standalone financial statements

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

For Agarwal Prakash & Co.  
Chartered Accountants  
Firm's Registration No. 005975N  
Prakash Agarwal  
Partner  
Membership No. 084964  
Place: New Delhi  
Date: 27 May 2022



Gurbans Singh  
Joint Managing Director  
[DIN: 06667127]  
Place: New Delhi  
Date: 27 May 2022

Anil Mittal  
Chief Financial Officer  
Place: Gurugram  
Date: 27 May 2022

For and on behalf of the board of directors

Mehul Johnson  
Joint Managing Director  
[DIN: 00016075]  
Place: Mumbai  
Date: 27 May 2022

Ravi Tejani  
Company Secretary  
Place: Mumbai  
Date: 27 May 2022



Indiabulls Real Estate Limited  
Statement of profit and loss for the year ended

	Note	31 March 2022 (₹ in lakhs)	31 March 2021 (₹ in lakhs)
<b>Revenue</b>			
Revenue from operations	24	0.29	596.41
Other income	25	1,048.49	4,121.99
		<u>1,048.78</u>	<u>4,718.40</u>
<b>Expenses</b>			
Cost of revenue	26	-	-
Employee benefits expense	27	697.55	244.65
Finance costs	28	4,608.14	16,005.89
Depreciation and amortisation expense	29	186.77	388.43
Other expenses	30	1,082.43	2,005.87
		<u>6,574.89</u>	<u>18,644.84</u>
<b>Loss before tax</b>		<u>(5,526.11)</u>	<u>(13,926.44)</u>
<b>Tax expenses</b>	31		
Current tax		-	-
Deferred tax charge		114.64	36.14
		<u>114.64</u>	<u>36.14</u>
<b>Loss after tax</b>		<u>(5,640.75)</u>	<u>(13,962.58)</u>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss			
Equity instruments through other comprehensive income		6,133.40	2,628.60
Re-measurement of defined benefit plans		(6.79)	(12.39)
Income tax effect		2.37	3.12
<b>Other comprehensive income</b>		<u>6,128.98</u>	<u>2,619.33</u>
<b>Total comprehensive income for the year</b>		<u>488.23</u>	<u>(11,343.25)</u>
<b>Earnings per equity share</b>	32		
Basic (₹)		(1.24)	(3.09)
Diluted (₹)		(1.24)	(3.09)

**Summary of significant accounting policies**

The accompanying notes are an integral part of the standalone financial statements

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

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration No. 008975N

Prakash Agarwal

Partner

Membership No. 084964

Place: New Delhi

Date: 27 May 2022



For and on behalf of the board of directors

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

Place: New Delhi

Date: 27 May 2022

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

Place: Mumbai

Date: 27 May 2022

*Anil Mittal*  
Anil Mittal  
Chief Financial Officer

Place: Gurugram

Date: 27 May 2022

*Rajeev Teller*  
Rajeev Teller  
Company Secretary

Place: Mumbai

Date: 27 May 2022