INDEPENDENT AUDITOR'S REPORT

To the Members of

Indiabulls Consumer Products Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS Financial Statements of Indiabulls Consumer Products Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss including the Statement of Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

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

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS 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 Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS Financial Statements.

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

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

  Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

(d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid / provided any remuneration to its directors during the year ended March 31, 2019.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company does not have any pending litigations which would impact its financial position.

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There here were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

Ajay Sardana
Partner
Membership No. 089011
New Delhi, April 24, 2019

Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Indiabulls Consumer Products Limited for the year ended March 31, 2019

Report on the statement of matters specified in paragraphs 3 and 4 of the Order.

(i) ln respect of its Fixed Assets:

(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) These fixed assets have been physically verified by the management at reasonable intervals in accordance with a regular programme of verification. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company does not own immovable properties.

(ii) The Company does not have any inventories; accordingly, the provisions of clause 3 (ii) of the Order are not applicable to the Company.

(iii) According to information and explanations given to us, the Company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) According to information and explanations given to us, the Company has not entered into transactions in respect of loans, investments, guarantees and security, covered under section 185 and 186 of the Companies Act, 2013.

(v) According to information and explanations given to us, the Company has not accepted any deposits during the year. Accordingly, the provisions of clause 3 (v) are not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 Companies Act, 2013 to the products/services of the Company. Accordingly, the provisions of clause 3 (vi) are not applicable to the Company.

(vii) (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities, to the extent applicable to it. There are no arrears of outstanding statutory dues as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the Company did not have any dues of income tax or sales tax or goods and service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, the Company did not have any dues in respect of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanations given to us, the Company has not raised moneys raised by way of public issue, follow-on offer (including debt instruments) and term loans, during the year under audit.

(x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/ employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) are not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 to the extent applicable and the details have been disclosed in Note 40 to the Financial Statements as required by the accounting standards and Companies Act, 2013.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

Ajay Sardana
Partner
Membership No. 089011
New Delhi, April 24, 2019

Annexure B to the Independent Auditor's Report of even date on the Financial Statements of Indiabulls Consumer Products Limited for the year ended March 31, 2019

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Indiabulls Consumer Products Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

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

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS Financial Statements and such internal financial controls over financial reporting with reference to these Ind AS Financial Statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

Ajay Sardana
Partner
Membership No. 089011
New Delhi, April 24, 2019

Indiabulls Consumer Products Limited
Balance Sheet as at 31 March 2019
(All amounts in Rs. thousands unless stated otherwise)

	Note	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Assets				
Non-current assets				
Property, plant and equipment	4	353.81	685.42	617.19
Financial assets				
Other financial assets	5	100.06	100.06	100.07
Deferred tax assets(net)	6	-	-	23.31
Other non-current assets	7	-	-	260.46
Total non-current assets		**453.87**	**785.48**	**1,001.03**
Current assets				
Financial assets				
Trade receivables	8	-	170.66	-
Cash and cash equivalents	9	175.03	361.46	923.12
Current tax assets (net)	10	839.79	1,828.53	988.74
Other current assets	11	169.94	383.55	510.80
Total current assets		**1,184.76**	**2,744.20**	**2,422.66**
Total assets		**1,638.63**	**3,529.68**	**3,423.69**
Equity and liabilities				
Equity				
Equity share capital	12	500.00	500.00	500.00
Other equity	13	948.92	1,071.65	428.63
Total equity		**1,448.92**	**1,571.65**	**928.63**
Liabilities				
Non-current liabilities				
Provisions	14	-	-	209.32
Deferred tax liabilities (net)	15	0.60	34.57	-
Total non-current liabilities		**0.60**	**34.57**	**209.32**
Current liabilities				
Financial liabilities				
Borrowings	16	-	1,700.00	-
Other current liabilities	17	171.55	223.46	2,282.81
Provisions	18	-	-	2.93
Current tax liabilities (net)	19	17.56	-	-
Total current liabilities		**189.11**	**1,923.46**	**2,285.74**
Total equity and liabilities		**1,638.63**	**3,529.68**	**3,423.69**

The accompanying notes form an integral part of these financial statements

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

For A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

For and on behalf of the Board of Directors

Ajay Sardana
Partner
Membership No. 089011
Place : New Delhi
Date : 24 April 2019

Prasenjeet Mukherjee
Director
DIN: 07629972
Place : New Delhi
Date : 24 April 2019

Kishor Kumar Srivastava
Director
DIN: 01223908

Indiabulls Consumer Products Limited
Statement of Profit and Loss for the year ended 31 March 2019
(All amounts in Rs. thousands unless stated otherwise)

		Note	For the year ended 31 March 2019	For the year ended 31 March 2018
I	Revenue from operations	20	-	7,460.00
II	Other income	21	820.96	1,248.19
III	**Total revenue (I+II)**		**820.96**	**8,708.19**
IV	**Expenses**			
	Cost of goods sold	22		303.30
	Employee benefits expenses	23	-	4,987.04
	Finance costs	24	58.51	222.98
	Depreciation and amortisation expense	4	331.61	330.84
	Other expenses	25	204.93	2,163.13
	Total expenses (IV)		**595.05**	**8,007.29**
V	**Profit/(loss) before exceptional items and tax (I-IV)**		**225.91**	**700.90**
VI	**Exceptional items**		**-**	**-**
VII	**Profit/(loss) before tax (V-VI)**		**225.91**	**700.90**
VIII	Tax expense	26		
	Current tax		382.61	-
	Deferred tax		(33.97)	57.88
	Total tax expenses		**348.64**	**57.88**
IX	**(Loss)/profit for the year from continuing operations (VII-VIII)**		**(122.73)**	**643.02**
X	**Profit/(loss) from discontinued operations**		-	-
XI	Tax expenses of discontinued operations		-	-
XII	**Profit/(loss) from discontinued operations after tax (X-XI)**		-	-
XIII	**(Loss) /profit for the year (IX+XII)**		**(122.73)**	**643.02**
XIV	**Other comprehensive income/loss**		**-**	**-**
XV	**Total comprehensive (loss)/income for the year (XIII+XIV)**		**(122.73)**	**643.02**
	Earnings per equity share	27		
	Basic & Diluted (Rs.)		(2.45)	12.86

The accompanying notes form an integral part of these financial statements

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

For A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

For and on behalf of the Board of Directors

Ajay Sardana
Partner
Membership No. 089011
Place : New Delhi
Date : 24 April 2019

Prasenjeet Mukherjee
Director
DIN: 07629972
Place : New Delhi
Date : 24 April 2019

Kishor Kumar Srivastava
Director
DIN: 01223908

Indiabulls Consumer Products Limited
Cash Flow Statement for the year ended 31 March 2019
(All amounts in Rs. thousands unless stated otherwise)

		Year ended 31 March 2019	Year ended 31 March 2018
A	**Cash flow from operating activities :**		
	Net Profit/(Loss) before tax	225.91	700.90
	Adjustments for :		
	Profit On Sale Of Investments In Units Of Mutual Funds	(0.57)	
	Interest on fixed deposit	(6.25)	(6.25)
	Excess Provisions Written Back	(11.74)	(967.84)
	Provision for gratuity and compensated absenses written back	-	(274.10)
	Interest Expenses	58.51	222.98
	Depreciation And Amortisation	331.61	330.84
	Operating Profit/(Loss) before working capital changes	597.47	6.53
	Adjustments for changes in working capital:		
	Other current liabilities	(40.17)	(1,091.50)
	Trade Receivables	170.66	(170.66)
	Other current assets	213.61	127.25
	Long-term and short-term provisions	-	61.85
	Cash generated from / (used in) operations	941.57	(1,066.53)
	Income taxes paid/refund (net)	623.69	(839.79)
	Net cash generated from/(used in) operating activities	**1,565.26**	**(1,906.32)**
B	**Cash flow from investing activities :**		
	Purchase of Property, plant and equipment/Changes In Capital Work In Progress (Net)	-	(399.07)
	Movement in capital advance	-	260.46
	Interest on fixed deposit	6.25	6.25
	Proceeds From Redemption Of / (Investment In) Units Of Mutual Funds (Net)	0.57	-
	Net cash generated from/(used in) investing activities	**6.82**	**(132.36)**
C	**Cash flow from financing activities**		
	Proceeds from/(repayment of) other short term borrowings (Net)	(1,700.00)	1,700.00
	Interest Paid	(58.51)	(222.98)
	Net cash generated from/(used in) financing activities	**(1,758.51)**	**1,477.02**
D	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**	**(186.43)**	**(561.66)**
E	**Cash and cash equivalents at the beginning of the year**	**361.46**	**923.12**
F	**Cash and cash equivalents at the close of the year (D + E) [Refer Note: 9]**	**175.03**	**361.46**

Note:

1 The above Statement Cash Flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 on 'Statement of Cash Flows' as specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

2 For disclosures relating to changes in liabilities arising from financing activities, refer note 16.

The accompanying notes form an integral part of these financial statements

This is the Cash flow statment referred to in our report of even date

For A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

For and on behalf of the Board of Directors

Ajay Sardana
Partner
Membership No. 089011
Place : New Delhi
Date : 24 April 2019

Prasenjeet Mukherjee
Director
DIN: 07629972
Place : New Delhi
Date : 24 April 2019

Kishor Kumar Srivastava
Director
DIN: 01223908

Indiabulls Consumer Products Limited
Statement of Changes in Equity for the year ended 31 March 2019
(All amounts in Rs. thousands unless stated otherwise)

(A) Equity share capital

Particulars	Equity Shares	
	Number	**Amount**
Balance as at 1 April 2017	50,000	500.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2018	**50,000**	**500.00**
Changes in equity share capital during the year	-	-
Balance as at 31 March 2019	**50,000**	**500.00**

(B) Other equity

Particulars	Retained earnings	Total
Balance as at 1 April 2017	**428.63**	**428.63**
Profit during the year	643.02	643.02
Balance as at 31 March 2018	**1,071.65**	**1,071.65**
Loss during the year	(122.73)	(122.73)
Balance as at 31 March 2019	**948.92**	**948.92**

The accompanying notes form an integral part of these financial statements

This is the Cash flow statment referred to in our report of even date

For A Sardana & Co.
Chartered Accountants
Firm Registration No. 021890N

For and on behalf of the Board of Directors

Ajay Sardana
Partner
Membership No. 089011
Place : New Delhi
Date : 24 April 2019

Prasenjeet Mukherjee
Director
DIN: 07629972
Place : New Delhi
Date : 24 April 2019

Kishor Kumar Srivastava
Director
DIN: 01223908

Note - 1

Company Overview:

Indiabulls Consumer Products Limited ("ICPL" or "the Company") was incorporated on 5 July 2016. The Company is engaged primarily in the business of LED lighting and related consultancy services. Indiabulls Consumer Products Limited is a wholly owned subsidiary of Indiabulls Ventures Limited.

Note - 2

2.1 General information and statement of compliance with Ind AS

These financial statements ('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')). The Company has uniformly applied the accounting policies during the periods presented.

For all periods up to and including the year ended 31 March 2018, the Company has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). These financial statements for the year ended 31 March 2019 are the first which the Company has prepared in accordance with Ind AS. For the purpose of corresponding figures, set of financial statements for the year ended 31 March 2018 and opening balance sheet as at 1 April 2017 are also prepared under Ind AS.

The financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on 24 April 2019.

2.2 Basis of preparation

These financial statements have been prepared in Indian Rupee which is the functional currency of the Company. These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
The statement of cash flows have been prepared under indirect method.

2.3 - Current versus Non Current Classifications

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.
An asset as current when it is :
(i). Expected to be realised or intended to sold or consumed in normal operating cycle
(ii). Held primarily for the purpose of trading
(iii). Expected to be realised within twelve months after the reporting period, or
(iv). Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non-current.

A liability is current when :
(i). It is expected to be settled in normal operating cycle
(ii). It is held primarily for the purpose of trading
(iii). It is due to be settled within twelve months after the reporting period, or
(iv). There is no unconditional right to defer the settlement of liability for at least twelve months after the reporting period.
The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Note - 3

Significant Accounting Policies:

a) Use of estimates and judgements:

In preparing these Ind AS financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

b) Revenue Recognition:

- Revenue from sale of traded goods is recognized when the good have been delivered, in accordance with the terms of the underlying sales contract.
- Income from fee based consultancy is recognised on an accrual basis.
- Revenues are shown net of sales tax, value added tax, service tax, GST and applicable discounts and allowances.
- Income from interest from fixed deposits is recognized on accrual basis.
- Dividend Income on units of Mutual Fund is recognized when the right to receive dividend is unconditionally established and any gains/losses are recognized on the date of redemption.

c) Taxes on Income:

Current tax

Current Tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Entity's current tax is calculated using tax rate that has been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

d) Property, plant and equipment

All property, plant and equipment are initially recognised at cost. Cost comprises the purchase price and any directly attributable cost to bring the asset to its working condition for its intended use. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Depreciation on Property, plant and equipment is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

e) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured at the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

f) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

g) Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. All other borrowing costs are charged to revenue.

h) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (1) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) 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 not recognised in the financial statements since this may result in the recognition of income that may never be realised.

i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

I. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(b) 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 amortized cost using the effective interest rate ('EIR') method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

i) Financial instruments (continued)

Debt instrument at FVTOCI (Fair Value through OCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
(b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value.
Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.
In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity Investments

All equity investments in entities other than tax free bonds and fixed deposits are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss. Investments in tax free bonds and fixed deposits are measured at amortised cost.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) 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 or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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 on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Trade receivables under Ind AS 18.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

II. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are in profit or loss when the liabilities are derecognized as well as through the EIR amortization process Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to trade payables and other contractual liabilities.

i) Financial instruments (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognized 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

k) Recent accounting pronouncements

Amendment to Ind AS 12, Income taxes

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes – “Uncertainty over Income Tax Treatments”. The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is 1 April 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 19, Employee benefits

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 23, Borrowing costs

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

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Indiabulls Consumer Products Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in Rs. thousands unless stated otherwise)

Note - 5
Other financial assets

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
In fixed deposit accounts with banks			
- in fixed deposit accounts having original maturity of more than twelve months (refer note (i) and (ii) below)	100.06	100.06	100.07
	100.06	**100.06**	**100.07**

Notes:
(i) Including interest accrued thereon.
(ii) Fixed deposits of Rs. 100.00 thousands pledged with sales tax authorities.

Note - 6
Deferred tax assets

		As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Deferred tax assets:				
Arising on account of temporary differences due to:				
Disallowances u/s. 43B of the Income Tax Act, 1961		-	-	11.38
Disallowances u/s. 40A(7) of the Income Tax Act, 1961		-	-	62.08
Preliminary expenses under section 35D of the Income Tax Act, 1961		-	-	6.92
Deferred tax assets (Total)	(a)	**-**	**-**	**80.38**
Deferred tax liability:				
Arising on account of temporary differences due to:				
Depreciation and amortisation		-	-	57.07
Deferred tax liability (Total)	(b)	-	-	57.07
Deferred tax assets (net)	**(a) - (b)**	**-**	**-**	**23.31**

Note - 7
Other non-current assets

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Capital advances, considered good	-	-	260.46
	-	**-**	**260.46**

Note - 8
Trade receivables

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
(Unsecured)			
Considered good	-	170.66	-
	-	**170.66**	**-**

Note - 9
Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Cash on hand	-	-	-
Balance with banks			
- in current accounts	175.03	361.46	923.12
	175.03	**361.46**	**923.12**

Note -10
Current tax assets (net)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
- Advance income tax/tax deducted at source (net) [Net of Provision for Tax Rs. 92.56 thousands (31 March 2018 Rs. 261.26 thousands & 1 April 2017 Rs. 261.26 thousands)]	839.79	1,828.53	988.74
	839.79	**1,828.53**	**988.74**

Note - 11
Other current assets

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Prepaid expenses	-	-	494.74
Balances with government authorities	169.94	383.55	16.06
	169.94	**383.55**	**510.80**

Indiabulls Consumer Products Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in Rs. thousands unless stated otherwise)

Note - 12
Equity Share capital

i. Authorised

	As at 31 March 2019		As at 31 March 2018		As at 01 April 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity shares of face value of Rs. 10 each	50,000	500.00	50,000	500.00	50,000	500.00
	50,000	**500.00**	**50,000**	**500.00**	**50,000**	**500.00**
ii. Issued, subscribed and paid up						
Equity shares of face value of Rs. 10 each fully paid up	50,000	500.00	50,000	500.00	50,000	500.00
	50,000	**500.00**	**50,000**	**500.00**	**50,000**	**500.00**

iii. Reconciliation of shares outstanding at the beginning and at the end of the reporting year:

Equity shares, fully paid-up

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	50,000	500.00	50,000	500.00
Changes during the year		-		-
Outstanding at the end of the year	**50,000**	**500.00**	**50,000**	**500.00**

iv. Term/rights attached to the equity shares:

a. The Company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of fully paid up equity share is entitled to one vote per share. The final dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

b. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

v. Shares held by shareholders holding more than 5% shares and holding company:

	As at 31 March 2019		As at 31 March 2018	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Indiabulls Ventures Limited and its nominees	50,000	100%	50,000	100%
	50,000	**100%**	**50,000**	**100%**

vi. Employee stock option plans (Refer Note 31)

Note - 13
Other Equity

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Retained earnings	948.92	1,071.65	428.63
	948.92	**1,071.65**	**428.63**

(a) Retained earnings
Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

Note - 14
Provisions - Non Current

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Provision for employee benefits			
Provision for gratuity	-	-	176.95
Provision for compensated absences	-	-	32.37
	-	**-**	**209.32**

Note - 15
Deferred tax liabilities (net)

		As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Deferred tax liabilities:				
Arising on account of temporary differences due to:				
Depreciation and amortisation		3.20	38.47	-
Deferred tax liability (Total)	(a)	3.20	38.47	-
Deferred tax assets:				
Arising on account of temporary differences due to:				
Preliminary expenses under section 35D of the Income Tax Act, 1961		2.60	3.90	-
Deferred tax assets (Total)	(b)	**2.60**	**3.90**	**-**
Deferred tax liabilities (net)	**(a) - (b)**	**0.60**	**34.57**	**-**

(All amounts in Rs. thousands unless stated otherwise)

	As at 31 March 2018	Recognised in statement of profit and loss	As at 31 March 2019
Deferred tax assets:			
Preliminary expenses under section 35D of the Income Tax Act, 1961	3.90	(1.30)	2.60
Deferred tax liabilities:			
Arising on account of temporary differences due to:			
Depreciation and amortisation	38.47	(35.27)	3.20
Total (net)	**(34.57)**	**33.97**	**(0.60)**

	As at 01 April 2017	Recognised in statement of profit and loss	As at 31 March 2018
Deferred tax assets:			
Disallowances u/s. 43B of the Income Tax Act, 1961	11.38	(11.38)	-
Disallowances u/s. 40A(7) of the Income Tax Act, 1961	62.08	(62.08)	-
Preliminary expenses under section 35D of the Income Tax Act, 1961	6.92	(3.02)	3.90
Deferred tax liabilities:			
Arising on account of temporary differences due to:			
Depreciation and amortisation	57.07	(18.60)	38.47
Total (net)	**23.31**	**(57.88)**	**(34.57)**

Note - 16
Borrowings - Current

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Unsecured loans			
(at amortised cost)			
From Fellow Subsidiary Companies	-	1,700.00	-
	-	**1,700.00**	**-**

Unsecured loan from fellow subsidiary company was repayable at any time at the option of the Company and carries interest payable at the rate of 9% per annum calculated on daily outstanding balances. There is no default in the repayment of the loan or interest at the balance sheet date.

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

	Short term borrowings
1 April 2017	-
Cash flows:	
Repayment	(10,900.00)
Proceeds	12,600.00
31 March 2018	1,700.00
Cash flows:	
Repayment	(1,700.00)
Proceeds	-
31 March 2019	(1,700.00)

Note - 17
Other current liabilities

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Statutory liabilities	-	31.83	437.37
Expenses and others payable	171.55	191.63	1,845.44
	171.55	**223.46**	**2,282.81**

Note - 18
Provisions - Current

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Provision for employee benefits			
Provision for gratuity	-	-	2.43
Provision for compensated absences	-	-	0.50
	-	**-**	**2.93**

Note - 19
Current tax liabilities

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Provision for taxation [Net of tax deducted at source Rs. 75.00 thousands (March 31, 2018 Rs. Nil & April 01, 2017 Rs. Nil)]	17.56	-	
	17.56	**-**	**-**

Indiabulls Consumer Products Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in Rs. thousands unless stated otherwise)

Note - 4
Property, plant and equipment

	Gross Block (At Cost)				Accumulated Depreciation				Net Block	
Particulars	**As at 01 April 2018**	**Additions during the year**	**Adjustments/ Sales during year**	**As at 31 March 2019**	**As at 01 April 2018**	**Additions during the year**	**Adjustments during the year**	**As at 31 March 2019**	**As at 31 March 2019**	**As at 31 March 2018**
Office Equipment	4.75	-	-	4.75	1.00	1.00	-	2.00	2.75	3.75
Furniture and fixtures	66.82	-	-	66.82	6.37	6.68	-	13.05	53.77	60.45
Computers	944.69	-	-	944.69	323.47	323.93	-	647.40	297.29	621.22
TOTAL	**1,016.26**	**-**	**-**	**1,016.26**	**330.84**	**331.61**	**-**	**662.45**	**353.81**	**685.42**

31 March 2018

	Gross Block (At Cost)*				Accumulated Depreciation				Net Block	
Particulars	**As at 1 April 2017***	**Additions during the year**	**Adjustments/ Sales during year**	**As at 31 March 2018**	**As at 01 April 2017**	**Additions during the year**	**Adjustments during the year**	**As at 31 March 2018**	**As at 31 March 2018**	**As at 01 April 2017**
Office Equipment	4.75	-	-	4.75	-	1.00	-	1.00	3.75	4.75
Furniture and fixtures	-	66.82	-	66.82	-	6.37	-	6.37	60.45	-
Computers	612.44	332.25	-	944.69	-	323.47	-	323.47	621.22	612.44
TOTAL	**617.19**	**399.07**	**-**	**1,016.26**	**-**	**330.84**	**-**	**330.84**	**685.42**	**617.19**

*** Deemed cost of property, plant and equipment as at 1 April 2017.**

Particulars	**Gross block as at 01April 2017**	**Accumulated depreciation as at 01 April 2017**	**Net block as at 01 April 2017**
Office Equipment	5.00	0.25	4.75
Computers	639.53	27.09	612.44
Total	**644.53**	**27.34**	**617.19**

Indiabulls Consumer Products Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019
(All amounts in Rs. thousands unless stated otherwise)

Note - 20
Revenue from operations

	For the year ended 31 March 2019	For the year ended 31 March 2018
Sales	-	460.00
Consultancy fees	-	7,000.00
	-	**7,460.00**

Note - 21
Other income

	For the year ended 31 March 2019	For the year ended 31 March 2018
Advisory fees	750.00	-
Interest on fixed deposits	6.25	6.25
Excess provisions written back	11.74	1,241.94
Profit on redemption of Mutual Funds	0.57	-
Interest income from Income Tax Refund	52.40	-
	820.96	**1,248.19**

Note - 22
Cost of materials consumed

	For the year ended 31 March 2019	For the year ended 31 March 2018
Cost of goods	-	303.30
	-	**303.30**

Note - 23
Employee benefits expense

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries	-	4,861.32
Contribution to provident fund and other funds	-	41.30
Staff welfare expenses	-	84.42
	-	**4,987.04**

Note - 24
Finance costs

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on Inter Corporate Deposits	58.51	222.98
	58.51	**222.98**

Note - 25
Other expenses

	For the year ended 31 March 2019	For the year ended 31 March 2018
Lease rent	-	99.49
Rates and taxes	96.22	3.68
Insurance	-	128.44
Communication	-	22.91
Advances written off	-	69.30
Legal and professional	20.00	266.48
Travelling and conveyance	-	182.05
Printing and stationery	0.70	5.64
Repairs and maintenance - others	-	201.62
Business promotion	-	1,054.70
Auditor's remuneration		
- as statutory auditor*	22.50	102.50
Bad debts written off	64.92	-
Bank Charges	0.59	6.20
Miscellaneous expenses	-	20.12
	204.93	**2,163.13**

Note - 26

Tax expenses	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax	382.61	-
Deferred tax charge	(33.97)	57.88
Income tax expense reported in the statement of profit and loss	**348.64**	**57.88**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company 26.00% (31 March 2018: 25.75%) and the reported tax expense in statement of profit or loss are as follows:

Accounting profit/(loss) before tax expense	225.91	700.90
Income tax rate	26.00%	25.75%
Expected tax expense	58.74	180.48
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Adjustment in respect of income tax of previous years	290.05	-
Non deductible expenses	86.22	30.54
Deductible expenses	(52.40)	(211.02)
Deferred tax	(33.97)	57.88
Income rax expenses recognised in the Statement of profit and loss	**348.64**	**57.88**

Note - 27

Earnings per share:

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting year. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for stock split, bonus shares and the potential dilutive effect of employee stock option plan as appropriate.

	For the year ended 31 March 2019	For the year ended 31 March 2018
Net Profit(Loss) available for Equity Shareholders (Rs.thousands)	(122.73)	643.02
Nominal Value of Equity Shares – (Rs.)	10.00	10.00
Weighted average number of Equity Shares used for computing Basic and Diluted earnings per share	50,000	50,000
Earnings Per Share – Basic & Diluted (Rs.)	(2.45)	12.86

(All amounts in Rs. thousands unless stated otherwise)

Note - 28
Financial instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	31 March 2019	31 March 2018	1 April 2017
Financial assets measured at amortised cost				
Cash and cash equivalents	9	175.03	361.46	923.12
Total		**175.03**	**361.46**	**923.12**
Financial liabilities measured at amortised cost				
Borrowings	16	-	1,700.00	-
Total		**-**	**1,700.00**	**-**

B Fair values 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:

The categories used are as follows:
Level 1: Quoted prices (unadjusted) for identical instruments in an active market;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs).

B.1 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets						
Cash and cash equivalents	175.03	175.03	361.46	361.46	923.12	923.12
Total	**175.03**	**175.03**	**361.46**	**361.46**	**923.12**	**923.12**
Financial liabilities						
Borrowings	-	-	1,700.00	1,700.00	-	-
Total	**-**	**-**	**1,700.00**	**1,700.00**	**-**	**-**

The management assessed that fair values of cash and cash equivalents, loans and trade payables approximate their respective carrying amounts, largely due to the short-term maturities of these instruments.

Note - 29
Financial risk management

i) 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 risk management framework. The Company's risk are managed by a treasury department under policies approved by the board of directors. The board of directors provides written principles for overall risk management. 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.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances investments, loans, trade receivables and other financial assets	Ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, debt securities, trade payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required)
Market risk - foreign exchange	Financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required
Market risk -	Variable rates borrowings and debt securities	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

In order to avoid excessive concentrations of risk, the Company’s policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

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 and loan assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

(All amounts in Rs. thousands unless stated otherwise)

Note - 29
Financial risk management (continued)

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk
(ii) Moderate credit risk
(iii) High credit risk

The company provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents and loans	12 month expected credit loss
High credit risk	Trade receivables and security deposits	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. 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.

Financial assets that expose the entity to credit risk*

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(i) **Low credit risk**			
Non-Current			
Other financial assets	100.06	100.06	100.07
Current			
Trade receivables	-	170.66	-
Cash and cash equivalents	175.03	361.46	923.12
(ii) **Moderate credit risk**	-	-	-
(iii) **High credit risk**	-	-	-

* These represent gross carrying values of financial assets, without deduction for expected credit losses

Cash and cash equivalents
Credit risk related to cash and cash equivalents is managed by only accepting highly rated banks and accounts in different banks across the country.

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

Trade receivables
Credit risk related to trade receivables is managed by monitoring the recoverability of such amounts continuously.

b) Credit risk exposure
i) Expected credit losses for financial assets

As at 31 March 2019	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Non-Current			
Other financial assets	100.06	-	100.06
Current			
Trade Receivables	-	-	-
Cash and cash equivalents	175.03	-	175.03

As at 31 March 2018	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Non-Current			
Other financial assets	100.06	-	100.06
Current			
Trade Receivables	170.66	-	170.66
Cash and cash equivalents	361.46	-	361.46

(All amounts in Rs. thousands unless stated otherwise)

Note - 29
Financial Risk Management (continued)

As at 01 April 2017	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Non-Current			
Other financial assets	100.07	-	100.07
Current			
Trade Receivables	-	-	-
Cash and cash equivalents	923.12	-	923.12

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.

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

Maturities of financial assets and liabilities

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

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2019	Less than 1 year	1-3 year	More than 3 years	Total
Non-derivatives				
Cash and cash equivalents	175.03	-	-	175.03
Trade receivables	-	-	-	-
Other financial assets	-	-	100.06	100.06
Total undiscounted financial assets	**175.03**	**-**	**100.06**	**275.09**
Non-derivatives				
Borrowings - current	-	-	-	**-**
Total undiscounted financial liabilities	**-**	**-**	**-**	**-**
Net undiscounted financial assets/(liabilities)	**175.03**	**-**	**100.06**	**275.09**

As at 31 March 2018	Less than 1 year	1-3 year	More than 3 years	Total
Non-derivatives				
Cash and cash equivalents	361.46	-	-	361.46
Trade receivables	170.66	-	-	170.66
Other financial assets	-	-	100.06	100.06
Total undiscounted financial	**532.12**	**-**	**100.06**	**632.18**
Non-derivatives				
Borrowings - current	1,700.00	-	-	**1,700.00**
Total undiscounted financial	**1,700.00**	**-**	**-**	**1,700.00**
Net undiscounted financial assets/(liabilities)	**(1,167.88)**	**-**	**100.06**	**(1,067.82)**

As at 01 April 2017	Less than 1 year	1-3 year	More than 3 years	Total
Non-derivatives				
Cash and cash equivalents	923.12	-	-	923.12
Trade receivables	-	-	-	-
Other financial assets	-	-	100.07	100.07
Total undiscounted financial	**923.12**	**-**	**100.07**	**1,023.19**
Non-derivatives				
Borrowings - current	-	-	-	**-**
Total undiscounted financial	**-**	**-**	**-**	**-**
Net undiscounted financial	**923.12**	**-**	**100.07**	**1,023.19**

Note - 29

Financial Risk Management (continued)

C) Market risk

a) Foreign currency risk

The Company has not entered into any foreign currency transactions and is not exposed to foreign exchange risk arising from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. The Company did not have any foreign currency receivables and payables as at 31 March 2019, 31 March 2018 and 1 April 2017.

b) Interest rate risk

i) Liabilities

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates.

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. Hence, the Company is not significantly exposed to interest rate risk.

c) Price risk

i) Exposure

As at 31 March 2019, 31 March 2018 and 1 April 2017, the Company did not have financial assets subject to price risk.

Note - 30

Capital management

The Company's capital management objectives are:
- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings, if applicable
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. 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. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Amount (Rs.in thousands)

Particulars	**As at 31 March 2019**	**As at 31 March 2018**	**As at 01 April 2017**
Net debt*	-	1,338.54	-
Total equity	1,448.92	1,571.65	928.63
Net debt to equity ratio	-	0.85	-

* Net debt includes debt securities + borrowings other than debt securities + interest accrued - cash and cash equivalents.

(All amounts in Rs.thousands unless stated otherwise)

Note - 31

Employee stock option schemes:

The employees of the Company have been granted option as per the existing schemes of Indiabulls Ventures Limited ('Holding Company'). On exercise, the employees will be allotted shares of the Holding Company. The Company has accounted for charge related to its employees amounting to Nil (31 March 2018 Nil) with a corresponding credit to equity.

a) Employees Stock Option Scheme - 2008

During the financial year ended 31 March 2009, the Indiabulls Ventures Limited ('The Holding Company') had issued an Employee Stock Option Scheme titled "Employee Stock Option Scheme - 2008" in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines").

Under the Scheme, the Holding Company was authorised to grant 20,000,000 Equity settled options to eligible employees including its directors (other than promoter directors) and employees of its subsidiary companies including their directors. All options under the Scheme are exercisable for Equity Shares of the Holding Company. Employees covered by the plan were granted an option to purchase shares of the Holding Company subject to the requirements of vesting.

A Compensation Committee constituted by the Board of Directors of the Holding Company administered the plan. The Compensation Committee had granted, under the "Indiabulls Ventures Limited Employees Stock Option Scheme - 2008" ("IBVL ESOP - 2008"), 20,000,000 stock options representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, to the eligible employees, at an exercise price of Rs. 17.40 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 23 January 2009. The stock options so granted, shall vest in the eligible employees over a period of 10 years beginning from 25 January 2010 being the first vesting date. The options granted under each of the slabs, can be exercised by the grantees within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2017, the Compensation Committee had regranted 9,700,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, to the eligible employees, at an exercise price of Rs. 24.15 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 June 2016. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 02 July 2017, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

Further, during the year ended 31 March 2018, the Compensation Committee has regranted 500,000 and 880,600 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, to the eligible employees, at an exercise price of Rs. 219.65 per equity share and Rs. 254.85 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018, respectively. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

		IBVL ESOP - 2008			
		20,000,000 Options	9,700,000 Options Regranted	500,000 Options Regranted	880,600 Options Regranted
1.	Exercise price (Rs.)	17.40	24.15	219.65	254.85
2.	Expected volatility *	79.00%	42.97%	46.70%	47.15%
3.	Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil
4.	Option Life (weighted average) (in years)	11	6	6	6
5.	Expected Dividends yield	22.99%	10.82%	1.27%	1.10%
6.	Risk Free Interest rate	6.50%	7.45%	6.54%	7.56%
7.	Fair value of the options **	0.84	4.31	106.31	130.05

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accountants.

b) Employees Stock Option Scheme - 2009

During the financial year ended 31 March 2010, the Holding Company had issued Employee Stock Option Scheme titled as 'Indiabulls Ventures Limited Employees Stock Option Scheme - 2009' ("IBVL ESOP - 2009"). Under the Scheme, the Holding Company was authorised to grant 20,000,000 options, representing equivalent number of equity shares of face value Rs. 2 each in one or more tranches at a price and on such terms and conditions as may be decided by the Compensation Committee, to the eligible employees of the Holding Company and its subsidiaries.

During the year ended 31 March 2010, the Compensation Committee constituted granted 10,000,000 stock options representing an equal number of Equity Shares of face value Rs. 2 each in the Holding Company, at an exercise price of Rs. 35.25 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 30 November 2009. The stock options so granted, shall vest uniformly over 10 years beginning from 2 December 2010 being the first vesting date. The option granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

(All amounts in Rs.thousands unless stated otherwise)

Note - 31 (continued)

During the year ended 31 March 2011, the Compensation Committee had further granted 2,050,000 Stock Options representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, at an exercise price of Rs. 31.35 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 09 April 2010. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The Stock Options so granted, shall vest uniformly over 10 years beginning from 13 April 2011 being the first vesting date. The options granted under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

During the year ended 31 March 2016, the Compensation Committee had regranted under the IBVL ESOP - 2009 10,000,000 stock options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value of Rs. 2 each in the Holding Company, at an exercise price of Rs. 27.45 per equity share, being the latest available closing market price on the National Stock Exchange of India Limited, as on 24 August 2015. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 26 August 2016, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, the Holding Company had received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Holding Company.

During the year ended 31 March 2017, the Compensation Committee had further regranted 9,500,000 and 10,000,000 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of equity shares of face value Rs. 2 each in the Holding Company, to the Eligible Employees, at an exercise price of Rs. 16 per equity share and Rs. 24.15 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 11 May 2016 and 30 June 2016. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 13 May 2017 and 02 July 2017 respectively, the first vesting date. The options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date. During the year ended 31 March 2017, the Holding Company has received the request from various option holders to surrender 10,000,000 stock options, which has been accepted by the Holding Company.

During the year ended 31 March 2018, the Compensation Committee has regranted 10,000,000 and 669,400 Stock Options (surrendered and lapsed options eligible for regrant) representing an equal number of Equity Shares of face value Rs. 2 each in the Holding Company, to the Eligible Employees, at an exercise price of Rs. 219.65 per equity share and Rs. 254.85 per equity share, respectively, being the latest available closing market price on the National Stock Exchange of India Limited, as on 31 August 2017 and 23 March 2018 respectively. As the options have been granted at intrinsic value, there is no employee stock compensation expense on account of the same. The stock options so granted, shall vest uniformly over a period of 5 years beginning from 2 September 2018 and 25 March 2019 respectively, the first vesting date, the options vested under each of the slabs, can be exercised within a period of five years from the relevant vesting date.

		IBVL ESOP – 2009						
		10,000,000 Options	**2,050,000 Options**	**10,000,000 Options Regranted & Surrendered**	**9,500,000 Options Regranted**	**10,000,000 Options Regranted & Surrendered**	**10,000,000 Options Regranted**	**669,400 Options Regranted**
1.	Exercise price (Rs.)	35.25	31.35	27.45	16	24.15	219.65	254.85
2.	Expected volatility *	0.77	0.4896	0.3859	0.4074	0.4297	0.467	0.4715
3.	Expected forfeiture percentage on each vesting date	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4.	Option life (weighted average)	10 Years	10 Years	7 Years	6 Years	6 Years	6 Years	6 Years
5.	Expected dividends yield	13.48%	6.86%	9.16%	16.33%	10.82%	1.27%	1.10%
6.	Risk free interest rate	7.50%	8.05%	6.50%	7.45%	7.45%	6.54%	7.56%
7.	Fair value of the options (Rs.)**	6.48	9.39	4.77	1.38	4.31	106.31	130.05

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Merton Option Pricing Model and is certified by an independent firm of Chartered Accounta

Indiabulls Consumer Products Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2019

(All amounts in Rs.thousands unless stated otherwise)

Note - 31 (continued)

The Company has recognised employee stock compensation expense of Nil (31 March 2018 Nil) in the statement of Profit and loss for the year ended 31 March 2019.

The other disclosures in respect of the above stock option schemes are as under:

	IBVL ESOP - 2008			
Total options under the scheme (Nos.)	20,000,000			
Options granted (Nos.)	**20,000,000**	**9,700,000 (Regrant)**	**500,000 (Regrant)**	**880,600 (Regrant)**
Vesting period and percentage	Ten years, 1st Year - 15% 2nd year to 9th year - 10% each year	Uniformly over a period of five years	Uniformly over a period of five years	Uniformly over a period of five years
Vesting date	January 25th each year, commencing 25 January 2010	July 2nd each year, commencing 2 July 2017	September 2nd each year, commencing 2 September 2018	March 25th each year, commencing 25 March 2019
Exercise price (Rs.)	17.40	24.15	219.65	254.85
Outstanding as at 1 April 2017 (Nos.)	**1,526,316**	**9,700,000**	**-**	**-**
Granted/ regranted during the year (Nos.)	-	-	500,000	880,600
Options vested during the year (Nos.)*	-	1,940,000	-	-
Exercised during the year (Nos.)	220,400	-	-	-
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	28,050	-	-	-
Outstanding as at 31 March 2018 (Nos.)	**1,277,866**	**9,700,000**	**500,000**	**880,600**
Outstanding as at April-18 of the year (Nos.)	**1,277,866**	**9,700,000**	**-**	**-**
Granted/ regranted during the year (Nos.)	-	-	-	-
Options vested during the year (Nos.)*	-	1,940,000	-	-
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	406,950	-	-	187,000
Outstanding as at 31 March 2019 (Nos.)	**870,916**	**9,700,000**	**500,000**	**693,600**
Vested and exercisable at the end of the year (Nos.)	870,916	3,880,000	100,000	138,720
Remaining contractual life (weighted months)	49	63	77	84

- Weighted average exercise price of share during the year ended 31 March 2019: not applicable (31 March 2018: Rs. 59.77).

(All amounts in Rs.thousands unless stated otherwise)

Note - 31 (continued)

	IBVL ESOP - 2009						
Total options under the	20,000,000						
Options granted (Nos.)	**10,000,000**	**2,050,000**	**10,000,000 (Regrant & Surrendered)**	**9,500,000 (Regrant)**	**10,000,000 (Regrant & Surrendered)**	**10,000,000 (Regrant)**	**6,69,400 (Regrant)**
Vesting period and percentage	Uniformly over a period of ten years	Uniformly over a period of ten years	Uniformly over a period of five years	Uniformly over a period of five years	Uniformly over a period of five years	Uniformly over a period of five years	Uniformly over a period of five years
Vesting date	December 2nd each year, commencing 2 December 2010	April 13th each year, commencing 13 April 2011	August 26th each year, commencing 26 August 2016	May 13th each year, commencing 13 May 2017	July 2nd each year, commencing 2 July 2017	September 2nd each year, commencing 2 September 2018	March 25th each year, commencing 25 March 2019
Exercise price (Rs.)	35.25	31.35	27.45	16.00	24.15	219.65	254.85
Outstanding as at 1 April 2017 (Nos.)	**-**	**450,000**	**-**	**9,153,000**	**-**	**-**	**-**
Granted/ regranted during the year (Nos.)	-	-	-	-	-	10,000,000	669,400
Options vested during the year (Nos.)*	-	50,000	-	1,830,600	-	-	-
Exercised during the year (Nos.)	-	300,000	-	1,758,100	-	-	-
Expired during the year (Nos.)	-	-	-	-	-	-	-
Surrendered and eligible for re-grant during the	-	-	-	242,400	-	30,000	-
Outstanding as at 31 March 2018 (Nos.)	**-**	**150,000**	**-**	**7,152,500**	**-**	**9,970,000**	**669,400**
Outstanding as at April-18 of the year (Nos.)	-	150,000	-	7,152,500	-	-	-
Granted/ regranted during the year (Nos.)	-	-	-	-	-	-	-
Options vested during the year (Nos.)*	-	50,000	-	1,830,600	-	-	-
Exercised during the year (Nos.)	-	-	-	-	-	-	-
Expired during the year (Nos.)	-	-	-	-	-	-	-
Surrendered and eligible for re-grant during the	-	-	-	664,800	-	90,000	450,000
Outstanding as at 31 March 2019 (Nos.)	**-**	**150,000**	**-**	**6,487,700**	**-**	**9,880,000**	**219,400**
Exercisable at the end of the year (Nos.)	-	50,000	-	1,676,300	-	1,976,000	43,880
Remaining contractual life (weighted months)	-	60	-	67	-	77	84

* Net of options surrendered before vesting.

- Weighted average exercise price of share during the year ended 31 March 2019: not applicable (31 March 2018: Rs. 121.14).

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Note - 32
Employee benefits
Defined contribution plans
Provident fund

During the year ended March 31, 2019, the Company did not have any employees, and accordingly, has made Rs. Nil (31 March 2018 Rs. 41.30 thousands) contribution in respect of provident fund and other funds.

Defined benefit plans

A Gratuity

As at March 31, 2019, the Company did not have any employees, and accordingly, has recorded Rs. Nil (31 March 2018 Rs. Nil) towards liability in respect of defined benefit plan in the form of gratuity. During the year ended March 31, 2018, the Company had written back Rs. 179.38 on account of provisions for gratuity for which provision was no longer required.

B Compensated absences

As at March 31, 2019, the Company did not have any employees, and accordingly, has recorded Rs. Nil (31 March 2018 Rs. Nil) towards liability in respect of defined benefit plan in the form of compensated absences. During the year ended March 31, 2018, the Company had written back Rs. 32.87 thousands on account of provisions for compensated absences for which provision was no longer required.

The Company is expected to contribute Rs. NIL lakhs to defined benefit plan obligations for the year ending March 31, 2020.

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(All amounts in Rs. thousands unless stated otherwise)

Note - 33

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. As there is no employees in the company as at 31 March 2019 hence no provision (31 March 2018:Nil) for the year have been made.

Note - 34

As per the best estimate of the management, no provision is required to be made as per Indian Accounting Standard 37 (Ind AS 37) - Provisions, Contingent Liabilities and Contingent Assets as specified under Section 133 of the Companies Act, 2013 ("the Act") read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

Note - 35

The Company has not entered into any derivative contracts during the year. The Company does not have any foreign currency exposures as at 31 March 2019 (31 March 2018: Rs. Nil, 1 April 2017: Rs. Nil).

Note - 36

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	**As at 31 March 2019**	**As at 31 March 2018**	**As at 01 April 2017**
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year/period	Nil	Nil	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year/period	Nil	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil	Nil
(iv) The amount of interest due and payable for the year/period	Nil	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year/period	Nil	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note - 37

There are no capital or other commitments to be reported as at 31 March 2019 (31 March 2018 Rs. Nil, 01 April 2017 Rs. Nil).

Note - 38

There are no borrowing costs to be capitalised as at 31 March 2019 (31 March 2018 Rs. Nil; 01 April 2017 Rs. Nil).

Note - 39

Segment reporting

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

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Indiabulls Consumer Products Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Note - 40

Disclosures in respect of Ind AS - 24 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013 ("the Act") read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended:

(a) Details of related parties:

Description of relationship	**Name of the Party**
(i) where control exists	
Holding Company	Indiabulls Ventures Limited
Entities under common control (Fellow Subsidiary Companies (including step down subsidiaries)	Indiabulls Consumer Finance Limited (Formerly known as IVL Finance Limited)
	Indiabulls Distribution Services Limited
	Astilbe Builders Limited*
	Astraea Constructions Limited*
	Silenus Buildtech Limited*
	Arbutus Constructions Limited
	Gyansagar Buildtech Limited
	Pushpanjli Fincon Limited
	Pushpanjli Finsolutions Limited
	Devata Tradelink Limited
	Indiabulls Investment Advisors Limited (Formerly known as Indiabulls Brokerage Limited)
	Indiabulls Securities Limited (Formerly known as Indiabulls Commodities Limited)
	Auxesia Soft Solutions Limited
	India Ethanol and Sugar Limited *
	Positive Housings Private Limited (upto 30 March 2018)
	Indiabulls Alternate Investment Limited
	Indiabulls Logistics Limited *
	Indiabulls Infra Resources Limited
	Indiabulls Asset Reconstruction Company Limited

* struck off from the Register of Companies pursuant to sub-section (5) of Section 248 of the Companies Act, 2013, vide Ministry of Corporate Affairs notice dated 08 March 2019

Note - 40

Disclosures in respect of Ind AS - 24 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013 ("the Act") read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended: *(Continued)*

(ii) Other related parties:

Key Management Personnel	Mr. Prasenjeet Mukharjee, Director
	Mr. Kishor Kumar Srivastava, Director
	Mr. Divyesh Bharat Kumar Shah, Director

(b) Significant Transactions with Related Parties during the year ended 31 March 2019:

Particulars	**Entities under common control**	
	For the year ended 31 March 2019	**For the year ended 31 March 2018**
Finance		
Inter corporate deposit taken (Maximum balance outstanding during the year):		
Indiabulls Distribution Services Limited	1,700.00	9,200.00
Income		
Consultancy fee		
Indiabulls Investment Advisors Limited	750.00	-
Expenses		
Interest on inter corporate deposits		-
Indiabulls Distribution Services Limited	58.51	222.98

(c) Balance Outstanding at year end:

Nature of Transaction	**As at**	**Entities under common control**	**Total**
Finance			
Inter Corporate Deposit Taken	31 March 2019	-	-
	31 March 2018	1,700.00	
	01 April 2017	-	-

Note - 41

In respect of amounts as mentioned under Section 124 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as on 31 March 2019 (as at 31 March 2018: Nil and as at 1 April 2017: Nil).

Note - 42

First time adoption of Ind AS

These are the Company's first financial statements in accordance with Ind AS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ending 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS balance sheet at 1 April 2017 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Optional exemptions availed

(i) Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Asset. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

(ii) Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

- The effects of the retrospective application or retrospective restatement are not determinable;
- The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

C. Reconciliation between previous GAAP and Ind AS

The Company does not have any effect of transition to Ind AS as at 1st April 2017 and on financial statements for the year ended 31st March 2018. Accordingly, reconcilation between equity as on 1st April 2017 and 31st March 2018 and Statement of profit and loss for the year ended 31st March 2018 has not been provided seperately.

As per our report of even date

For A Sardana & Co. Chartered Accountants Firm Registration No. 021890N	**For and on behalf of the Board of Directors**	
Ajay Sardana Partner Membership No. 089011 Place : New Delhi Date : 24 April 2019	**Prasenjeet Mukherjee** Director DIN: 07629972 Place : New Delhi Date : 24 April 2019	**Kishor Kumar Srivastava** Director DIN: 01223908