

LODHA DEVELOPERS 48CS LIMITED
STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018

	Notes	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs
ASSETS			
Current Assets			
Inventories	2	165,644.73	170,401.40
Financial Assets			
Cash and Cash Equivalents	3	3,437.55	118.32
Other Financial Assets	4	87,184.21	-
Other Current Assets	5	27,089.69	4,604.04
Total Current Asset		283,356.18	175,123.77
Total Assets		283,356.18	175,123.77
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	6	10.14	10.14
Other Equity			
Retained Earnings	7	406.30	(5,069.25)
Other Reserves	8	(52.83)	726.85
		363.61	(4,332.27)
Non-Current Liabilities			
Financial Liabilities			
Deferred Tax Liabilities	16	1,326.69	-
Total Non-Current Liabilities		1,326.69	-
Current Liabilities			
Financial Liabilities			
Borrowings	9	264,100.87	162,503.76
Trade Payables	10		
Due to Others		5,799.74	53.81
Other Current Liabilities	11	11,765.27	16,898.46
Total Current Liabilities		281,665.88	179,456.04
Total Liabilities		282,992.57	179,456.04
Total Equity and Liabilities		283,356.18	175,123.77
Significant Accounting Policies	1		
See accompanying notes to the Financial 1 - 24 Statements			

As per our attached Report of even date
For S C Mehra & Associates
Chartered Accountants
Firm Registration Number: 106156W

Suresh Mehra
Partner

Membership Number: 039730



For and on behalf of the Company

[Handwritten Signature]

Authorised Signatory

Place : Mumbai

Date **E 6 JUN 2018**

	Notes	For the year ended 31st March, 2018 ₹ in Lakhs	For the year ended 31st March, 2017 ₹ in Lakhs
I INCOME			
Revenue From Operations	12	110,586.15	-
Total		110,586.15	-
II EXPENSES			
Cost of Projects	13	101,950.56	-
Finance Costs (Net)	14	-	-
Other Expenses	15	1,833.35	145.91
Total		103,783.91	145.91
III Profit / (Loss) before Tax (I-II)		6,802.24	(145.91)
IV Tax Expense:	16		
Deferred Tax		(1,326.69)	-
Total Tax Expense		(1,326.69)	-
V Profit / (Loss) after Tax (III-IV)		5,475.55	(145.91)
VI Other Comprehensive Income (OCI)			
A Items that will not be reclassified to Statement of Profit or Loss		-	-
B Items that will be reclassified to Statement of Profit or Loss		-	-
Other Comprehensive Income for the year (A+B)		-	-
VII Total Comprehensive Income for the year (V+ VI)		5,475.55	(145.91)
VIII Earnings per Equity Share (In ₹) :			
(Face value of 1 GBP per Equity Share)			
Basic		54,756	(1,459)
Diluted		54,756	(1,459)
Significant Accounting Policies	1		
See accompanying notes to the Financial Statements	1 - 24		

As per our attached Report of even date
For S C Mehra & Associates
Chartered Accountants
Firm Registration Number: 106156W

Suresh Mehra
Partner
Membership Number: 039730

Place : Mumbai

Date **6 JUN 2018**



For and on behalf of the Company

Authorised Signatory

LODHA DEVELOPERS 48CS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs
2 Inventories (At lower of cost and net realizable value)		
Work in Progress	165,644.73	170,401.40
Total	165,644.73	170,401.40
Carrying amount of inventories charged as securities against specific Borrowings	165,644.73	170,401.40
3 Cash and Cash Equivalents		
Balances with Banks	3,437.55	118.32
Total	3,437.55	118.32
4 Other Current Financial Assets		
Accrued Revenue	87,184.21	-
Total	87,184.21	-
5 Other Current Assets		
Prepaid Expenses	681.37	781.29
Deposit	7,419.68	-
Indirect Tax Receivables	236.16	283.86
Other Advances	18,752.48	3,538.89
Total	27,089.69	4,604.04
6 Equity Share Capital		
Issued, Subscribed and Paid up		
Ordinary Equity Shares (10,000 Equity Shares @ 1 GBP F.V. Each)	10.14	10.14
Total	10.14	10.14

(i) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Equity Shares:

Lodha Developers International (Jersey) III Ltd.

Numbers	10,000	-
Amount	10.14	-

Lodha Developers International (Jersey) I Holdings Ltd.

Numbers	-	10,000
Amount	-	10.14

(ii) Details of Shareholders holding more than 5% in the company

Equity Shares:

Lodha Developers International (Jersey) III Ltd.

Numbers	10,000	-
% of Holding	100%	-



	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs
Lodha Developers International (Jersey) I Holdings Ltd.		
Numbers	-	10,000
% of Holding	-	100%

(iii) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of GBP 1 per share.

Each shareholder is entitled for one vote per share. The shareholders have the right to receive interim dividend declared by the Board of Directors and final dividend proposed by the Board of Directors and approved by the shareholders.

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

7 Retained Earnings

As at the beginning of the year	(5,069.25)	(4,923.34)
Increase / (decrease) during the year	5,475.55	(145.91)
As at the end of the year	406.30	(5,069.25)

8 Other Reserves

Foreign Currency Translation Reserve

As at the beginning of the year	726.85	(25.64)
Increase / (decrease) during the year	(779.68)	752.48
As at the end of the year	(52.83)	726.85



LODHA DEVELOPERS 48CS LIMITED
 NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs
9 Current Borrowings		
Secured		
Term Loans		
From Others	147,664.05	63,789.62
Total Secured Borrowings	147,664.05	63,789.62
Unsecured		
Loan from related parties	116,436.82	98,714.14
Total Unsecured Borrowings	116,436.82	98,714.14

Disclosure of details of security, terms of repayments and rate of interest of borrowings:

I Term Loan from Financial Institutions

A Secured by:	147,664.05	63,789.62
(i) Charge on certain land and building situated at London.		
(ii) Charge over project receivables.		
Terms of Repayment:		
No later than 31st August, 2019		
Effective Rate of Interest:		
Rate of Interest 7.75% p.a.		

B Related Parties	116,436.82	98,714.14
Repayable on demand		
Effective Rate of Interest:		
Rate of Interest range from 11.10% to 14.10%		

10 Current Trade Payables

Due to Others		
Trade Payables	5,799.74	53.81
Total	5,799.74	53.81

Terms and conditions of the above financial liabilities:

- i) Trade payables are non-interest bearing and are normally settled as per agreed terms.
- ii) For terms and conditions with related parties, refer to Note 18.

11 Other Current Liabilities

Advances received from Customers	261.46	3,531.74
Other Liabilities	11,503.81	13,366.72
Total	11,765.27	16,898.46



	For the year ended 31st March, 2018 ₹ in Lakhs	For the year ended 31st March, 2017 ₹ in Lakhs
12 Revenue from Operations		
Income From Property Development	110,586.15	-
	110,586.15	-
13 Cost of Projects		
Opening Stock		
Land and Property Development Work-in-Progress	170,401.40	146,756.51
Add: Expenditure incurred during the year:		
Land, Construction and Development Cost	36,617.57	10,902.24
Other Construction Expenses	206.98	2.33
Foreign Currency Translation	26,874.46	(21,609.93)
Overheads Allocated	33,494.87	34,350.26
	267,595.29	170,401.40
Less : Closing Stock		
Land and Property Development Work-in-Progress	165,644.73	170,401.40
	101,950.56	-
14 Finance Costs (Net)		
Interest Expense on Borrowings and Others	24,110.05	14,873.20
Other Borrowing Costs	5,970.52	3,624.82
Foreign Exchange Loss	-	12,450.27
	30,080.57	30,948.29
Less : Allocated to Cost of Projects	30,080.57	30,948.29
	-	-
15 Other Expenses		
Legal and Professional	956.75	1,498.27
Payments to Auditor as:		
Audit Fees	9.71	8.38
Rent	342.71	619.68
Donations	8.62	-
Repairs and Maintenance	84.38	-
Travelling and Conveyance	78.85	-
Insurance	-	47.82
Business Promotion	749.24	-
Compensation	2,073.50	1,373.37
Brokerage	803.24	-
Advertising	135.93	-
Miscellaneous Expenses	4.72	0.36
	5,247.65	3,547.88
Less : Allocated to Cost of Projects	3,414.30	3,401.97
	1,833.35	145.91



16 Tax Expense

a) The major components of Deferred Tax Liabilities arising on account of timing differences are as follows:

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs
Deferred tax relates to the following:		
Carried Forward Business Loss	(1,326.69)	-
Net deferred tax liabilities	(1,326.69)	-
	For the year ended 31st March, 2018 ₹ in Lakhs	For the year ended 31st March, 2017 ₹ in Lakhs
Carried Forward Business Loss	1,326.69	-
Deferred tax benefit	1,326.69	-

b) Reconciliation of deferred tax liabilities (net) :

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs
As at the beginning of the year	-	-
Tax expense during the year recognised in profit or loss	(1,326.69)	-
As at the end of the year	(1,326.69)	-

17 Category wise classification of Financial Instruments

	As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs
Financial Assets carried at amortised cost		
Cash and Cash Equivalents	3,437.55	118.32
Other Financial Assets	87,184.21	-
Total Financial Assets carried at amortised cost	90,621.76	118.32
	-	-
Financial Liabilities carried at amortised cost		
Borrowings	264,100.87	162,503.76
Trade Payables	5,799.74	53.81
Other Financial Liabilities	-	-
Total Financial Liabilities carried at amortised cost	269,900.61	162,557.57
	-	-



1 SIGNIFICANT ACCOUNTING POLICIES

A Company's Background

Lodha Developers 48CS Limited ("LD48CS") was incorporated as a private company on December 5, 2013 as Lodha Developers International (Jersey) Limited under the Companies (Jersey) Law, 1991. Subsequently, its name was changed to Lodha Developers 48CS Limited and a fresh certificate of incorporation was issued to LD48CS on December 22, 2014 under the Companies (Jersey) Law, 1991. The registered office of LD48CS is situated at First Island House, Fifer Street, St Helier, Jersey, JE2 4SP. LD48CS is involved in the business of real estate development and activities related to real estate.

B Significant Accounting Policies

I Basis of Preparation

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

The Special Purpose financial statements ("The Financial Statements") are prepared to meet the requirements of the management and are not the statutory Ind AS financial statements of the Company as required by the Companies Act, 2013.

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs except when otherwise indicated.

II Summary of Significant Accounting Policies

I Current and Non-Current Classification

The Company presents assets and liabilities in the Standalone Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- i) Expected to be realised or intended to be 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 the 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 respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The operating cycle of the Company's real estate operations varies from project to project depending on the size of the project, type of development, project complexities and related approvals. Assets and Liabilities are classified into current and non-current based on the operating cycle.

2 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each item of inventory to its present condition are accounted for as follows:

- i) Stock of Building Materials and Traded Goods is valued at lower of cost and net realizable value. Cost is generally ascertained on weighted average basis.
- ii) Work-in-progress represents cost incurred in respect of unsold area of the real estate development projects and the costs incurred on the projects where the revenue is yet to be recognized.
- iii) Completed unsold inventory is valued at lower of Cost and Net Realizable Value.
- iv) Cost for this purpose includes cost of land, shares with occupancy rights, Transferrable Development Rights, premium for development rights, borrowing costs, construction / development cost and other overheads incidental to the projects undertaken.

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

3 Provisions and Contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.



If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure of contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

4 Impairment of Non-Financial Assets (excluding Inventories)

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell) the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest Company of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs').

5 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 entity.

Financial Assets

Initial recognition and measurement

The Company classifies its financial assets in the following measurement categories.

- those to be measured subsequently at fair value (either through OCI, or through profit or loss)
- those measured at amortised cost

All financial assets are recognised 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 of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- i) Debt instruments at amortised cost
- ii) Debt instruments at fair value through other comprehensive income (FVTOCI)
- iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised 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 on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment if any, are recognised in the statement of profit or loss.

Debt instruments at FVTOCI

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 solely payments of principal and interest.

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 other comprehensive income (OCI). However, the Company does not have any debt instruments which meets the criteria for measuring the debt instrument at FVTOCI.

Debt instrument at FVTPL

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 designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'Accounting Mismatch'). The Company has not designated any debt instrument at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments, except investments in fellow subsidiaries and associates are measured at FVTPL. The Company may make an irrevocable election on initial recognition to present in OCI any subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis.

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's Standalone Balance Sheet) when:

- i) The rights to receive cash flows from the asset have expired, or



- (j) The Company has transferred its right 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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of Financial Assets

The Company assess on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVTOCI debts instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk. For trade receivables, the Company is not exposed to any credit risk as the possession of residential and commercial units is handed over to the buyer only after all the installments are recovered.

For financial assets carried at amortised cost, the carrying amount is reduced and the amount of the loss is recognised in the Standalone statement of profit and loss. Interest income on such financial assets continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. Financial asset together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or decreased. If a write-off is later recovered, the recovery is credited to finance costs.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities measured at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such 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/ loss are not subsequently transferred to Statement of 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 recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the Standalone Statement of Profit and Loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition of Financial Liabilities

A financial liability is derecognised 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 recognised in the Standalone Statement of Profit and Loss.



Reclassification of Financial Assets and Financial Liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations, such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of Financial Instruments

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

6 Fair Value Measurement

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

7 Cash and Cash Equivalents

Cash and cash equivalent in the Standalone Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

8 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria are described below:

i) Income from Property Development:

Property development involves such activities of real estate development which has the same economic substance as construction contracts. Therefore, percentage completion method is applied for recognising revenue, costs and profits from transactions in property developments.

Income from property development and value of shares representing occupancy rights of units of immovable property is recognized upon transfer of all significant risks and rewards of ownership to the buyers and no significant uncertainty exists regarding the amount of consideration and ultimate collection. The point of time at which all significant risks and rewards of ownership can be considered as transferred, is determined on the basis of the terms and conditions of the agreement for sale.

The Guidance Note on Accounting under Ind AS for Real Estate Transactions requires recognition of revenue under percentage of completion method only when, all critical approvals for project commencement have been obtained, on incurring at least 25% of estimated construction and development cost (excluding land and borrowing cost), at least 25% of the total saleable area is secured by agreement or letter of allotment (containing salient terms of agreement to sell) with buyers and receipt of 10% of the sales consideration per contract. The percentage of completion is worked out based on the total project cost incurred to the total estimated project cost including land and borrowing cost.



As the projects necessarily extend beyond one year, revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the said estimates are revised.

Determination of revenue under the percentage of completion method necessarily involves making estimates by the Company, some of which are technical in nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenues from the project and the foreseeable losses to completion. Provision for foreseeable losses, determination of profit from real estate projects and valuation of construction work in progress is based on such estimates.

ii) Rendering of Services

Revenue from the Contract / Support services is recognised by reference to the terms of contract/ agreement. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

iii) Interest Income

For all debt instruments measured at amortised cost, Interest income is recorded using the effective interest rate (EIR).

iv) Rental Income

Rental income arising from operating leases is accounted over the lease terms.

v) Dividends

Revenue is recognised when the Company's right to receive the payment is established.

9 Foreign Currency Translation

Initial Recognition

Foreign currency transactions during the year are recorded in the reporting currency at the exchange rates prevailing on the date of the transaction.

Conversion

Foreign currencies denominated monetary items are translated into rupees at the closing rates of exchange prevailing at the date of the balance sheet. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange Differences

Exchange differences arising, on the settlement of monetary items or reporting of monetary items at the end of the year at closing rates, at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

10 Current Income Tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profit for the period. The tax rates and tax laws used to compute the amount are those that are enacted by the reporting date and applicable for the period.

Deferred Tax

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for all deductible and taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of transaction.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax asset in respect of carry forward of unused tax credits and unused tax losses are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

The Company recognizes deferred tax liabilities for all taxable temporary differences except those associated with the investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal tax during the specified period.

Presentation of Current and Deferred Tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in OCI, in which case, the current and deferred tax income/ expense are recognized in OCI. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.



11 Borrowing Costs

Borrowing costs that are directly attributable to long term project development activities are inventorised / capitalized as part of project cost.

Borrowing costs are inventorised / capitalised as part of project cost when the activities that are necessary to prepare the inventory / asset for its intended use or sale are in progress. Borrowing costs are suspended from inventorisation / capitalisation when development work on the project is interrupted for extended periods and there is no imminent certainty of recommencement of work.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

12 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year (after deducting preference dividends and attributable taxes) attributable equity share holders to by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue and consolidation of equity shares. For the purpose of calculating diluted earnings per share, the net profit or loss for the year and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year (after deducting preference dividends and attributable taxes) attributable equity share holders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares



18. Related party transactions

The following table provides the information about the Company's structure including the details of the Fellow Subsidiaries and the Holding Company along with the total amount of transactions that have been entered into with related parties for the relevant financial year.

A. List of other related parties:

(As Identified by the management), unless otherwise stated

- | | |
|---|---|
| <p>I Person having Control or joint control or significant influence
 1 Mangal Prabhakar Lodha (MPL)
 2 Abhishek Lodha</p> | <p>Relationship
 Person in control
 Son</p> |
| <p>II Close family members of person having Control
 1 Manjula Lodha
 2 Vinli Lodha</p> | <p>Wife
 Son's wife</p> |
| <p>III Ultimate Holding Company
 1 Sambhavsinh Infrabuild and Farms Pvt. Ltd.</p> | |
| <p>IV Holding Company
 1 Lodha Developers Ltd.
 2 Lodha Developers UK Ltd. (Holding company of 3 below)
 3 Lodha Developers International (Jersey) III Ltd. (from 14-February-2018)
 4 Bellissimo Properties Development Pvt. Ltd. (Holding company of 5 below)
 5 Lodha Developers International (Jersey) I Holdings Ltd. (upto 13-February-2018)</p> | |
| <p>V Subsidiaries of Ultimate Holding / Holding Company (with whom the Company had transactions)
 1 Lodha Developers International (Netherlands) B. V. (upto 14-February-2018)
 2 Lodha Developers UK Ltd. (upto 13-February-2018)</p> | |
| <p>VI Key Management Person (KMP)
 1 Phillip Gordon Callow
 2 Nicholas John Soll</p> | |

B. Balances Outstanding and Transactions during the year ended with related parties are as follows:

(i) Transactions:

Sr. No.	Nature of Transactions	₹ In Lakhs	
		For the year ended 31-March-18	For the year ended 31-March-17
		Subsidiary of Ultimate Holding / Holding Company	
1	Loan Taken	733.66	17,271.52
2	Interest Expenses	12,944.76	10,042.42
3	Reimbursement Given	11,134.33	13,076.86
4	Foreign Exchange Loss	-	12,450.27
5	Foreign Exchange Gain	8,730.28	-

(ii) Outstanding Balances:

Sr. No.	Nature of Transactions	₹ In Lakhs			
		For the year ended 31-March-18		For the year ended 31-March-17	
		Holding Company	Subsidiary of Ultimate Holding / Holding Company	Holding Company	Subsidiary of Ultimate Holding / Holding Company
1	Loan Taken	39,178.16	77,258.66	66,541.72	32,172.42

(iii) Disclosure in respect of material transactions with parties:

Sr. No.	Nature of Transactions	Particulars	Relationship	₹ In Lakhs	
				For the year ended 31-March-18	For the year ended 31-March-17
1	Loan Taken	Lodha Developers International (Jersey) I Holdings Ltd.	Subsidiary of Ultimate Holding / Holding Company	733.66	17,045.06
		Lodha Developers International (Jersey) III Ltd.	Subsidiary of Ultimate Holding / Holding Company	-	226.46
2	Interest Expenses	Lodha Developers International (Jersey) I Holdings Ltd.	Subsidiary of Ultimate Holding / Holding Company	9,354.51	7,155.72
		Lodha Developers International (Jersey) III Ltd.	Subsidiary of Ultimate Holding / Holding Company	3,590.25	2,886.70
3	Reimbursement Given	Lodha Developers International (Jersey) III Ltd.	Subsidiary of Ultimate Holding / Holding Company	11,134.33	-
		Lodha Developers International (Jersey) III Ltd.	Subsidiary of Ultimate Holding / Holding Company	-	13,076.86
4	Foreign Exchange Loss	Lodha Developers International (Jersey) I Holdings Ltd.	Subsidiary of Ultimate Holding / Holding Company	-	5,308.04
		Lodha Developers International (Jersey) III Ltd.	Subsidiary of Ultimate Holding / Holding Company	-	7,142.23
5	Foreign Exchange Gain	Lodha Developers International (Jersey) I Holdings Ltd.	Subsidiary of Ultimate Holding / Holding Company	8,730.28	-



Notes are an integral part of the financial statements and are written on / back of the subject for except as stated above.

- i) Terms and conditions of outstanding balances with related parties
 Loan from related parties

The loans from related parties are unsecured and payable on demand bearing attractive interest rate.

- ii) Terms and conditions of transaction with related parties

The management is of the opinion that the transactions with related parties are done at arm's length.

19 Segment Information

For management purposes, the company is into one reportable segment i.e. Real Estate development.

The Managing Director is the Chief Operating Decision Maker of the company who monitors the operating results of the Group for the purpose of making decisions about resource allocation and performance assessment. Company's performance as single segment is evaluated and measured consistently with profit or loss in the consolidated financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a group basis.

20 Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

21 Financial risk management objectives and policies

The Company's principal financial liabilities comprise mainly of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans and advances, trade and other receivables, cash and cash equivalents and Other balances with Bank.

The Company is exposed through its operations to the following financial risks:

- Market risk
- Credit risk, and
- Liquidity risk.

The Company has evolved a risk mitigation framework to identify, assess and mitigate financial risk in order to minimize potential adverse effects on the Company's financial performance. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated herein.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

Interest rate risk

The Company is exposed to cash flow interest rate risk from long term borrowings at variable rate. Currently the Company has external borrowings (excluding short-term overdraft facilities) which are fixed and floating rate borrowings. The Company achieves the optimum interest rate profile by refinancing when the interest rates go down. However this does not protect Company entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with variability in interest payments. It considers that it achieves an appropriate balance of exposure to these risks.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk from balances with banks and financial institutions is managed by Company's treasury in accordance with the Company's policy. The Company limits its exposure to credit risk by only placing balances with local banks and international banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail in meeting its obligations.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

₹ In Lakhs

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at 31-March-18						
Borrowings	-	-	-	264,100.87	-	264,100.87
Trade Payables	5,799.74	-	-	-	-	5,799.74
Other Financial Liabilities	-	-	-	-	-	-
	5,799.74	-	-	264,100.87	-	269,900.61
As at 31-March-17						
Borrowings	-	-	-	162,503.76	-	162,503.76
Trade Payables	53.81	-	-	-	-	53.81
Other Financial Liabilities	-	-	-	-	-	-
	53.81	-	-	162,503.76	-	162,557.57



22. Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and other capital reserves attributable to owners of companies. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest-bearing loans and borrowings less cash and cash equivalents.

	₹ in Lakhs	
	31st March, 2018	31st March, 2017
Borrowings (Current) (Note 9)	264,100.87	167,503.76
Less: Cash and Cash Equivalents (Note 3)	3,437.55	118.32
Net debt	267,538.42	167,622.09
Equity (Note 6)	10.14	10.14
Other Equity	353.47	353.47
Total Capital	363.61	363.61
Capital and Net Debt	267,902.03	167,985.69
Gearing Ratio	99.86%	99.78%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31-March-18 and 31-March-17.

23 Details of dues to Micro, Small and Medium Enterprises :

The information has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding is given below :

Particulars	₹ in Lakhs	
	As at 31st March, 2018	As at 31st March, 2017
Amount unpaid as at year end - Principal	Nil	Nil
Amount unpaid as at year end - Interest	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 (the 'Act') along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Act	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act	Nil	Nil

24 Basic and Diluted Earnings Per Share :

Particulars	For the year ended	
	31st March, 2018	31st March, 2017
(a) Net Profit / (Loss) for the year	5,475.55	(145.91)
(b) No. of Equity Shares as on April 1	10,000	10,000
Add: Share allotted	-	-
No. of Equity Shares as on March 31	10,000	10,000
Weighted average no. of Equity Shares outstanding during the year	10,000	10,000
(c) Face Value of Equity Shares	1	1
(d) Basic and Diluted Earnings Per Share	54.756	(1.459)

As per our attached Report of even date
For S C Mehra & Associates
Chartered Accountants
Firm Registration Number: 106156W

Suresh Mehra
Partner
Membership Number: 039730

Place : Mumbai

Date : 6 JUN 2018



For and on behalf of the Company

Authorised Signatory