

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2019

### Note 1

#### I. Company Overview

Godrej Realty Private Limited (“the Company”) having CIN U70100MH2005PTC154268, is engaged primarily in the business of real estate construction, development and other related activities. The Company is domiciled in India having its registered office at Godrej One, 5th Floor, Pirojshahnagar, Eastern Express Highway, Vikhroli, Mumbai-400079.

#### II Basis of preparation and measurement

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 (“the Act”) and the relevant provisions and amendments, as applicable. The Financial Statements have been prepared on accrual basis under the historical cost convention except certain financial instruments measured at fair value.

The Financial Statements of the Company for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on April 27, 2019.

##### a) Operating cycle

The normal operating cycle in respect of operation relating to under construction real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed and realization of project into cash and cash equivalents and range from 3 to 7 years. Accordingly project related assets and liabilities have been classified into current and non-current based on operating cycle of respective projects. All other assets and liabilities have been classified into current and non-current based on a period of twelve months.

##### b) Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is also the functional currency of the company. All financial information presented in Indian rupees has been rounded to the nearest lakhs, unless otherwise stated.

##### c) Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires the use of estimates, judgements and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are as follows:

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2019

### II Basis of preparation and measurement (*Continued*)

#### e) Use of Estimates and Judgements (*Continued*)

- *Evaluation of satisfaction of performance obligation at a point in time for the purpose of revenue recognition*

Determination of revenues under the satisfaction of performance obligation at a point in time necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the timing of satisfaction of performance obligation, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The Company recognizes revenue when the company satisfies its performance obligation.

- *Fair value measurement of financial instruments*

When the fair values of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation technique. The inputs to these models are taken from the observable market where possible, but where this is not feasible, a review of judgement is required in establishing fair values. Changes in assumptions relating to these inputs could affect the fair value of financial instruments.

- *Recognition of Deferred Tax Asset*

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

- *Useful life and residual value of property, plant and equipment*

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different based from that prescribed in Schedule II, they are based on internal technical evaluation. Assumptions are also made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

The estimation of residual value of assets is based on management's judgment about the condition of such asset at the point of sale of asset.

- *Provisions and Contingencies*

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

- *Evaluation of Net realisable Value of Inventories*

Inventories comprising of completed flats and construction-work-in progress are valued at lower of cost and net realisable value. Net Realisable value is based upon the estimates of the management. The effect of changes, if any, to the estimates is recognised in the financial statements for the period in which such changes are determined.

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2019

### II Basis of preparation and measurement (*Continued*)

#### f) Standards issued but not yet effective

Ind AS 116, Leases: Ind AS 116 is applicable for financial reporting periods beginning on or after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. Management believes, based upon preliminary analysis that the impact of new lease standard is not material on its financial statements.

In addition to the above, the following amendments to existing standards have been issued, are not yet effective and are not expected to have a significant impact on the Company's financial statements:

Amendments to Ind AS 109, Financial Instruments: amendments relating to the classification of particular pre-payable financial assets

Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits - i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.

Amendments to Ind AS 23, Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction.

#### g) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data.

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2019

### II Basis of preparation and measurement (*Continued*)

#### g) Measurement of fair values (*Continued*)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### III Significant Accounting Policies

#### a. Property, Plant and Equipment, depreciation

##### i) *Recognition and Measurement:*

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised from financial statement, either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, plant and equipment recognised in the statement of profit and loss account in the year of occurrence.

##### ii) *Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

##### iii) *Depreciation*

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Assets costing less than INR 5,000 are depreciated at 100% in the year of acquisition.

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2019

### III Significant Accounting Policies (*Continued*)

#### (a) Property, Plant and Equipment, depreciation (*Continued*)

#### b. Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

#### c. Financial instruments

##### I. *Financial Assets*

###### Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

###### Initial recognition and measurement

The Company recognises financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

###### Subsequent measurement

For the purpose of subsequent measurement, the financial assets are classified in three categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through profit or loss
- Equity investments

###### Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- (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.

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2019

### III Significant Accounting Policies (*Continued*)

#### c. Financial instruments (*Continued*)

##### Impairment of financial assets

The Company applies 'simplified approach' 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 amortised cost e.g., loans, debt securities, and bank balance.
- b) Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

#### II. Financial Liabilities

##### Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost.

##### Initial recognition and measurement

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.

##### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transactions costs. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to loans and borrowings.

##### Derecognition

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 Statement of Profit and Loss.

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

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2019

### III Significant Accounting Policies (*Continued*)

#### c. Financial instruments (*Continued*)

##### *III Share Capital*

##### Ordinary equity shares

Incremental costs directly attributable to the issue of ordinary equity shares, are recognised as a deduction from equity.

#### d. Inventories

Inventories comprise of construction work-in progress and is valued at lower of Cost and Net Realisable value.

Construction Work-in-Progress includes construction costs, allocated interest and expenses incidental to the projects undertaken by the Company.

#### e. Revenue Recognition

Ind AS 115 has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and is effective from accounting period beginning on or after April 01, 2018.

The Company has applied full retrospective approach in adopting the new standard (for all contracts other than completed contracts) and accordingly recognised revenue in accordance with Ind AS 115 as compared to earlier Percentage of Completion method as per the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable).

As these are the first set of the Company's standalone financial statements prepared in accordance with Ind AS 115, an explanation of how the transition to Ind AS 115 has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 23 to the financial statements.

The Company derives revenues primarily from sale of properties comprising of both commercial and residential units.

The Company recognises revenue when it determines the satisfaction of performance obligations at a point in time. Revenue is recognised upon transfer of control of promised products to customer in an amount that reflects the consideration which the Company expects to receive in exchange for those products.

In arrangements for sale of units the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering sale of units as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2019

### III Significant Accounting Policies (*Continued*)

#### e. Revenue Recognition (*Continued*)

For sale of units, the Company recognises revenue when its performance obligations are satisfied and customer obtains control of the asset.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract Liabilities is recognised when there is excess advance received from customer than revenue recognized.

Interest income is accounted on an accrual basis at effective interest rate.

Dividend income is recognised when the right to receive the same is established.

#### f. Income tax

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

##### *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent there is convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.



# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2019

### III Significant Accounting Policies (*Continued*)

#### f. Income tax (*Continued*)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

#### g. Borrowing Costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing.

Borrowing costs, pertaining to development of long term projects, are transferred to Construction work in progress, as part of the cost of the projects upto the time all the activities necessary to prepare these projects for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period which they are incurred.

#### h. Cash and Cash Equivalents

Cash and cash equivalents in the 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### i. Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax attributable to the equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2019

### III Significant Accounting Policies (*Continued*)

#### j) Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent liabilities are 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. However, the same are disclosed in the financial statements where an inflow of economic benefit is probable.

#### k. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

#### l. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

#### m. Change in significant accounting policies

The Company has applied Ind AS 115 Revenue from contracts with customers using the full retrospective approach (for all contracts other than completed contracts) i.e. by recognising the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of equity as at April 01, 2017. There is no impact on account of implementation of Ind AS 115 "Revenue from contracts with customers". Accordingly, the comparative information is not restated.

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Under Ind AS 115, with effect from April 01, 2017, revenue is recognised when a customer obtains control of the goods or services as compared to earlier percentage of completion method as per the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable).

As these are the first set of the Company's financial statements prepared in accordance with Ind AS 115, an explanation of how the transition to Ind AS 115 has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 22 to the financial statements.

# Godrej Realty Private Limited

## Balance Sheet

as at March 31, 2019

(Currency in INR Thousands)

| Particulars  | Note | As At<br>March 31, 2019 | As At<br>March 31, 2018 |
|--|------|-------------------------|-------------------------|
| <b>ASSETS</b>  |      |                         |                         |
| <b>Non-Current Assets</b>  |      |                         |                         |
| Property, Plant and Equipment  | 2    | 222.18                  | 222.18                  |
| Deferred Tax Assets (Net)  | 3    | -                       | -                       |
| Income Tax Assets (Net)  |      | 2,808.12                | 2,808.12                |
| <b>Total Non-Current Assets</b>  |      | <b>3,030.30</b>         | <b>3,030.30</b>         |
| <b>Current Assets</b>  |      |                         |                         |
| Inventories  | 4    | 79,677.67               | 79,677.67               |
| Financial Assets   |      |                         |                         |
| Cash and Cash Equivalents  | 5    | 24.11                   | 263.67                  |
| Other Current Assets   | 6    | 821.63                  | 662.53                  |
| <b>Total Current Assets</b>  |      | <b>80,523.41</b>        | <b>80,603.87</b>        |
| <b>TOTAL ASSETS</b>  |      | <b>83,553.71</b>        | <b>83,634.17</b>        |
| <b>EQUITY AND LIABILITIES</b>  |      |                         |                         |
| <b>EQUITY</b>  |      |                         |                         |
| Equity Share Capital   | 7    | 17,350.00               | 17,350.00               |
| Other Equity   |      | (6,925.52)              | 279.00                  |
| <b>Total Equity</b>  |      | <b>10,424.48</b>        | <b>17,629.00</b>        |
| <b>LIABILITIES</b>   |      |                         |                         |
| <b>Current Liabilities</b>   |      |                         |                         |
| Financial Liabilities  |      |                         |                         |
| Borrowings   | 8    | 72,258.06               | 65,421.64               |
| Trade Payables   |      |                         |                         |
| total outstanding dues of micro enterprises and small enterprises (Refer note          |      | -                       | -                       |
| total outstanding dues of Creditors other than micro enterprises and small enterprises |      | 815.41                  | 560.35                  |
| Other Current Financial Liabilities  | 9    | 1.20                    | 1.20                    |
| Other Current Liabilities  | 10   | 54.41                   | 21.83                   |
| Current Tax Liabilities (Net)  |      | 0.15                    | 0.15                    |
| <b>Total Current Liabilities</b>   |      | <b>73,129.23</b>        | <b>66,005.17</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      | <b>83,553.71</b>        | <b>83,634.17</b>        |

### Significant Accounting Policies

1

The accompanying notes 1 to 22 form an integral part of the Financial Statements.

As per our report of even date.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

Godrej Realty Private Limited

CIN: U70100MH2005PTC154268

**MANSI PARDIWALLA**

Partner

Membership No: 108511

Mumbai

April 27, 2019

**AMANDEEP SINGH**

Director

DIN: 07144214

Mumbai

April 27, 2019

**RABI KANT SHARMA**

Director

DIN: 06942339

# Godrej Realty Private Limited

## Statement of Profit and Loss

for the year ended March 31, 2019

(Currency in INR Thousands)

| Particulars  | Note | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|--|------|--------------------------------------|--------------------------------------|
| <b>INCOME</b>  |      |                                      |                                      |
| <b>EXPENSES</b>  |      |                                      |                                      |
| Change in Inventories of work in progress                          | 11   | -                                    | -                                    |
| Finance Costs  | 12   | 5,886.80                             | 5,287.63                             |
| Other Expenses   | 13   | 1,317.72                             | 934.60                               |
| <b>Total Expenses</b>  |      | <b>7,204.52</b>                      | <b>6,222.23</b>                      |
| <b>Loss Before Tax</b>   |      | <b>(7,204.52)</b>                    | <b>(6,222.23)</b>                    |
| <b>Tax Expense</b>   |      |                                      |                                      |
| Current Tax  | 3(b) | -                                    | -                                    |
| Deferred Tax   | 3(a) | -                                    | -                                    |
| <b>Total Tax Expense</b>   |      | <b>-</b>                             | <b>-</b>                             |
| <b>(Loss) for the Year</b>   |      | <b>(7,204.52)</b>                    | <b>(6,222.23)</b>                    |
| <b>Other Comprehensive Income</b>                                  |      |                                      |                                      |
| Items that will not be subsequently reclassified to profit or loss |      | -                                    | -                                    |
| <b>Other Comprehensive Income for the Year (Net of Tax)</b>        |      | <b>-</b>                             | <b>-</b>                             |
| <b>Total Comprehensive Income for the Year</b>                     |      | <b>(7,204.52)</b>                    | <b>(6,222.23)</b>                    |
| <b>Earnings Per Share (Amount in INR)</b>                          |      |                                      |                                      |
| Basic  | 14   | (4.15)                               | (3.59)                               |
| Diluted  | 14   | (4.15)                               | (3.59)                               |

### Significant Accounting Policies

1

The accompanying notes 1 to 22 form an integral part of the Financial Statements.

As per our report of even date.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

**Godrej Realty Private Limited**

**CIN: U70100MH2005PTC154268**

**MANSI PARDIWALLA**

Partner

Membership No: 108511

Mumbai

April 27, 2019

**AMANDEEP SINGH**

Director

DIN: 07144214

Mumbai

April 27, 2019

**RABI KANT SHARMA**

Director

DIN: 06942339

# Godrej Realty Private Limited

## Statement of Changes in Equity

for the year ended March 31, 2019

(Currency in INR Thousands)

### a) Equity Share Capital

| Particulars                                     | As At<br>March 31, 2019 | As At<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| Balance at the beginning of the year            | 17,350.00               | 17,350.00               |
| Changes in equity share capital during the year | -                       | -                       |
| Balance at the end of the year                  | <u>17,350.00</u>        | <u>17,350.00</u>        |

### b) Other Equity

| Particulars                  | Reserves and Surplus  |   |  | Total             |
|------------------------------|---|---|--|-------------------|
|                              | Equity component<br>of 1% Optionally<br>Convertible<br>debentures (Refer<br>note (c)) | Debenture<br>Redemption<br>Reserve<br>(Refer Note (a)<br>below) | Retained Earnings<br>(Refer Note (b)<br>below) |                   |
| Balance as at April 01, 2018 | 74,582.06   | 20,611.16   | (94,914.22)                                    | 279.00            |
| Total Comprehensive Income:  |   |   |  |                   |
| i) (Loss) for the year       | -   | -   | (7,204.52)                                     | (7,204.52)        |
| Balance as at March 31, 2019 | <u>74,582.06</u>  | <u>20,611.16</u>  | <u>(102,118.74)</u>                            | <u>(6,925.52)</u> |

| Particulars   | Reserves and Surplus  |   |  | Total         |
|---|---|---|--|---------------|
|   | Equity component<br>of 1% Optionally<br>Convertible<br>debentures (Refer<br>note (c)) | Debenture<br>Redemption<br>Reserve<br>(Refer Note (a)<br>below) | Retained Earnings<br>(Refer Note (b)<br>below) |               |
| Balance as at April 01, 2017                              | 66,140.78   | 20,611.16   | (88,691.99)                                    | (1,940.05)    |
| Total Comprehensive Income:                               |   |   |  |               |
| i) (Loss) for the year                                    | -   | -   | (6,222.23)                                     | (6,222.23)    |
| ii) Equity component of optionally convertible debentures | 8,441.28  | -   | -  | 8,441.28      |
| Balance as at March 31, 2018                              | <u>74,582.06</u>  | <u>20,611.16</u>  | <u>(94,914.22)</u>                             | <u>279.00</u> |

#### (a) Debenture Redemption Reserve

The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), requires the Company to create Debenture Redemption Reserve out of profits of the Company available for payment of dividend.

#### (b) Retained Earnings

Retained earnings are the (Loss) that the Company has earned till date, less any transfers to general reserve, debenture redemption reserve, dividends or other distributions paid to shareholders.

## Godrej Realty Private Limited

### Statement of Changes in Equity

for the year ended March 31, 2019

(Currency in INR Thousands)

## Godrej Realty Private Limited

### Statement of Changes in Equity (Continued)

for the year ended March 31, 2019

(Currency in INR Thousands)

#### (c) Equity Component of Compound Financial Instruments

The Company has issued Optionally convertible debentures ("OCD") . Such amounts received were classified as financial liability with reference to the terms and conditions attached with such debentures. Financial liability is recognised at fair value which represents the present value of all future cash receipts discounted using the prevailing market rate of interest for a similar instrument with a similar credit rating. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component.

The accompanying notes 1 to 22 form an integral part of the Financial Statements.

As per our Report of even date.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
**Godrej Realty Private Limited**

**CIN: U70100MH2005PTC154268**

**MANSI PARDIWALLA**

Partner

Membership No: 108511

Mumbai

April 27, 2019

**AMANDEEP SINGH**

Director

DIN: 07144214

Mumbai

April 27, 2019

**RABI KANT SHARMA**

Director

DIN: 06942339

# Godrej Realty Private Limited

## Statement of Cash Flows

for the year ended March 31, 2019

(Currency in INR Thousands)

| Particulars   | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| <b>Cash Flow from Operating Activities</b>                        |                                      |                                      |
| (Loss) before tax   | (7,204.52)                           | (6,222.23)                           |
| <b>Adjustments for:</b>   |                                      |                                      |
| Finance costs   | 5,886.80                             | 5,287.63                             |
| <b>Operating (Loss) before working capital changes</b>            | <b>(1,317.72)</b>                    | <b>(934.60)</b>                      |
| <b>Changes in Working Capital:</b>                                |                                      |                                      |
| Increase/(Decrease) in Non-financial Liabilities                  | 32.58                                | (115.30)                             |
| Increase / (Decrease) in Financial Liabilities                    | 255.06                               | (150.31)                             |
| (Increase) in Non-financial Assets                                | (159.12)                             | (44.43)                              |
|   | 128.52                               | (310.04)                             |
| Taxes Paid (net)  | -                                    | -                                    |
| <b>Net Cash Flows (used in) operating activities</b>              | <b>(1,189.20)</b>                    | <b>(1,244.64)</b>                    |
| <b>Cash Flow from Investing Activities</b>                        |                                      |                                      |
| <b>Net Cash Flows from investing activities</b>                   | <b>-</b>                             | <b>-</b>                             |
| <b>Cash Flow from financing activities</b>                        |                                      |                                      |
| Proceeds from short-term borrowings (net)                         | 1,096.30                             | 1,595.00                             |
| Interest paid   | (146.66)                             | (126.66)                             |
| <b>Net Cash Flows generated from financing activities</b>         | <b>949.64</b>                        | <b>1,468.34</b>                      |
| <b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>     | <b>(239.56)</b>                      | <b>223.70</b>                        |
| <b>Cash and Cash Equivalents - Opening Balance (Refer note 5)</b> | <b>263.67</b>                        | <b>39.97</b>                         |
| <b>Cash and Cash Equivalents - Closing Balance (Refer note 5)</b> | <b>24.11</b>                         | <b>263.67</b>                        |

### Notes :

(a) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) -7 "Statement of Cash Flows".

(b) Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes:

| Reconciliation of liabilities arising from financing activities |           |          |                     |                  |                         |
|---|-----------|----------|---------------------|------------------|-------------------------|
| Particular  | As at     | Changes  | Non Cash<br>Changes | Interest Accrued | As at March 31,<br>2019 |
| Short-term borrowings   | 65,421.64 | 1,096.30 | 5,032.69            | 707.42           | 72,258.06               |

  

| Reconciliation of liabilities arising from financing activities |                            |  |                     |                  |                         |
|---|----------------------------|--|---------------------|------------------|-------------------------|
| Particular  | As at<br>April 01,<br>2017 | Changes<br>Statement<br>of Cash<br>Flows | Non Cash<br>Changes | Interest Accrued | As at March 31,<br>2018 |
| Short-term borrowings   | 64,784.38                  | 1,595.00                                 | (4,420.26)          | 3,462.52         | 65,421.64               |

The accompanying notes 1 to 22 form an integral part of the Financial Statements.

As per our report of even date.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors of**

**Godrej Realty Private Limited**

**CIN: U70100MH2005PTC154268**

**MANSI PARDIWALLA**

Partner

Membership No: 108511

**AMANDEEP SINGH**

Director

DIN: 07144214

**RABI KANT SHARMA**

Director

DIN: 06942339

Mumbai

April 27, 2019

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (Continued)

as at March 31, 2019

(Currency in INR Thousands)

### 2 Property, Plant and Equipment

| Particulars                         | GROSS BLOCK             |                                 |                                  | ACCUMULATED DEPRECIATION   |                         |              |            | NET BLOCK                  |                            |                            |
|-------------------------------------|-------------------------|---------------------------------|----------------------------------|----------------------------|-------------------------|--------------|------------|----------------------------|----------------------------|----------------------------|
|                                     | As At<br>April 01, 2018 | Additions<br>during the<br>year | Deductions<br>during the<br>year | As at<br>March 31,<br>2019 | As at<br>April 01, 2018 | For the Year | Deductions | As at<br>March 31,<br>2019 | As at<br>March 31,<br>2019 | As at<br>March 31,<br>2018 |
| Freehold Land (Refer Note below)    | 222.18                  | -                               | -                                | 222.18                     | -                       | -            | -          | -                          | 222.18                     | 222.18                     |
| Total Property, Plant and Equipment | 222.18                  | -                               | -                                | 222.18                     | -                       | -            | -          | -                          | 222.18                     | 222.18                     |

| Particulars                                | GROSS BLOCK             |                                 |                                  | ACCUMULATED DEPRECIATION   |                         |              |            | NET BLOCK                  |                            |                            |
|--|-------------------------|---------------------------------|----------------------------------|----------------------------|-------------------------|--------------|------------|----------------------------|----------------------------|----------------------------|
|  | As At<br>April 01, 2017 | Additions<br>during the<br>year | Deductions<br>during the<br>year | As At<br>March 31,<br>2018 | As at<br>April 01, 2017 | For the Year | Deductions | As at<br>March 31,<br>2018 | As At<br>March 31,<br>2018 | As At<br>March 31,<br>2017 |
| Freehold Land (Refer Note below)           | 222.18                  | -                               | -                                | 222.18                     | -                       | -            | -          | -                          | 222.18                     | 222.18                     |
| <b>Total Property, Plant and Equipment</b> | 222.18                  | -                               | -                                | 222.18                     | -                       | -            | -          | -                          | 222.18                     | 222.18                     |

Note: 5,860,971, 1% secured optionally convertible debentures (Previous year 5,860,971, 1% secured optionally convertible debentures) of INR 10/- are secured to the extent of specific immovable asset of the Company disclosed above. (Refer Note 8)



# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

as at March 31, 2019

(Currency in INR Thousands)

### 3 Deferred Tax Assets and Tax Expense

#### a) Movement in Deferred Tax Balances

| Particulars                        | Balance as<br>at April 01,<br>2018 | Recognised in<br>Profit or Loss | Movement during the year<br>Recognised in<br>Other Equity | Recognised<br>in OCI | Others | Balance as at<br>March 31, 2019 |
|------------------------------------|------------------------------------|---------------------------------|---|----------------------|--------|---------------------------------|
| Deferred Tax Assets/ (Liabilities) | -                                  | -                               | -   | -                    | -      | -                               |
| Deferred Tax Assets/ (Liabilities) | -                                  | -                               | -   | -                    | -      | -                               |

| Particulars                        | Balance as<br>at April 01,<br>2017 | Recognised in<br>Profit or Loss | Movement during the year<br>Recognised in<br>Other Equity | Recognised<br>in OCI | Others | Balance as at<br>March 31, 2018 |
|------------------------------------|------------------------------------|---------------------------------|---|----------------------|--------|---------------------------------|
| Deferred Tax Assets/ (Liabilities) | -                                  | -                               | -   | -                    | -      | -                               |
| Deferred Tax Assets/ (Liabilities) | -                                  | -                               | -   | -                    | -      | -                               |

#### b) Amounts recognised in the statement of profit and loss

| Particulars                   | 31 March 2019 | 31 March 2018 |
|-------------------------------|---------------|---------------|
| Current Tax                   | -             | -             |
| Deferred Tax Charge/ (Credit) | -             | -             |
| Tax Expense for the year      | -             | -             |

#### c) Reconciliation of Effective Tax Rate

| Particulars                               | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| Loss Before Tax                           | (7,204.52)    | (6,222.23)    |
| Tax using the Company's domestic tax rate | 26.00%        | 25.75%        |
| Tax effect of:                            | (1,873.18)    | (1,602.22)    |
| Unrecognised Deferred Tax Asset           | 1,873.18      | 1,602.22      |
| Tax expense recognised                    | -             | -             |

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

as at March 31, 2019

(Currency in INR Thousands)

### 3 Deferred Tax Assets and Tax Expense (*Continued*)

#### d) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

| Particulars                   | March 31, 2019 |                         | March 31, 2018 |                         |
|-------------------------------|----------------|-------------------------|----------------|-------------------------|
|                               | Gross Loss     | Unrecognised tax effect | Gross Loss     | Unrecognised tax effect |
| Business losses               | 33,687.77      | 8,758.82                | 26,483.25      | 6,819.44                |
| Deferred Tax on freehold land | 287.74         | 74.81                   | 273.17         | 70.34                   |

#### e) Tax losses carried forward

| Particulars | March 31, 2019 |             | March 31, 2018 |             |
|-------------|----------------|-------------|----------------|-------------|
|             | Gross Loss     | Expiry date | Gross Loss     | Expiry date |
| Expire      | 17.45          | 2022-23     | 17.45          | 2022-23     |
|             | 1,043.06       | 2024-25     | 1,043.06       | 2024-25     |
|             | 19,200.51      | 2025-26     | 19,200.51      | 2025-26     |
|             | 6,222.22       | 2026-27     | 6,222.22       | 2026-27     |
|             | 7204.52        | 2027-28     | -              | -           |

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

as at March 31, 2019

(Currency in INR Thousands)

| Particulars   | March 31, 2019   | March 31, 2018   |
|---|------------------|------------------|
| <b>4 Inventories (Valued at lower of Cost and Net Realisable Value)</b> |                  |                  |
| Construction Work in Progress   | 79,677.67        | 79,677.67        |
|   | <u>79,677.67</u> | <u>79,677.67</u> |
| <b>5 Cash and Cash Equivalents</b>                                      |                  |                  |
| <b>Balances With Banks</b>  |                  |                  |
| In Current Accounts   | 24.09            | 263.65           |
| Cash On Hand  | 0.02             | 0.02             |
|   | <u>24.11</u>     | <u>263.67</u>    |
| <b>6 Other Current Non Financial Assets</b>                             |                  |                  |
| <b>Unsecured, Considered Good</b>                                       |                  |                  |
| <i>To parties other than related parties</i>                            |                  |                  |
| Balances with Government Authorities                                    | 821.63           | 662.53           |
|   | <u>821.63</u>    | <u>662.53</u>    |

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (Continued)

as at March 31, 2019

(Currency in INR Thousands)

| Particulars  | March 31, 2019   | March 31, 2018   |
|--|------------------|------------------|
| <b>7 Equity Share Capital</b>  |                  |                  |
| <b>a) Authorised :</b>   |                  |                  |
| 1,750,000 Equity Shares of INR 10/- each (Previous Year: 1,750,000 Equity Share of INR 10/- each)                              | 17,500.00        | 17,500.00        |
|  | <u>17,500.00</u> | <u>17,500.00</u> |
| <b>b) Issued, Subscribed and Paid-Up:</b>  |                  |                  |
| 1,735,000 Equity Shares of INR 10/- each fully paid-up (Previous Year: 1,735,000 Equity Shares of INR 10/- each fully paid-up) | 17,350.00        | 17,350.00        |
|  | <u>17,350.00</u> | <u>17,350.00</u> |

**c) Reconciliation of number of shares outstanding at the beginning and end of the year :**

| Equity Shares :                          | March 31, 2019 |                    | March 31, 2018 |                    |
|--|----------------|--------------------|----------------|--------------------|
|  | No. of Shares  | INR (In Thousands) | No. of Shares  | INR (In Thousands) |
| Outstanding at the beginning of the year | 1,735,000      | 17,350.00          | 1,735,000      | 17,350.00          |
| Issued during the year                   | -              | -                  | -              | -                  |
| Outstanding at the end of the year       | 1,735,000      | 17,350.00          | 1,735,000      | 17,350.00          |

**d) Shareholding Information**

The Company is a Joint Venture and hence shareholding information with respect to holding company or its ultimate holding company and subsidiaries and associates thereto is not applicable.

**e) Rights, preferences and restrictions attached to Equity shares**

The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting except in case of interim dividend. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**f) Shareholders holding more than 5% shares in the Company:**

| Particulars                          | March 31, 2019 |     | March 31, 2018 |     |
|--------------------------------------|----------------|-----|----------------|-----|
|                                      | No. of Shares  | %   | No. of Shares  | %   |
| <b>Equity shares</b>                 |                |     |                |     |
| Godrej Properties Limited            | 884,850        | 51% | 884,850        | 51% |
| HDFC Venture Trustee Company Limited | 850,150        | 49% | 850,150        | 49% |

**g) Shares reserved for Optionally Convertible Debentures:**

**For 1% Optionally Convertible Debentures (OCD):**

The optionally convertible debentures (OCDs) shall be converted into equity shares being allotted at par and credited as fully paid up.

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

as at March 31, 2019

(Currency in INR Thousands)

| Particulars  | March 31, 2019   | March 31, 2018   |
|--|------------------|------------------|
| <b>8 Borrowings (Current)</b>  |                  |                  |
| <b>Secured Loans</b>   |                  |                  |
| Secured Debentures (Refer Note (a) below)  | 61,987.25        | 57,039.52        |
| <b>Unsecured Loans</b>   |                  |                  |
| Loan from Related party (Refer Note (b) and (c) below)   | 10,270.81        | 8,382.12         |
|  | <b>72,258.06</b> | <b>65,421.64</b> |
| <p>(a) 5,860,971, 1% Secured Optionally Convertible Debentures of INR 10/- each are redeemable on 10th April, 2019. However, these debentures may be redeemed or converted into equity shares at par with mutual consent of the Board of Directors of both the debenture holders (i.e. Godrej Properties Limited HDFC Venture Trustee Company Limited) and by giving 7 days notice to the Company. Debentures are secured to the extent of specific immovable asset of the Company disclosed under the head "Property, Plant and Equipment". (Refer Note 2)</p> <p>(b) Unsecured loan is taken from a Related party bearing interest rate at the rate of 10% p.a. (Previous Year 10% p.a.) and is repayable on demand.</p> <p>(c) The outstanding interest on borrowings as at every year-end is converted into loan as on first day of the next financial year.</p> |                  |                  |
| <b>9 Other Current Financial Liabilities</b>   |                  |                  |
| Payable for Expenses   | 1.20             | 1.20             |
|  | <b>1.20</b>      | <b>1.20</b>      |
| <b>10 Other Current Liabilities</b>  |                  |                  |
| Statutory Dues   | 54.41            | 21.83            |
|  | <b>54.41</b>     | <b>21.83</b>     |

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2019

(Currency in INR Thousands)

| Particulars   | March 31, 2019   | March 31, 2018   |
|---|------------------|------------------|
| <b>11 Change in Inventories of work in progress</b> |                  |                  |
| <b>Inventories at the beginning of the year</b>     |                  |                  |
| Construction Work-in-Progress                       | 79,677.67        | 79,677.67        |
|   | <u>79,677.67</u> | <u>79,677.67</u> |
| <b>Inventories at the end of the year</b>           |                  |                  |
| Construction Work-in-Progress                       | 79,677.67        | 79,677.67        |
|   | <u>79,677.67</u> | <u>79,677.67</u> |
|   | <u>-</u>         | <u>-</u>         |
| <b>12 Finance Costs</b>                             |                  |                  |
| Interest Expense                                    | 5,886.80         | 5,287.63         |
|   | <u>5,886.80</u>  | <u>5,287.63</u>  |
| <b>13 Other Expenses</b>                            |                  |                  |
| Consultancy Charges                                 | 105.10           | 40.20            |
| Rates and Taxes                                     | 92.40            | -                |
| Payment to Auditors (Refer note 18)                 | 108.94           | 93.58            |
| Other Expenses                                      | 1,011.28         | 800.82           |
|   | <u>1,317.72</u>  | <u>934.60</u>    |

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2019

(Currency in INR Thousands)

| Particulars |  |                       |                       |
|-------------|--|-----------------------|-----------------------|
| <b>14</b>   | <b>Earnings Per Share</b>  | <b>March 31, 2019</b> | <b>March 31, 2018</b> |
| <b>a)</b>   | <b>Basic Earnings Per Share</b>  |                       |                       |
|             | The calculation of basic earnings per share is based on the (loss) attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.   |                       |                       |
| <b>(i)</b>  | <b>(Loss) attributable to ordinary shareholders (basic)</b>  |                       |                       |
|             | (Loss) for the year, attributable to ordinary shareholders of the Company  | (7,204.52)            | (6,222.23)            |
|             |  | <u>(7,204.52)</u>     | <u>(6,222.23)</u>     |
| <b>(ii)</b> | <b>Weighted average number of ordinary shares (basic and diluted)</b>  |                       |                       |
|             | Weighted Average number of Equity Shares at the beginning of the year  | 1,735,000             | 1,735,000             |
|             |  | <u>1,735,000</u>      | <u>1,735,000</u>      |
|             | <b>Basic and diluted Earnings Per Share (INR)</b>  | <b>(4.15)</b>         | <b>(3.59)</b>         |
| <b>b)</b>   | <b>Diluted Earnings Per Share</b>  |                       |                       |
|             | The Optionally Convertible Debenture may be redeemed or converted into equity shares as computed as on the date of conversion and other terms and conditions of the shareholders agreement. In view of the same, the dilutive shares cannot be computed as the conversion ratio is not available as at the balance sheet date. |                       |                       |

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2019

(Currency in INR Thousands)

### 15 Financial instruments – Fair values and risk management

#### a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| March 31, 2019                      | Carrying amount                         |                   | Total     | Level 1 | Fair value |         | Total     |
|-------------------------------------|---|-------------------|-----------|---------|------------|---------|-----------|
|                                     | Fair value<br>through profit<br>or loss | Amortised<br>Cost |           |         | Level 2    | Level 3 |           |
| <b>Financial Assets</b>             |   |                   |           |         |            |         |           |
| <b>Current</b>                      |   |                   |           |         |            |         |           |
| Cash and cash equivalents           | -                                       | 24.11             | 24.11     | -       | -          | -       | -         |
|                                     | -                                       | 24.11             | 24.11     | -       | -          | -       | -         |
| <b>Financial Liabilities</b>        |   |                   |           |         |            |         |           |
| <b>Current</b>                      |   |                   |           |         |            |         |           |
| Borrowings                          | 61,987.25                               | 10,270.81         | 72,258.06 | -       | 61,987.25  | -       | 61,987.25 |
| Trade Payables                      | -                                       | 815.41            | 815.41    | -       | -          | -       | -         |
| Other Current Financial Liabilities | -                                       | 1.20              | 1.20      | -       | -          | -       | -         |
|                                     | 61,987.25                               | 11,087.42         | 73,074.67 | -       | 61,987.25  | -       | 61,987.25 |

| March 31, 2018                      | Carrying amount                         |                   | Total     | Level 1 | Fair value |         | Total     |
|-------------------------------------|---|-------------------|-----------|---------|------------|---------|-----------|
|                                     | Fair value<br>through profit<br>or loss | Amortised<br>Cost |           |         | Level 2    | Level 3 |           |
| <b>Financial Assets</b>             |   |                   |           |         |            |         |           |
| <b>Current</b>                      |   |                   |           |         |            |         |           |
| Cash and cash equivalents           | -                                       | 263.67            | 263.67    | -       | -          | -       | -         |
|                                     | -                                       | 263.67            | 263.67    | -       | -          | -       | -         |
| <b>Financial Liabilities</b>        |   |                   |           |         |            |         |           |
| <b>Current</b>                      |   |                   |           |         |            |         |           |
| Borrowings                          | 57,039.52                               | 8,382.12          | 65,421.64 | -       | 57,039.52  | -       | 57,039.52 |
| Trade Payables                      | -                                       | 560.35            | 560.35    | -       | -          | -       | -         |
| Other Current Financial Liabilities | -                                       | 1.20              | 1.20      | -       | -          | -       | -         |
|                                     | 57,039.52                               | 8,943.67          | 65,983.19 | -       | 57,039.52  | -       | 57,039.52 |



# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2019

(Currency in INR Thousands)

### **b) Measurement of Fair Value**

- (i) The Company does not have any financial Assets which are measured at fair value.
- (ii) The Company uses the Discounted Cash Flow valuation technique (in relation to borrowings measured at amortised cost and fair value through profit or loss) which involves determination of present value of expected receipt/ payment discounted using appropriate discounting rates. The fair value so determined are classified as Level 2.

### **c) Risk Management Framework**

The Company's Board of Directors have overall responsibility for establishment and oversight of the Company's risk management framework. The Company follows the Godrej Properties Limited's (Co-venturer) risk management policies to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The management monitors compliance of risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The management is assisted in its oversight role by Godrej Properties Limited's (Co-venturer) internal audit team. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the management.

### **d) Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit Risk
- (ii) Liquidity Risk
- (iii) Market Risk.

## Godrej Realty Private Limited

### Notes Forming Part of Financial Statements (*Continued*)

*for the year ended March 31, 2019*

(Currency in INR Thousands)

#### **15 Financial instruments – Fair values and risk management (*Continued*)**

##### **d) Financial risk management (*Continued*)**

##### **(i) Credit risk**

The carrying amount of financial assets represents the maximum credit exposure.

##### **Trade Receivables**

The Company does not have any credit risk on trade receivables and other receivables as at March 31, 2019.

The Company has not launched its project and hence there are no customers.

##### **Cash and Bank balances**

Credit risk from cash and bank balances is managed by the Company's treasury department in accordance with the Company's policy.

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2019

(Currency in INR Thousands)

### 15 Financial instruments – Fair values and risk management (*Continued*)

#### d) Financial risk management (*Continued*)

##### (ii) 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, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date:

| March 31, 2019                      | Carrying Amount | Total     | Contractual cash flows<br>Within 12 months | 1-2 years | 2-5 years | More than 5 years |
|-------------------------------------|-----------------|-----------|--|-----------|-----------|-------------------|
| <b>Financial Liabilities</b>        |                 |           |  |           |           |                   |
| <b>Current</b>                      |                 |           |  |           |           |                   |
| Borrowings                          | 72,258.06       | 72,258.06 | 72,258.06                                  | -         | -         | -                 |
| Trade Payables                      | 815.41          | 815.41    | 815.41                                     | -         | -         | -                 |
| Other Current Financial Liabilities | 1.20            | 1.20      | 1.20                                       | -         | -         | -                 |

| March 31, 2018                      | Carrying Amount | Total     | Contractual cash flows<br>Within 12 months | 1-2 years | 2-5 years | More than 5 years |
|-------------------------------------|-----------------|-----------|--|-----------|-----------|-------------------|
| <b>Financial Liabilities</b>        |                 |           |  |           |           |                   |
| <b>Current</b>                      |                 |           |  |           |           |                   |
| Borrowings                          | 65,421.64       | 65,421.64 | 8,382.12                                   | 57,039.52 | -         | -                 |
| Trade Payables                      | 560.35          | 560.35    | 560.35                                     | -         | -         | -                 |
| Other Current Financial Liabilities | 1.20            | 1.20      | 1.20                                       | -         | -         | -                 |

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2019

(Currency in INR Thousands)

### 15 Financial instruments – Fair values and risk management (*Continued*)

#### d) Financial risk management (*Continued*)

##### (iii) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rate and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### a) Currency Risk

Currency risk is not material, as the Company's primary business activities are within India and does not have significant exposure in foreign currency.

##### b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any significant risk as it is having exposure to fixed Interest rate debentures only.

### 16 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company monitors capital using a ratio of 'Net Debt to Equity'. For this purpose, net debt is defined as total borrowings (Interest accrued) less cash and bank balances .

The Company's net debt to equity ratio is as follows:

| Particulars                     | March 31, 2019 | March 31, 2018 |
|---------------------------------|----------------|----------------|
| Net debt                        | 72,233.95      | 65,157.97      |
| Total equity                    | 10,424.48      | 17,629.00      |
| <b>Net debt to Equity ratio</b> | <b>6.93</b>    | <b>3.70</b>    |

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2019

(Currency in INR Thousands)

### 17 Contingent Liabilities and Commitments

#### a) Contingent Liabilities

| Matters  | March 31, 2019 | March 31, 2018 |
|--|----------------|----------------|
| Claims against Company not Acknowledged as debts | Nil            | Nil            |

#### b) Commitments

| Particulars        | March 31, 2019 | March 31, 2018 |
|--------------------|----------------|----------------|
| Capital Commitment | Nil            | Nil            |

### 18 Payment to Auditors (net of taxes)

| Particulars               | March 31, 2019 | March 31, 2018 |
|---------------------------|----------------|----------------|
| Statutory Audit Fees      | 100.00         | 93.58          |
| Reimbursement of Expenses | 8.94           | -              |
| <b>Total</b>              | <b>108.94</b>  | <b>93.58</b>   |

### 19 Segment Reporting

#### A. Basis of Segmentation

##### Factors used to identify the entity's reportable segments, including the basis of organisation

For management purposes, the Company has only one reportable segments namely, Development of real estate property.

#### B. Geographical Information

The geographic information analyses the Company's revenue and Non-Current Assets by the Company's country of domicile and other countries. As the Company is engaged in Development of Real Estate property in India, it has only one reportable geographical segment.

#### C. Information about major customers

The Company has not launched its project and hence there are no customers.

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2019

(Currency in INR Thousands)

- 21** Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There are no amounts outstanding towards principal and interest as on March 31, 2019 and March 31, 2018 under the Micro, Small and Medium Enterprises Development Act,
- 22** As there is no accounting impact on account of implementation of IND AS 115 "Revenue from contracts with customers", the Company has not restated its opening reserves and thereby three years financials have not been presented

As per our report of even date.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors of  
Godrej Realty Private Limited**

**CIN: U70100MH2005PTC154268**

**MANSI PARDIWALLA**

*Partner*

Membership No: 108511

Mumbai

April 27, 2019

**AMANDEEP SINGH**

*Director*

DIN: 07144214

Mumbai

April 27, 2019

**RABI KANT SHARMA**

*Director*

DIN: 06942339

# Godrej Realty Private Limited

## Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2019

(Currency in INR Thousands)

### 20 Related Party Disclosures

**List of Related party as required by Ind AS - 24, "Related Party Disclosures", are given below:**

#### 1. Relationships:

##### (i) Co-Venturers

- (i) Godrej Properties Limited (GPL) holds 51% (Previous Year 51%) of the share capital in the Company.
- (ii) HDFC Venture Trustee Company Limited (HVTCL) holds 49% (Previous Year 49%)

##### (ii) Key Management Personnel

- (i) Amandeep Singh, Director
- (ii) Naresh Nadkarni, Director

**2. The following transactions were carried out with the related parties in the ordinary course of business.**

| <b>Nature of Transaction</b>                           | <b>GPL</b>       | <b>HVTCL</b>     | <b>Total</b>     |
|--|------------------|------------------|------------------|
| <b>Transactions during the Year</b>                    |                  |                  |                  |
| Interest on Debenture                                  |                  |                  |                  |
| Current Year   | <b>2,553.24</b>  | <b>2,453.11</b>  | <b>5,006.35</b>  |
| <i>Previous Year</i>                                   | <i>2,349.63</i>  | <i>2,257.49</i>  | <i>4,607.12</i>  |
| Interest on Borrowing                                  |                  |                  |                  |
| Current Year   | <b>880.44</b>    | -                | <b>880.44</b>    |
| <i>Previous Year</i>                                   | <i>680.50</i>    | -                | <i>680.50</i>    |
| Loan Obtained  |                  |                  |                  |
| Current Year   | <b>1,096.30</b>  | -                | <b>1,096.30</b>  |
| <i>Previous Year</i>                                   | <i>1,595.00</i>  | -                | <i>1,595.00</i>  |
| <b><u>Balance Outstanding as on March 31, 2019</u></b> |                  |                  |                  |
| Amount Payables  |                  |                  |                  |
| Current Year   | <b>9,478.41</b>  | -                | <b>9,478.41</b>  |
| <i>Previous Year</i>                                   | <i>7,769.66</i>  | -                | <i>7,769.66</i>  |
| Interest Accrued                                       |                  |                  |                  |
| Current Year   | <b>792.40</b>    | -                | <b>792.40</b>    |
| <i>Previous Year</i>                                   | <i>612.45</i>    | -                | <i>612.45</i>    |
| Debenture Outstanding                                  |                  |                  |                  |
| Current Year   | <b>29,890.95</b> | <b>28,718.76</b> | <b>58,609.71</b> |
| <i>Previous Year</i>                                   | <i>29,890.95</i> | <i>28,718.76</i> | <i>58,609.71</i> |
| Debenture Interest Outstanding                         |                  |                  |                  |
| Current Year   | <b>1,689.22</b>  | <b>1,688.32</b>  | <b>3,377.54</b>  |
| <i>Previous Year</i>                                   | <i>834.12</i>    | <i>736.07</i>    | <i>1,570.19</i>  |