

**Godrej Skyline Developers Private Limited**

Ind AS financial statements  
together with the  
Independent Auditors' Report  
for the year ended 31 March 2018

# Godrej Skyline Developers Private Limited

## **Ind AS financial statements together with Independent Auditors' Report** *for the year ended 31 March 2018*

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# B S R & Co. LLP

Chartered Accountants

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## Independent Auditors' Report

### To the Members of Godrej Skyline Developers Private Limited

#### Report on the audit of the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of Godrej Skyline Developers Private Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and summary of the significant accounting policies and other explanatory information (collectively referred to as 'the Ind AS financial statements').

#### Management's responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditors' responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

B S R & Co is a partnership firm with  
Registration No. BA61223) converted into  
B S R & Co. LLP (a Limited Liability Partnership  
with LLP Registration No. AAB-8181)  
with effect from October 14, 2013

Registered Office:  
5th Floor, Lodha Excelus  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011, India



## **Independent Auditors' Report (Continued)**

### **Godrej Skyline Developers Private Limited**

#### **Auditors' responsibility (Continued)**

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### **Other Matters**

The comparative financial statements of the Company as at and for the year ended 31 March 2017 included in these Ind AS financial statements, are based on the previously issued Ind AS financial statements prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and audited by Kalyaniwalla & Mistry LLP for the year ended 31 March 2017 whose report dated 3 May 2017 expressed an unmodified opinion on those financial statements. Our opinion is not modified in respect of this matter.

#### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this report are in agreement with the books of account;



**Independent Auditors' Report (Continued)**  
**Godrej Skyline Developers Private Limited**

**Report on other legal and regulatory requirements (Continued)**

- (d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
- (e) on the basis of written representations received from the directors as on 31 March 2018, and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2018, from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company does not have any pending litigation which would impact its financial position;
  - ii. the Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
  - iv. the disclosures requirement as envisaged in Notification G.S.R. 308 (E) dated March 30, 2017 is not applicable to the Company - Refer Note 19 to the Ind AS financial statements.

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

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



**Mansi Pardiwalla**  
*Partner*

Membership No: 108511

Mumbai  
2 May 2018

## Godrej Skyline Developers Private Limited

### Annexure A to the Independent Auditors' Report – 31 March 2018

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2018, we report the following:

- (i) The Company neither owns any property, plant and equipment nor has purchased any property, plant and equipment during the year. Accordingly, paragraph 3 (i) (a), (b) and (c) of the Order are not applicable to the Company.
- (ii) The inventory comprising of construction work-in-progress has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No discrepancies were noticed on verification between the physical stocks and the book records.
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register required to be maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted any loan or made any investment or given any guarantee or security during the year to the parties covered under Sections 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) In our opinion, and according to the information and explanations given to us, the maintenance of cost records under sub-section 1 of Section 148 of the Act is not applicable to the Company, under the Companies (Cost Records and Audit) Rules, 2014.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income tax, Service tax, Goods and Service tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident fund, Employees' State Insurance, Sales tax, Value added tax, Profession tax, Duty of excise and Duty of customs.  

According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Service tax, Goods and Service tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Service tax, Goods and Service tax, and Income tax which have not been deposited with the appropriate authorities on account of any dispute.

## Godrej Skyline Developers Private Limited

### Annexure A to the Independent Auditors' Report – 31 March 2018 (Continued)

- (viii) According to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to debenture holders. The Company does not have any loans or borrowings from banks or financial institution or government during the year.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a public company. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as specified in Nidhi Rules, 2014. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. Further the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, paragraph 3 (xiii) of the Order is not applicable to the Company.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment of equity shares and preference shares and private placement of fully paid optionally convertible debentures during the year in compliance with the requirements of Section 42 of the Act. The amount raised has been fully used for the purpose for which the funds were raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.



## Godrej Skyline Developers Private Limited

### Annexure A to the Independent Auditors' Report – 31 March 2018 (Continued)

- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No : 101248W/W-100022



**Mansi Pardiwalla**  
*Partner*  
Membership No: 108511

Mumbai  
2 May 2018



# Godrej Skyline Developers Private Limited

## Annexure B to the Independent Auditors' Report – 31 March 2018

(Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of Godrej Skyline Developers Private Limited (“the Company”) as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



## Godrej Skyline Developers Private Limited

### Annexure B to the Independent Auditors' Report – 31 March 2018 (Continued)

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B S R & Co. LLP  
Chartered Accountants

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



**Mansi Pardiwalla**  
Partner

Membership No: 108511

Mumbai  
2 May 2018

# Godrej Skyline Developers Private Limited

## Balance Sheet

as at March 31, 2018

(Currency In INR Lakhs)

	<i>Note</i>	As At March 31, 2018	As At March 31, 2017
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Deferred Tax Assets (Net)	2	15.79	-
<b>Total Non-Current Assets</b>		<u>15.79</u>	<u>-</u>
<b>Current Assets</b>			
Inventories	3	28,431.48	-
Financial Assets			
Cash and Cash Equivalents	4	1.09	0.09
Other Current Non-Financial Assets	5	594.57	-
<b>Total Current Assets</b>		<u>29,027.14</u>	<u>0.09</u>
<b>TOTAL ASSETS</b>		<u>29,042.93</u>	<u>0.09</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	6	99.92	0.10
Other Equity	7	(45.97)	(0.51)
<b>Total Equity</b>		<u>53.95</u>	<u>(0.41)</u>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	8	5,000.00	-
<b>Total Non-Current Liabilities</b>		<u>5,000.00</u>	<u>-</u>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	9	22,989.63	-
Trade Payables	10	965.38	0.45
Other Current Non-Financial Liabilities	11	33.97	0.05
<b>Total Current Liabilities</b>		<u>23,988.98</u>	<u>0.50</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>29,042.93</u>	<u>0.09</u>
<b>Significant Accounting Policies</b>	1		

The accompanying notes 1 to 26 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



MANSI PARDIWALLA

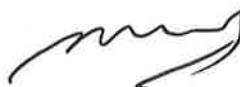
PARTNER

Membership No: 108511

Mumbai

May 02, 2018

For and on behalf of the Board of Directors of  
Godrej Skyline Developers Private Limited



NEERAJ GUPTA

DIRECTOR

DIN: 00007208

Mumbai

May 02, 2018



AMANDEEP SINGH

DIRECTOR

DIN: 07144214

# Godrej Skyline Developers Private Limited

## Statement of Profit and Loss

for the year ended March 31, 2018

(Currency In INR Lakhs)

	<i>Note</i>	For the year ended March 31, 2018	For the period from November 22, 2016 to March 31, 2017
<b>INCOME</b>			
Other Income	12	25.22	-
<b>Total Income</b>		<u>25.22</u>	<u>-</u>
<b>EXPENSES</b>			
Cost of Sales	13	-	-
Finance Costs	14	25.23	-
Other Expenses	15	61.22	0.51
<b>Total Expenses</b>		<u>86.45</u>	<u>0.51</u>
<b>(Loss) Before Tax</b>		<b>(61.23)</b>	<b>(0.51)</b>
<b>Tax Expense</b>			
Current Tax	2(b)	-	-
Deferred Tax (Credit)	2(a)	(15.77)	-
<b>Total Tax Expenses</b>		<u>(15.77)</u>	<u>-</u>
<b>(Loss) for the Year / Period</b>		<b>(45.46)</b>	<b>(0.51)</b>
Other Comprehensive Income for the year / period (Net of Tax)		-	-
<b>Total Comprehensive Income for the Year / Period</b>		<u>(45.46)</u>	<u>(0.51)</u>
<b>Earnings Per Equity Share (Amount in INR)</b>			
Basic and diluted	16	<u>(9.58)</u>	<u>(51.20)</u>
<b>Significant Accounting Policies</b>	1		

The accompanying notes 1 to 26 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



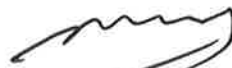
MANSI PARDIWALLA

PARTNER

Membership No: 108511

Mumbai

May 02, 2018



NEERAJ GUPTA

DIRECTOR

DIN: 00007208

Mumbai

May 02, 2018

For and on behalf of the Board of Directors of  
Godrej Skyline Developers Private Limited



AMANDEEP SINGH

DIRECTOR

DIN: 07144214

# Godrej Skyline Developers Private Limited

## Statement of Changes in Equity

for the year ended March 31, 2018

(Currency In INR Lakhs)

### a) Equity Share Capital

Particulars	For the year ended March 31, 2018	For the period from November 22, 2016 to March 31, 2017
Balance at the beginning of the year / period	0.10	-
Changes in equity share capital during the year / period	99.82	0.10
Balance at the end of the year / period	99.92	0.10

### b) Other Equity

Particulars	Reserves and Surplus Retained Earnings	Total
Balance as at November 22, 2016	-	-
Total Comprehensive Income:		
i) (Loss) for the period	(0.51)	(0.51)
Balance as at March 31, 2017	(0.51)	(0.51)
Total Comprehensive Income:		
i) (Loss) for the Year	(45.46)	(45.46)
Balance as at March 31, 2018	(45.97)	(45.97)

The accompanying notes 1 to 26 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

MANSI PARDIWALLA

PARTNER

Membership No: 108511

Mumbai  
May 02, 2018

For and on behalf of the Board of Directors of  
Godrej Skyline Developers Private Limited

NEERAL GUPTA

DIRECTOR

DIN: 00007208

Mumbai  
May 02, 2018

AMANDEEP SINGH

DIRECTOR

DIN: 07144214

## Godrej Skyline Developers Private Limited

### Statement of Cash Flows

for the year ended March 31, 2018

(Currency In INR Lakhs)

	For the year ended March 31, 2018	For the period from November 22, 2016 to March 31, 2017
<b>Cash Flow from Operating Activities</b>		
(Loss) before Taxation	(61.23)	(0.51)
<b>Adjustment for:</b>		
Finance Costs	25.23	-
Income from Sale of Investments	(25.22)	-
<b>Operating (Loss) before working capital changes</b>	<b>(61.22)</b>	<b>(0.51)</b>
<b>Changes in Working Capital :</b>		
Increase in Non-Financial Liabilities	33.92	0.05
Increase in Financial Liabilities	964.93	0.45
(Increase) in Inventories	(27,265.71)	-
(Increase) in Non-Financial Assets	(594.57)	-
<b>Net Cash Flows (used in) Operating activities</b>	<b>(26,922.65)</b>	<b>(0.01)</b>
<b>Cash Flow from Investing Activities</b>		
Proceeds from Sale of Investments in Mutual Funds (Net)	25.22	-
<b>Net Cash Flows generated from Investing Activities</b>	<b>25.22</b>	<b>-</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Issue of Equity Share Capital (net of issue expenses)	99.80	0.10
Proceeds from Issue of Preference Shares	5,000.00	-
Proceeds from Issue of Debentures	19,600.00	-
Proceeds from Short Term Borrowings	2,280.97	-
Interest Paid	(82.34)	-
<b>Net Cash Flows generated from Financing Activities</b>	<b>26,898.43</b>	<b>0.10</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>1.00</b>	<b>0.09</b>
<b>Cash and Cash Equivalents - Opening Balance</b>	<b>0.09</b>	<b>-</b>
<b>Cash and Cash Equivalents - Closing Balance</b>	<b>1.09</b>	<b>0.09</b>

#### Notes :

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

2. Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes:

Particulars	Reconciliation of liabilities arising from financing activities			As At March 31, 2018
	As At April 01, 2017	Changes as per Cash Flow Statement	Non Cash Changes	
Long-term borrowings	-	5,000.00	-	5,000.00
Short-term borrowings	-	21,880.97	-	21,880.97

The accompanying notes 1 to 26 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 Skyline Developers Private Limited



**MANSI PARDIWALLA**  
PARTNER  
Membership No: 108511

Mumbai  
May 02, 2018



**NEERAJ GUPTA**  
DIRECTOR  
DIN: 00007208

Mumbai  
May 02, 2018



**AMANDEEP SINGH**  
DIRECTOR  
DIN: 07144214

# Godrej Skyline Developers Private Limited

## Notes Forming Part of Financial Statements

for the year ended March 31, 2018

(Currency in INR Lakhs)

### Note 1

#### I. Company Overview

Godrej Skyline Developers Private Limited ("the Company") having CIN U45309MH2016PTC287858, is engaged primarily in the business of real estate construction, development and other related activities. The Company is a private limited Company incorporated and 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 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, 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, 2018 were approved by the Board of Directors and authorised for issue on May 02, 2018.

##### 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.





# Godrej Skyline Developers Private Limited

## Notes Forming Part Of Financial Statements (Continued)

for the year ended March 31, 2018

(Currency in INR Lakhs)

### Note 1 (Continued)

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

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

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:

- *Evaluation of percentage completion for the purpose of revenue recognition*

Determination of revenue under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, 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 effect of changes, if any, to estimates is recognised in the standalone financial statements for the period in which such changes are determined.

- *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.

- *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.

### d) Standards issued but not yet effective

Ind AS 115 - Revenue from Contracts with Customer (the new revenue recognition standard) has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and will be effective from April 01, 2018. Hence, from April 01, 2018, revenue recognition of the Company shall be driven by this standard.





# Godrej Skyline Developers Private Limited

## Notes Forming Part Of Financial Statements (Continued)

for the year ended March 31, 2018

(Currency in INR Lakhs)

### Note 1 (Continued)

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

### d) Standards issued but not yet effective (Continued)

IND AS 115 provides guidance on how the entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This accounting change will bring about significant changes in the way companies recognise, present and disclose their revenue.

The Company is currently evaluating the effect of this standard.

### e) 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.

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.



# Godrej Skyline Developers Private Limited

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

for the year ended March 31, 2018

(Currency in INR Lakhs)

### Note 1 (*Continued*)

## III Significant Accounting Policies

### a. 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

##### 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 (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Standalone statement of profit and loss. The losses arising from impairment are recognised in the Standalone statement of profit and loss.



# Godrej Skyline Developers Private Limited

## Notes Forming Part Of Financial Statements (Continued)

for the year ended March 31, 2018

(Currency in INR Lakhs)

### Note 1 (Continued)

#### III Significant Accounting Policies (Continued)

##### a. Financial instruments (Continued)

###### I. Financial Assets (Continued)

###### 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.

###### 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, deposits, 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.



# Godrej Skyline Developers Private Limited

## Notes Forming Part Of Financial Statements (Continued)

for the year ended March 31, 2018

(Currency in INR Lakhs)

### Note 1 (Continued)

#### III Significant Accounting Policies (Continued)

##### a. Financial instruments (Continued)

###### II. Financial Liabilities (Continued)

###### 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.

###### Offsetting of financial instruments

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

###### III Share Capital

###### Ordinary equity shares

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

##### b. Inventories

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

Construction Work-in-Progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the Company.

##### c. Revenue Recognition

The Company is following the "Percentage of Completion Method" of accounting. As per this method, revenue from sale of properties is recognised in Statement of Profit and Loss in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Company on transfer of significant risk and rewards to the buyer.



# Godrej Skyline Developers Private Limited

## Notes Forming Part Of Financial Statements (Continued)

for the year ended March 31, 2018

(Currency in INR Lakhs)

### Note 1 (Continued)

#### III Significant Accounting Policies (Continued)

##### c. Revenue Recognition (Continued)

In accordance with the "Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable), construction revenue on such projects, measured at the fair value (i.e. adjusted for discounts, incentives, time value of money adjustments etc.), have been recognised on percentage of completion method provided the following thresholds have been met:

- (a) All critical approvals necessary for the commencement of the project have been obtained;
- (b) The expenditure incurred on construction and development costs is not less than 25 percent of the total estimated construction and development costs;
- (c) At least 25 percent of the saleable project area is secured by contracts or agreements with buyers; and
- (d) At least 10 percent of the contract consideration is realised at the reporting date in respect of such contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, 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 effect of changes, if any, to estimates is recognised in the financial statements for the period in which such changes are determined. Revenue from projects is recognised net of revenue attributable to the land owners. Expected losses, if any, are fully provided for immediately.

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

##### d. Income tax

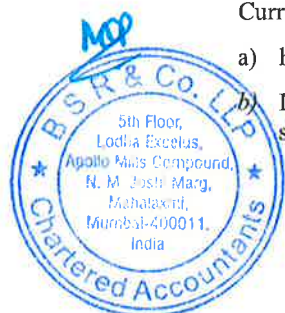
Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in OCI.

##### 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.





# Godrej Skyline Developers Private Limited

## Notes Forming Part Of Financial Statements (Continued)

for the year ended March 31, 2018

(Currency in INR Lakhs)

### Note 1 (Continued)

#### III Significant Accounting Policies (Continued)

##### d. Income tax (Continued)

###### 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.

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.

##### e. 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.



# Godrej Skyline Developers Private Limited

## Notes Forming Part Of Financial Statements (Continued)

for the year ended March 31, 2018

(Currency in INR Lakhs)

### Note 1 (Continued)

#### III Significant Accounting Policies (Continued)

##### f. 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.

##### g. Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax 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 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.

##### h. 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.



# Godrej Skyline Developers Private Limited

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

for the year ended March 31, 2018

(Currency in INR Lakhs)

### Note 1 *(Continued)*

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

##### i. Segment reporting

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

##### j. 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 standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.





# Godrej Skyline Developers Private Limited

## Notes Forming Part of Financial Statements (Continued)

as at March 31, 2018

(Currency In INR Lakhs)

### 2 Deferred Tax Assets and Tax Expense

#### a) Movement in Deferred Tax Balances

Particulars	Net Balance as at April 01, 2017	Movement during the year			Net Balance as at March 31, 2018
		Recognised in Statement of Profit and Loss	Recognised in Equity	Recognised in OCI	
<b>Deferred Tax Asset / (Liabilities)</b>					
Brought Forward Business Losses Under Income Tax Act, 1961	-	15.77	-	-	15.77
Share Issue Expenses	-	-	0.02	-	0.02
<b>Deferred Tax Assets</b>	-	<b>15.77</b>	<b>0.02</b>	-	<b>15.79</b>

Particulars	Net Balance as at April 01, 2016	Movement during the year			Net Balance as at March 31, 2017
		Recognised in Statement of Profit and Loss	Recognised in Equity	Recognised in OCI	
<b>Deferred Tax Asset / (Liabilities)</b>					
Brought Forward Business Losses Under Income Tax Act, 1961	-	-	-	-	-
<b>Deferred Tax Assets</b>	-	-	-	-	-

#### b) Amounts recognised in Statement of Profit and Loss

Particulars	For the year ended March 31, 2018	For the period from November 22, 2016 to March 31, 2017
<b>Deferred Tax</b>	(15.77)	-
Deferred Income Tax	(15.77)	-
<b>Tax Expense for the year / period</b>	<b>(15.77)</b>	-

#### c) Reconciliation of Effective Tax Rate

Particulars	For the year ended March 31, 2018	For the period from November 22, 2016 to March 31, 2017
<b>(Loss) Before Tax</b>	(61.23)	(0.51)
Enacted Tax Rate	25.75%	29.87%
Tax using the Company's domestic tax rate	(15.77)	-
<b>Tax expense recognised</b>	<b>(15.77)</b>	-



## Godrej Skyline Developers Private Limited

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

as at March 31, 2018

(Currency In INR Lakhs)

#### 3 Inventories (Valued at lower of Cost and Net Realisable Value)

Particulars	March 31, 2018	March 31, 2017
Construction Work-in-Progress	28,431.48	-
	<u>28,431.48</u>	<u>-</u>

#### 4 Cash and Cash Equivalents

Particulars	March 31, 2018	March 31, 2017
Balance With Banks		
In Current Accounts	1.09	0.09
	<u>1.09</u>	<u>0.09</u>

#### 5 Other Current Non-Financial Assets

Particulars	March 31, 2018	March 31, 2017
Unsecured, Considered Good		
Balances with Government Authorities	594.57	-
	<u>594.57</u>	<u>-</u>



## Godrej Skyline Developers Private Limited

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

as at March 31, 2018

(Currency in INR Lakhs)

#### 6 Share Capital

Particulars	March 31, 2018	March 31, 2017
a) <b>Authorised :</b> 1,000,000 Equity Shares of INR 10/- each (Previous Year: 1,000 Equity Share of INR 10/- each)	100.00	0.10
50,000,000 (Previous Year: Nil) 0.01%, Redeemable non-convertible non-cumulative preference shares of Rs 10 each	5,000.00	-
	<b>5,100.00</b>	<b>0.10</b>
b) <b>Issued, Subscribed and Paid Up:</b> 1,000,000 Equity Shares of INR 10/- each, fully paid-up (Previous Year: 1,000 Equity Share of INR 10/- each, fully paid-up)	99.92	0.10
50,000,000 (Previous Year: Nil) 0.01% Redeemable non-convertible non-cumulative preference shares of Rs 10 each (total face value of Rs 5,000.00 lakhs) are classified as financial liability (See Note 8)	99.92	0.10

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

	March 31, 2018		March 31, 2017	
	No. of Shares	INR (In Lakhs)	No. of Shares	INR (In Lakhs)
<b>Equity Shares :</b>				
Outstanding at the beginning of the year / period	1,000	0.10	-	-
Issued during the year / period	999,000	99.82*	1,000	0.10
Outstanding at the end of the year / period	1,000,000	99.92	1,000	0.10
<b>0.01%, Redeemable non-convertible non-cumulative preference shares:</b>				
Outstanding at the beginning of the year / period	-	-	-	-
Issued during the year / period	50,000,000	5,000.00	-	-
Outstanding at the end of the year / period	50,000,000	5,000.00	-	-

\* Proceeds received net of issue expenses (Rs 0.08 lakhs) amounting to Rs 99.82 lakhs

50,000,000 (Previous Year: Nil) 0.01% Redeemable non-convertible non-cumulative preference shares of Rs 10 each (total face value of Rs 5,000.00 lakhs) are classified as financial liability (See Note 8)

#### 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 thereof 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.

#### Rights, preferences and restrictions attached to preference shares

For rights, preferences and restrictions attached to 0.01%, Redeemable non-convertible non-cumulative preference shares of Rs 10 each, classified as financial liability, refer note 8.

#### f) Shareholders holding more than 5% shares in the company:

Particulars	March 31, 2018		March 31, 2017	
	No. of Shares	%	No. of Shares	%
<b>Equity share</b>				
Vistra ITCL India Limited	740,000	74%	-	0%
Godrej Projects Development Limited (formerly known as Godrej Projects Development Private Limited)	260,000	26%	1,000	100%
	<b>1,000,000</b>	<b>100%</b>	<b>1,000</b>	<b>100%</b>
<b>0.01%, Redeemable non-convertible non-cumulative preference shares</b>				
Vistra ITCL India Limited	37,000,000	74%	-	0%
Godrej Projects Development Limited (formerly known as Godrej Projects Development Private Limited)	13,000,000	26%	-	0%
	<b>50,000,000</b>	<b>100%</b>	<b>-</b>	<b>0%</b>

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

For 12% Optionally Convertible Debentures (OCD): The optionally convertible debentures (OCDs) allotted 19,600,000 of Rs. 100 each shall be converted into equity shares at the price and procedures stated under the pricing guidelines under the FEMA Regulations and Applicable Laws as on conversion date.



## Godrej Skyline Developers Private Limited

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

as at March 31, 2018

(Currency In INR Lakhs)

#### 7 Other Equity

Particulars	March 31, 2018	March 31, 2017
i) Retained Earnings (Refer Note (a))	(45.97)	(0.51)
	<u>(45.97)</u>	<u>(0.51)</u>

##### (a) Retained Earnings

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

#### 8 Borrowings (Non Current)

Particulars	March 31, 2018	March 31, 2017
<b>Redeemable non-convertible preference shares (Unsecured)</b>		
50,000,000 (Previous Year: Nil) 0.01 % redeemable non-convertible non-cumulative preference shares (Refer Note (a))	5,000.00	-
	<u>5,000.00</u>	<u>-</u>

Note (a):

The Company has only one class of Redeemable Preference Share (RPS) having a face value of INR 10/- per share. The tenor of the RPS shall be 8 years, or such extended term as may be determined by the Board with the prior written consent of the RPS Holders. From and including the date of allotment of the RPS, the RPS Holders shall be entitled to receive a non-cumulative dividend at a rate of 0.01% , on the outstanding face value of RPS or dividend at such rate equal to or higher than the Equity Shareholders as determined by the Equity Shareholders and the RPS Holders subject to availability of Free Cash as defined in Share Holder's Agreement. The RPS shall not carry any voting rights, except in respect of terms stated in the securities subscription agreement or any matter which directly affects the rights of the RPS.

#### 9 Borrowings (Current)

Particulars	March 31, 2018	March 31, 2017
<b>Unsecured Debentures</b>		
Optionally Convertible Debentures (OCD) (Refer Note (a))	20,603.50	-
<b>Unsecured Loans</b>		
Loan from Related party (Refer Note (b))	2,386.13	-
	<u>22,989.63</u>	<u>-</u>

Note (a):

19,600,000 (Previous Year: Nil) 12% Unsecured Optionally Convertible Debentures (OCD) of INR 100/- each , OCD Holders shall have an unfettered right to opt for conversion into equity share at any time till the end of 36 months from the date of issuance of debentures or such time as may be mutually agreed between the Parties. Such conversion shall be in proportion to the respective holdings of each of the OCD Holder. Upon mutual agreement between the Parties for conversion, the Company shall within 7 (Seven) days of receipt of notice stated above complete the conversion of the relevant OCD by the issue and allotment, of the relevant number of fully paid up Equity Shares to be issued upon conversion of the relevant OCD at the price and procedures stated under the pricing guidelines under the FEMA Regulations and Applicable Laws.

The term of the OCDs shall be 84 months. In the event, the OCDs are not converted into Equity Shares by the end of the term, the same shall be redeemed.

Note (b):

Unsecured loan taken from a Related party bearing interest rate at the rate of 12.00 % p.a. and is repayable on demand.

#### 10 Trade Payables (Current)

Particulars	March 31, 2018	March 31, 2017
Dues to Micro and Small Enterprises	-	-
Others	965.38	0.45
	<u>965.38</u>	<u>0.45</u>

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 is no undisputed amount overdue as on March 31, 2018 and March 31, 2017, to Micro, Small and Medium Enterprises on account of principal or interest.

#### 11 Other Current Non-Financial Liabilities

Particulars	March 31, 2018	March 31, 2017
Statutory Dues	33.97	0.05
	<u>33.97</u>	<u>0.05</u>



## Godrej Skyline Developers Private Limited

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

for the year ended March 31, 2018

(Currency In INR Lakhs)

#### 12 Other Income

Particulars	For the year ended March 31, 2018	For the period from November 22, 2016 to March 31, 2017
Profit on sale of investments (net)	25.22	-
	<u>25.22</u>	<u>-</u>

#### 13 Cost of Sales

Particulars	For the year ended March 31, 2018	For the period from November 22, 2016 to March 31, 2017
<b>Cost of Sales</b>		
Opening Stock:		
Construction Work-in-Progress	-	-
Add: Expenditure during the year / period		
Land/ Development Right	23,962.32	-
Construction, Material and Labour	3.17	-
Architect Fees	4.00	-
Other Costs	3,296.22	-
Finance Costs	1,165.77	-
	<u>28,431.48</u>	<u>-</u>
Less : Closing Stock:		
Construction Work-in-Progress	28,431.48	-
	<u>-</u>	<u>-</u>

#### 14 Finance Costs

Particulars	For the year ended March 31, 2018	For the period from November 22, 2016 to March 31, 2017
Interest Expense	1,191.00	-
Less: Transferred to Construction Work-in-progress	(1,165.77)	-
<b>Net Finance Costs</b>	<u>25.23</u>	<u>-</u>

#### 15 Other Expenses

Particulars	For the year ended March 31, 2018	For the period from November 22, 2016 to March 31, 2017
Filing and Registration	55.27	0.01
Advertisement and Marketing Expense	3.85	-
Other Expenses*	2.10	0.50
	<u>61.22</u>	<u>0.51</u>

\* includes payment to auditors amounting to INR 0.75 lakhs (previous year INR 0.50 lakhs) (Refer Note 22).



# Godrej Skyline Developers Private Limited

## Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2018

(Currency In INR Lakhs)

### 16 Earnings Per Share

#### a) Basic Earnings Per Share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

#### (i) (Loss) attributable to ordinary shareholders (basic)

Particulars	March 31, 2018	March 31, 2017
(Loss) for the year / period, attributable to ordinary shareholders of the Company	(45.46)	(0.51)
	<u>(45.46)</u>	<u>(0.51)</u>

#### (ii) Weighted average number of ordinary shares (basic)

Particulars	March 31, 2018	March 31, 2017
<b>Equity Shares</b>		
Weighted Average number of shares outstanding at the beginning of the year / period	1,000	-
Weighted Average number of shares issued during the year / period	473,770	1,000
Weighted Average number of shares outstanding end the beginning of the year / period	<u>474,770</u>	<u>1,000</u>

**Basic and dilutive Earnings Per Share (INR)** (9.58) (51.20)

#### b) Diluted Earnings Per Share

The Optionally Convertible Debentures can be converted into equity shares within three years from the date of issue or earlier based on the conversion of the relevant OCD by the issue and allotment, of the relevant number of fully paid up Equity Shares to be issued upon conversion of the relevant OCD at the price and procedures stated under the pricing guidelines under the FEMA Regulations and Applicable Laws. 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 Skyline Developers Private Limited

## Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2018

(Currency In INR Lakhs)

### 17 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, 2018	Carrying amount			Fair value			Total
	Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	
<b>Financial Assets</b>							
<b>Current</b>							
Cash and cash equivalents	-	1.09	1.09	-	-	-	-
	-	1.09	1.09	-	-	-	-
<b>Financial Liabilities</b>							
<b>Non Current</b>							
Borrowings	-	5,000.00	5,000.00	-	-	-	-
<b>Current</b>							
Borrowings	-	22,989.63	22,989.63	-	-	-	-
Other Current Financial Liabilities	-	965.38	965.38	-	-	-	-
	-	28,955.01	28,955.01	-	-	-	-

March 31, 2017	Carrying amount			Fair value			Total
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3	
<b>Financial Assets</b>							
<b>Current</b>							
Cash and cash equivalents	-	0.09	0.09	-	-	-	-
	-	0.09	0.09	-	-	-	-
<b>Financial Liabilities</b>							
<b>Current</b>							
Trade Payables	-	0.45	0.45	-	-	-	-
	-	0.45	0.45	-	-	-	-

#### b) Measurement of Fair Value :

The Company does not have any Financial Assets or Financial Liabilities which are measured at Fair Value.

#### c) Risk Management Framework

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established 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.

#### 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 Skyline Developers Private Limited

## Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2018

(Currency In INR Lakhs)

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

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

##### (i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investments in debt securities.

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, 2018.

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.

##### Investment in Mutual Funds

Investments in Mutual Funds are generally made in debt based funds with approved credit ratings as per the Investment Policy of the Company.





# Godrej Skyline Developers Private Limited

## Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2018

(Currency In INR Lakhs)

### 17 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, 2018	Carrying Amount	Total	Contractual cash flows			
			Within 12 months	1-2 years	2-5 years	More than 5 years
<b>Financial Liabilities</b>						
<b>Non Current</b>						
Borrowings	5,000.00	5,000.00	-	-	-	5,000.00
<b>Current</b>						
Borrowings	22,989.63	38,413.00	2,617.61	235.20	10,200.69	25,359.50
Trade Payables	965.38	965.38	965.38	-	-	-

March 31, 2017	Carrying Amount	Total	Contractual cash flows			
			Within 12 months	1-2 years	2-5 years	More than 5 years
<b>Financial Liabilities</b>						
<b>Current</b>						
Trade Payables	0.45	0.45	0.45	-	-	-



# Godrej Skyline Developers Private Limited

## Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2018

(Currency In INR Lakhs)

### 17 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 any 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.

##### Exposure to Interest Risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management is as follows:

Particulars	March, 2018	March, 2017
<b>Financial liabilities</b>		
Fixed rate instruments (excluding interest accrued)	24,600.00	-
	<u>24,600.00</u>	<u>-</u>

##### Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

### 18 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 less cash and bank balances and other current investments.

The Company's net debt to equity ratios are as follows:

Particulars	March 31, 2018	March 31, 2017
Net debt	27,988.54	-
Total equity	53.95	(0.41)
<b>Net debt to Equity ratio</b>	<u>518.79</u>	<u>-</u>

### 19 Specified Bank Note

During the Financial Year 2016-17 the Company did not have any cash transactions. Hence the disclosure requirement as envisaged in MCA Notification No. G.S.R. 308(E) dated March 30, 2017 with respect to Specified Bank Notes (SBNs) and other denomination notes held and transacted during the period from November 08, 2016 to December 30, 2016 is not applicable to the Company.



# Godrej Skyline Developers Private Limited

## Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2018

(Currency In INR Lakhs)

### 20 Related Party Disclosures

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

#### 1. Co- Venturers

- (i) Vistra ITCL India Limited holds 74% shares in the Company
- (ii) Godrej Project Development Pvt. Ltd (GPDL) (formerly known as Godrej Project Development Pvt. Ltd) holds 26% shares in the Company
- (iii) GPDPL is Subsidiary of Godrej Properties Limited (GPL)

#### 2. Key Managerial Personnel :

- (i) Surender Verma
- (ii) Neeraj Gupta
- (iii) Amandeep Singh

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

(i) Details relating to parties referred to in items 1 (i), (ii), & (iii) above

Nature of Transaction	Vistra ITCL India Limited 1.(i)	Godrej Projects Development Ltd. (GPDL) 1.(ii)	Godrej Properties Limited (GPL) 1.(iii)	Total
<b>Transactions during the Year</b>				
Expenses charged by other Companies / Entities				
Current Year	-	14.23	-	14.23
Previous Period	-	-	-	-
Interest on Debentures				
Current Year	784.83	289.33	-	1,074.16
Previous Period	-	-	-	-
Development Management Fees				
Current Year	-	-	3,000.00	3,000.00
Previous Period	-	-	-	-
Interest on Borrowings				
Current Year	-	116.84	-	116.84
Previous Period	-	-	-	-
Issue of Equity Shares				
Current Year	73.93	25.97	-	99.90
Previous Period	-	0.10	-	0.10
Issue of Preference Shares				
Current Year	3,700.00	1,300.00	-	5,000.00
Previous Period	-	-	-	-
Issue of Debentures				
Current Year	14,504.00	5,096.00	-	19,600.00
Previous Period	-	-	-	-
Loans Obtained				
Current Year	-	2,733.59	-	2,733.59
Previous Period	-	-	-	-
Loans Repaid				
Current Year	-	468.00	-	468.00
Previous Period	-	-	-	-



## Godrej Skyline Developers Private Limited

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

for the year ended March 31, 2018

(Currency In INR Lakhs)

#### 20 Related Party Disclosures (Continued)

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

Nature of Transaction	Vistra Itcl India Limited 1.(i)	Godrej Projects Development Ltd. (GPD) 1.(ii)	Godrej Properties Limited (GPL) 1.(iii)	Total
<b>Balance Outstanding as on March 31, 2018</b>				
Amount Payables				
Current Year	-	2,386.13	-	2,386.13
Previous Period	-	-	-	-
Debenture Outstanding				
Current Year	14,504.00	5,096.00	-	19,600.00
Previous Period	-	-	-	-
Debenture Interest Outstanding				
Current Year	742.59	260.91	-	1,003.50
Previous Period	-	-	-	-



# Godrej Skyline Developers Private Limited

## Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2018

(Currency In INR Lakhs)

### 21 Contingent Liabilities and Commitments

#### a) Contingent Liabilities

Matters	March 31, 2018	March 31, 2017
I) Claims against Company not Acknowledged as debts:	Nil	Nil

#### b) Commitments

Particulars	March 31, 2018	March 31, 2017
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of taxes)	-	-

- (ii) The Company enters into construction contracts for Civil, Elevator, External Development, MEP work etc. with its vendors. The total amount payable under such contracts will be based on actual measurements and negotiated rates, which are determinable as and when the work under the said contracts are completed.

### 22 Payment to Auditors (Net of Taxes)

Particulars	March 31, 2018	March 31, 2017 #
Statutory Audit Fees	1.50	0.50
<b>Total</b>	<b>1.50</b>	<b>0.50</b>

# Pertains to fees paid to erstwhile auditor.

### 23 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. The Managing Director of the Company acts as the Chief Operating Decision Maker ("CODM"). The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators.

#### B. Information about Geographical Areas

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

None of the customers as on March 31, 2018 and March, 31 2017 constituted 10% or more of the total revenue of the Company.

### 24 Construction Contracts

Particulars	March 31, 2018	March 31, 2017
For contracts in progress as on the reporting date:		
Aggregate amount of contract costs incurred and profits recognised (less recognised losses) till reporting date	28,431.48	-
Balance of Advance from customer as on reporting date	-	-
Amount of work-in-progress and the value of inventories as on the reporting date	28,431.48	-
Excess of revenue recognised over actual bills raised (Unbilled revenue)	-	-



## Godrej Skyline Developers Private Limited

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

for the year ended March 31, 2018

(Currency In INR Lakhs)

- 25** The figures for the previous year have been regrouped/ reclassified to correspond with current year's classification/ disclosure that include changes consequent to the issuance of "Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013".
- 26** Previous year's figures were audited by a firm of Chartered Accountants other than B S R & Co. LLP. The previous period was for less than 12 months hence, previous period figures are not comparable.

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 Skyline Developers Private Limited



**MANSI PARDIWALLA**  
PARTNER  
Membership No: 108511

Mumbai  
May 02, 2018



**NEERAJ GUPTA**  
DIRECTOR  
DIN: 00007208

Mumbai  
May 02, 2018



**AMANDEEP SINGH**  
DIRECTOR  
DIN: 07144214