

Godrej Home Developers Private Limited

Balance Sheet

as at March 31, 2020

(Currency in INR Thousands)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Financial Assets			
Other Investments	2	0.10	0.10
Income Tax Assets (Net)		2.81	-
Total Non-Current Assets		2.91	0.10
Current Assets			
Financial Assets			
Investments	3	-	1,208.37
Cash and Cash Equivalents	4	29.22	6.88
Bank Balances other than above	5	906.09	-
Other Current Financial Assets	6	390.36	-
Other Current Non Financial Assets	7	-	3.72
Total Current Assets		1,325.67	1,218.97
TOTAL ASSETS		1,328.58	1,219.07
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	8	4,100.00	4,100.00
Other Equity		(3,108.28)	(2,995.88)
Total Equity		991.72	1,104.12
LIABILITIES			
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	9	-	44.22
Total Non-Current Liabilities		-	44.22
Current Liabilities			
Financial Liabilities			
Borrowings	10	251.00	20.63
Trade Payables			
total outstanding dues of micro enterprises and small enterprises (refer note 21)		-	
total outstanding dues of creditors other than micro enterprises and small enterprises		77.00	45.00
Other Current Non Financial Liabilities	11	8.86	5.10
Total Current Liabilities		336.86	70.73
TOTAL EQUITY AND LIABILITIES		1,328.58	1,219.07
Significant Accounting Policies	1		

The accompanying notes 1 to 22 form an integral part of these 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 Home Developers Private Limited
CIN: U70102MH2015PTC263223

MANSI PARDIWALLA
Partner
Membership No: 108511

NEERAJ GUPTA
Director
DIN: 02202895

ANUBHAV GUPTA
Director
DIN: 07589364

Mumbai
May 08, 2020

Mumbai
May 08, 2020

Godrej Home Developers Private Limited

Statement of Profit and Loss

for the year ended March 31, 2020

(Currency in INR Thousands)

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Other Income	12	93.99	86.70
Total Income		93.99	86.70
EXPENSES			
Finance Costs	13	12.02	0.41
Other Expenses	14	235.49	180.01
Total Expenses		247.51	180.42
(Loss) Before Tax		(153.52)	(93.72)
Tax Expense			
Current Tax	9(a)	10.20	-
Deferred Tax (Credit)/ Charge	9(b)	(51.32)	22.54
Total Tax Expense		(41.12)	22.54
(Loss) for the Year		(112.40)	(116.26)
Other Comprehensive Income			
Total Comprehensive Income for the Year		(112.40)	(116.26)
Earnings Per Share (Amount in INR)			
Basic	15	(0.27)	(0.28)
Diluted	15	(0.27)	(0.28)

Significant Accounting Policies

1

The accompanying notes 1 to 22 form an integral part of these 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 Home Developers Private Limited

CIN: U70102MH2015PTC263223

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DIN: 07589364

Mumbai

May 08, 2020

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Godrej Home Developers Private Limited

Statement of Changes in Equity
for the year ended March 31, 2020

(Currency in INR Thousands)

a) Equity Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	4,100.00	4,100.00
Changes in equity share capital during the year	-	-
Balance at the end of the year	4,100.00	4,100.00

b) Other Equity

Particulars	Reserve and Surplus		Total
	Capital Reserve (refer Note (a) below)	Retained Earnings (refer Note (b) below)	
Balance as at April 01, 2018	(3,686.10)	806.48	(2,879.62)
Total Comprehensive Income:			
i) (Loss) for the year	-	(116.26)	(116.26)
Balance as at March 31, 2019	(3,686.10)	690.22	(2,995.88)

Particulars	Reserve and Surplus		Total
	Capital Reserve (refer Note (a) below)	Retained Earnings (refer Note (b) below)	
Balance as at April 01, 2019	(3,686.10)	690.22	(2,995.88)
Total Comprehensive Income:			
i) (Loss) for the year	-	(112.40)	(112.40)
Balance as at March 31, 2020	(3,686.10)	577.82	(3,108.28)

(a) Capital Reserve

During amalgamation, the excess of net assets taken over the cost of consideration paid is treated as capital reserve on account of amalgamation.

(b) Retained Earnings

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

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

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 Home Developers Private Limited
CIN: U70102MH2015PTC263223

MANSI PARDIWALLA
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DIN: 02202895

ANUBHAV GUPTA
Director
DIN: 07589364

Mumbai
May 08, 2020

Mumbai
May 08, 2020

Godrej Home Developers Private Limited

Statement of Cash Flows

for the year ended March 31, 2020

(Currency in INR Thousands)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flow from Operating Activities		
(Loss) Before Tax	(153.52)	(93.72)
Adjustments for:		
Finance costs	12.02	0.41
Interest income	(59.06)	-
Income from Investment measured at FVTPL	-	(86.70)
Profit on sale of investments (net)	(34.93)	-
Operating (loss) before working capital changes	(235.49)	(180.01)
Changes in Working Capital:		
Increase in Non Financial Liabilities	3.76	0.10
Increase in Financial Liabilities	32.00	-
Decrease / (Increase) in Non Financial Assets	3.72	(3.69)
	39.48	(3.59)
Taxes Paid (net)	(5.91)	-
Net cash flows (used in) operating activities	(201.92)	(183.60)
Cash Flow from Investing Activities		
Sale of mutual funds (net)	1,243.30	0.10
(Purchase) of investments in fixed deposits (net)	(1,249.39)	-
Interest Received	12.00	-
Net cash flows generated from investing activities	5.91	0.10
Cash Flow from financing activities		
Proceeds from short-term borrowings (net)	219.60	19.21
Interest paid	(1.25)	-
Net cash flows generated from financing activities	218.35	19.21
Net Increase / (Decrease) in Cash and Cash Equivalents	22.34	(164.29)
Cash and Cash Equivalents - Opening Balance	6.88	171.17
Cash and Cash Equivalents - Closing Balance	29.22	6.88

Godrej Home Developers Private Limited

Statement of Cash Flows (Continued)

for the year ended March 31, 2020

(Currency in INR Thousands)

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) Reconciliation of Cash and Cash Equivalents as per the Statement of Cash Flows.

Cash and Cash Equivalents as per the above comprise of the following:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash and Cash Equivalents (refer Note 4)	29.22	6.88
Cash and Cash Equivalents as per Statement of Cash Flows	29.22	6.88

(d) 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 April 01,	Changes in Statement of	Non Cash Changes Interest Accrued	As at March 31, 2020	
Short-term borrowings	20.63	219.60	10.77	-	251.00

Reconciliation of liabilities arising from financing activities					
Particular	As at April 01,	Changes in Statement of	Non Cash Changes Interest Accrued	As at March 31, 2019	
Short-term borrowings	1.01	19.21	0.41	-	20.63

The accompanying notes 1 to 22 form an integral part of these 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 Home Developers Private Limited

CIN: U70102MH2015PTC263223

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Mumbai
May 08, 2020

Mumbai
May 08, 2020

Godrej Home Developers Private Limited

Notes Forming Part of Financial Statements

for the year ended March 31, 2020

(Currency in INR Thousands)

Note 1

I. Company Overview

Godrej Home Developers Private Limited (“the Company”) having CIN number U70102MH2015PTC263223 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

a) Statement of compliance

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (“the Act”) and the relevant provisions and amendments, as applicable.

These financial statements of the Company for the year ended March 31, 2020 were authorised for issue by the company’s Board of Directors on May 08, 2020.

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 thousand, unless otherwise stated.

c) Basis of measurement

These financial statements have been prepared on historical cost basis except certain financial instruments measured at fair value.

d) Standard issued but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020

e) 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. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Godrej Home Developers Private Limited

Notes forming part of financial Statements *(Continued)*

for the year ended March 31, 2020

(Currency in INR Thousands)

Note 1 *(Continued)*

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

d) 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:

- *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.

- *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.

e) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial and non-financial assets and liabilities.

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 Home Developers Private Limited

Notes forming part of financial Statements *(Continued)*

for the year ended March 31, 2020

(Currency in INR Thousands)

Note 1 *(Continued)*

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

e) 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.

f) Operating cycle

All assets and liabilities have been classified into current and non-current based on a period of twelve months.

g) Going Concern

The Company has been incorporated for a proposed project, the project being in various stages of evaluation. The Company is incorporated to enable investments as and when definitive agreements for projects are executed, and hence during the initial years, whilst the project feasibility analysis is in process, the Company incurs losses in relation to the compliance and establishment costs as per applicable laws. Based on the financial support extended by Godrej Properties Limited (Shareholder of the Company), the Management believe that the Company will continue to operate as a going concern for the foreseeable future, realise its assets and meet all its liabilities as they fall due for payment, in the normal course of business. In case of any fund requirement for development/continuing operation of the Company, the shareholders shall fund/arrange fund in form of Equity/Loan.

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

Trade receivables and debt securities issued are initially recognised when they originate.

Godrej Home Developers Private Limited

Notes forming part of financial Statements *(Continued)*

for the year ended March 31, 2020

(Currency in INR Thousands)

Note 1 *(Continued)*

III. Significant Accounting Policies *(Continued)*

a) Financial instruments *(Continued)*

The Company recognises financial assets (other than trade receivables and debt securities) 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.

Financial assets

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 financial 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 statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Godrej Home Developers Private Limited

Notes forming part of financial Statements *(Continued)*

for the year ended March 31, 2020

(Currency in INR Thousands)

Note 1 *(Continued)*

III. Significant Accounting Policies *(Continued)*

a) Financial instruments *(Continued)*

I. Financial assets *(Continued)*

A debt investment is measured at FVOCI if it meets both of the following conditions or is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cashflow and selling financial assets, and
- The contractual terms of the financial assets give rise on the specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments at Fair Value through Profit or Loss

Debt instruments included in the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments

All equity investments other than investment in subsidiaries, joint ventures and associate are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

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

- (a) The rights to receive cash flows from the asset have expired, or
- (b) the Company has transferred substantially all the risks and rewards of the asset,
or
- (c) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Godrej Home Developers Private Limited

Notes forming part of financial Statements *(Continued)*

for the year ended March 31, 2020

(Currency in INR Thousands)

Note 1 *(Continued)*

III. Significant Accounting Policies *(Continued)*

a) 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, 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 the 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.

Godrej Home Developers Private Limited

Notes forming part of financial Statements *(Continued)*

for the year ended March 31, 2020

(Currency in INR Thousands)

Note 1 *(Continued)*

III. Significant Accounting Policies *(Continued)*

a) Financial instruments *(Continued)*

III 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 them on a net basis or to realise the assets and settle the liabilities simultaneously.

IV. Share Capital

Ordinary equity shares

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

b) Revenue Recognition

Interest income

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

c) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in the 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 realise the asset and settle the liability on a net basis or 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.

Godrej Home Developers Private Limited

Notes forming part of financial Statements *(Continued)*

for the year ended March 31, 2020

(Currency in INR Thousands)

Note 1 *(Continued)*

II. Significant Accounting Policies *(Continued)*

c) Income tax *(Continued)*

Deferred tax (Continued)

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.

On 30th March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments during the current financial year.

A new Section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section and accordingly, the Company has decided to adopt the new rate and recognised provision for income tax on the basis of the rate prescribed in the said new section and re-measured its deferred tax assets/liabilities accordingly for the year ended March 31, 2020.

Minimum Alternative Tax (MAT)

MAT credit is recognised as a deferred tax asset only when and to the extent there is a convincing evidence that the Company will pay normal tax during specified period. MAT credit is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Section 115BAA of Income Tax Act, 1961

A new Section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section.

Godrej Home Developers Private Limited

Notes forming part of financial Statements *(Continued)*

for the year ended March 31, 2020

(Currency in INR Thousands)

Note 1 *(Continued)*

III. Significant Accounting Policies *(Continued)*

d) 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 year which they are incurred.

e) 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.

f) Earnings per share

This Basic earnings per share is computed by dividing the profit 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 after tax attributable to the equity shareholders as adjusted 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. If potential equity shares converted into equity shares increases the earnings per share, then they are treated as anti-dilutive and anti-dilutive earning per share is computed.

g) Provisions, contingent liabilities and contingent assets.

A provision is recognised when the Company has a present legal or constructive 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 at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability 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. The unwinding of the discount is recognised as finance cost

Contingent liabilities are disclosed in the notes. Contingent liabilities are disclosed for

Godrej Home Developers Private Limited

Notes forming part of financial Statements *(Continued)*

for the year ended March 31, 2020

(Currency in INR Thousands)

Note 1 *(Continued)*

III. Significant Accounting Policies *(Continued)*

g) Provisions, contingent liabilities and contingent assets. *(Continued)*

- (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.

h) 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.

i) Segment reporting

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

Godrej Home Developers Private Limited

Notes Forming Part of Financial Statements (Continued)

as at March 31, 2020

(Currency in INR Thousands)

	March 31, 2020	March 31, 2019
2 Other Investments (Non-Current)		
a) Investment in Preference Shares (Fully paid-up unless stated otherwise) (at Amortised Cost)		
Godrej Highrises Properties Private Limited		
10 (Previous Year: 10) 7% Redeemable Non-cumulative Preference Shares of INR 10/- each	0.10	0.10
	<u>0.10</u>	<u>0.10</u>
Aggregate book value of Unquoted Investments	0.10	0.10
3 Investments		
Quoted		
Investment in Mutual Funds carried at Fair Value through Profit or Loss	-	1,208.37
	<u>-</u>	<u>1,208.37</u>
Market Value of Quoted Investments		
Aggregate book value of Quoted Investments and Market Value thereof	-	1,208.37
4 Cash and Cash Equivalents		
Balances With Banks		
In Current Accounts	29.22	6.88
	<u>29.22</u>	<u>6.88</u>
5 Bank Balances other than above		
Balances With Banks		
In Fixed Deposit Accounts with maturity more than 3 months but less than 12 months	906.09	-
	<u>906.09</u>	<u>-</u>
6 Other Current Financial Assets		
Unsecured, Considered Good		
<i>To parties other than related parties</i>		
Interest Accrued on Fixed Deposits	47.06	-
On Fixed Deposit Accounts	343.30	-
	<u>390.36</u>	<u>-</u>
7 Other Current Non Financial Assets		
Unsecured, Considered Good		
<i>To parties other than related parties</i>		
Advance to Suppliers and Contractors	-	3.72
	<u>-</u>	<u>3.72</u>

Godrej Home Developers Private Limited

Notes Forming Part of Financial Statements (Continued)

as at March 31, 2020

(Currency in INR Thousands)

March 31, 2020 March 31, 2019

8 Equity Share Capital

a) Authorised :				
410,000 Equity Shares of INR 10/- each (Previous Year: 410,000 Equity Share of INR 10/- each)			4,100.00	4,100.00
			<u>4,100.00</u>	<u>4,100.00</u>
b) Issued, Subscribed and Paid-Up:				
410,000 Equity Shares of INR 10/- each (Previous Year: 410,000 Equity Share of INR 10/- each)			4,100.00	4,100.00
			<u>4,100.00</u>	<u>4,100.00</u>

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

Equity Shares :	March 31, 2020		March 31, 2019	
	No. of Shares	INR (In Thousands)	No. of Shares	INR (In Thousands)
Outstanding at the beginning of the year	4,10,000	4,100.00	4,10,000	4,100.00
Issued during the year				
Outstanding at the end of the year	4,10,000	4,100.00	4,10,000	4,100.00

d) Shareholding Information

Equity shares are held by :	March 31, 2020		March 31, 2019	
	No. of Shares	INR (In Thousands)	No. of Shares	INR (In Thousands)
Godrej Properties Limited (Holding Company)	4,00,000	4,000	4,00,000	4,000
Godrej Project Development Limited (Subsidiary of Godrej Properties Limited)	5,000	50	5,000	50
Godrej Hillside Properties Private Limited	5,000	50	5,000	50

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. 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, 2020		March 31, 2019	
	No. of Shares	%	No. of Shares	%
Equity shares				
Godrej Properties Limited (Holding Company)	4,00,000	97.56%	4,00,000	97.56%

Notes Forming Part of Financial Statements (Continued)
as at March 31, 2020

(Currency in INR Thousands)

9 Deferred Tax Liabilities (Net)**a) Amounts recognised in the statement of profit and loss**

Particulars	March 31, 2020	March 31, 2019
Current Tax	10.20	-
Deferred Tax (Credit)/ Charge	(51.32)	22.54
Tax Expense for the year	(41.12)	22.54

b) Movement in Deferred Tax Balances

Particulars	Balance as at April 01, 2019	Movement during the year			Others	Balance as at March 31, 2020
		Recognised in Profit or Loss	Recognised in Other Equity	Recognised in OCI		
Deferred Tax Assets/ (Liabilities)						
MAT Credit entitlement	7.10	-	-	-	(7.10)	-
Mutual Funds	(51.32)	51.32	-	-	-	-
Deferred Tax Assets/ (Liabilities)	(44.22)	51.32	-	-	(7.10)	-

Particulars	Balance as at April 01, 2018	Movement during the year			Others	Balance as at March 31, 2019
		Recognised in Profit or Loss	Recognised in Other Equity	Recognised in OCI		
Deferred Tax Assets/ (Liabilities)						
MAT Credit	7.10	-	-	-	-	7.10
Mutual Funds	(28.78)	(22.54)	-	-	-	(51.32)
Deferred Tax Assets/ (Liabilities)	(21.68)	(22.54)	-	-	-	(44.22)

c) Reconciliation of Effective Tax Rate

Particulars	March 31, 2020	March 31, 2019
(Loss) Before Tax	(153.52)	(93.72)
Tax using the Company's domestic tax rate 26% (Previous Year: 26%)	26.00	26.00
Tax effect of:	(39.92)	(24.37)
Non-deductible expenses	0.01	-
Unabsorbed losses	-	46.91
Other adjustments	(1.21)	-
Tax expense recognised	(41.12)	22.54

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, 2020		March 31, 2019	
	Gross Loss	Unrecognised tax effect	Gross Loss	Unrecognised tax effect
Business losses	406.65	105.73	401.95	104.51

e) Tax Losses Carried Forward

Particulars	March 31, 2020		March 31, 2019	
	Gross Loss	Expiry Date	Gross Loss	Expiry Date
Expire	76.09	2023-24	76.09	2023-24
	7.86	2024-25	7.86	2024-25
	137.58	2025-26	137.58	2025-26
	185.12	2026-27	180.42	2026-27

f) On 30th March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments during the current financial year

Godrej Home Developers Private Limited

Notes Forming Part of Financial Statements (Continued)

as at March 31, 2020

(Currency in INR Thousands)

10 Borrowings (Current)

Particulars	March 31, 2020	March 31, 2019
Unsecured Loans		
From Related parties		
Other Loans *	251.00	20.63
	<u>251.00</u>	<u>20.63</u>

*Unsecured loan taken from related party (Godrej Properties Limited) bearing interest at the rate of 8% p.a. repayable on demand.

11 Other Current Non Financial Liabilities

<i>To parties other than related parties</i>		
Statutory Dues (Tax Deducted at Source)	8.86	5.10
	<u>8.86</u>	<u>5.10</u>

Godrej Home Developers Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Thousands)

	For the year ended March 31, 2020	For the year ended March 31, 2019
12 Other Income		
Interest Income on Fixed Deposits with bank	59.06	-
Income from Investment measured at FVTPL	-	86.70
Profit on Sale of Investments (net)	34.93	-
	<u>93.99</u>	<u>86.70</u>
13 Finance Costs		
Interest Expense	11.97	0.41
Interest on delayed payment of Taxes	0.05	-
Total Finance Costs	<u>12.02</u>	<u>0.41</u>
14 Other Expenses		
Consultancy Charges	157.78	113.54
Other Expenses *	77.71	66.47
	<u>235.49</u>	<u>180.01</u>

* includes payment to auditors amounting to INR 72.98 Thousands (Previous year : INR 59.00 Thousands) (refer note 20)

Godrej Home Developers Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Thousands)

15 Earnings Per Share

a) Basic & Diluted 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.

	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Loss attributable to ordinary shareholders (basic and diluted)		
(Loss) for the Year , attributable to ordinary shareholders of the Company	(112.40)	(116.26)
	<u>(112.40)</u>	<u>(116.26)</u>
(ii) Weighted average number of ordinary shares (basic and diluted)		
Weighted Average number of equity shares at the beginning of the year	4,10,000	4,10,000
Add: Weighted Average number of equity shares issued during the year	<u>-</u>	<u>-</u>
Weighted Average number of Equity Shares at the end of the year	<u>4,10,000</u>	<u>4,10,000</u>
Basic and Diluted Earnings Per Share (INR) (Face Value INR 10 each) (Previous year: INR 10 each)	(0.27)	(0.28)

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Thousands)

16 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.

For the year ended March 31, 2020	Carrying amount			Level 1	Fair value		
	Fair value through profit or loss	Amortised Cost	Total		Level 2	Level 3	Total
Financial Assets							
Non-Current							
Investment in Preference Shares	0.10	-	0.10	-	0.10	-	0.10
Current							
Cash and cash equivalents	-	29.22	29.22	-	-	-	-
Bank balances other than above	-	906.09	906.09	-	-	-	-
Other Current Financial Assets	-	390.36	390.36	-	-	-	-
	0.10	1,325.67	1,325.77	-	0.10	-	0.10
Financial Liabilities							
Current							
Borrowings	-	251.00	251.00	-	251.00	-	251.00
Trade Payables	-	77.00	77.00	-	-	-	-
	-	328.00	328.00	-	251.00	-	251.00

For the year ended March 31, 2019	Carrying amount			Level 1	Fair value		
	Fair value through profit or loss	Amortised Cost	Total		Level 2	Level 3	Total
Financial Assets							
Non-Current							
Investment in Preference Shares	0.10	-	0.10	-	0.10	-	0.10
Current							
Investments	1,208.37	-	1,208.37	1,208.37	-	-	1,208.37
Cash and cash equivalents	-	6.88	6.88	-	-	-	-
	1,208.47	6.88	1,215.35	1,208.37	0.10	-	1,208.47
Financial Liabilities							
Current							
Borrowings	-	20.63	20.63	-	20.63	-	20.63
Trade Payables	-	45.00	45.00	-	-	-	-
	-	65.63	65.63	-	20.63	-	20.63

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Thousands)

16 Financial instruments – Fair values and risk management (Continued)

b) Measurement of Fair Value

- (i) The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
- (ii) The Company uses the Discounted Cash Flow valuation technique (in relation to financial assets 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 for financial asset measured at fair value through profit and loss are classified as Level 2.
- (iii) 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 Holding Company's 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 Holding Company's 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 Home Developers Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Thousands)

16 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, loans given to related parties and project deposits.

The carrying amount of financial assets represents the maximum credit exposure. The Company does not have any receivables as at March 31, 2020.

Investment in Mutual Funds, Preference Share

Investments in mutual funds are generally made in debt based funds with approved credit ratings as per the Investment policy of the Company. The Company has made investments in preference shares and the settlement of same is linked to the completion of the respective underlying projects.

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.

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Thousands)

16 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.

The Company does not have any derivative financial liabilities. The Company however invests its surplus funds in bank fixed deposits.

Exposure to liquidity risk

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

For the year ended March 31, 2020	Carrying Amount	Total	Contractual cash flows			
			Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Current						
Borrowings	251.00	251.00	251.00	-	-	-
Trade Payables	77.00	77.00	77.00	-	-	-

For the year ended March 31, 2019	Carrying Amount	Total	Contractual cash flows			
			Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Current						
Borrowings	20.63	20.63	20.63			
Trade Payables	45.00	45.00	45.00			

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Thousands)

16 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

The Company does not have any foreign currency transactions and hence is not exposed to currency risk.

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 management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive, cost of funding.

Exposure to interest rate risk

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

Particulars	March 31, 2020	March 31, 2019
Financial assets		
Fixed rate instruments	1,249.39	-
	<u>1,249.39</u>	<u>-</u>
Financial liabilities		
Fixed rate instruments	251.00	20.63
	<u>251.00</u>	<u>20.63</u>

c) 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.

17 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. However till revenue recognition starts it may be negative.

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

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

Particulars	March 31, 2020	March 31, 2019
Net debt *	(684.31)	(1,107.94)
Total equity	991.72	1,126.65
Net debt to Equity ratio	<u>(0.69)</u>	<u>(0.98)</u>

*the company has higher financial assets and hence negative debt as at March 31,2020 and March 31, 2019.

Godrej Home Developers Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Thousands)

18 Related Party Disclosure

Related party disclosures as required by IND AS-24, "Related Party Disclosures", are given below:

I. Relationships:

i) Shareholders (Holding Company)

Godrej Properties Limited (GPL) holds 97.56% of the Share Capital of the Company.

(GPL is the Subsidiary of Godrej Industries Limited (GIL))

ii) Other Related Parties in Godrej Group

Godrej Hillside Properties Private Limited (GHPPL)

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

:

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

Particulars	Godrej Properties Limited (i)	GHPPL (ii)	Total
Transactions during the Year			
Interest Expense			
Current Year	11.97	-	11.97
Previous Year	0.41		0.41
Investment in Preference Shares			
Current Year	-	-	-
Previous Year		0.10	0.10
Borrowings Taken			
Current Year *	219.97	-	219.97
Previous Year	19.21	-	19.21
Balance Outstanding as on March 31, 2020			
Amount Payable			
As at March 31, 2020	251.00	-	251.00
As at March 31, 2019	20.63	-	20.63

* Includes Interest payable converted into Loan

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Thousands)

19 Contingent Liabilities and Commitments

a) Contingent Liabilities

Matters	For the year ended March 31, 2020	For the year ended March 31, 2019
Claims against Company not Acknowledged as debts:	Nil	Nil

b) Commitments

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Capital Commitment	Nil	Nil

20 Payment to Auditors (net of taxes)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Statutory Audit Fees	50.00	50.00
Reimbursement of Expenses	4.98	9.00
Total	54.98	59.00

21 The Company does not have any Vendors as per the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

22 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 segment namely, Development of real estate property. The Board of Directors 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. 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

There were no reportable customers during the year ended March 31, 2020. (Previous Year : Nil)

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 Home Developers Private Limited**
CIN: U70102MH2015PTC263223

MANSI PARDIWALLA
Partner
Membership No: 108511

NEERAJ GUPTA
Director
DIN: 02202895

ANUBHAV GUPTA
Director
DIN: 07589364

Mumbai
May 08, 2020

Mumbai
May 08, 2020