

Godrej Home Constructions Private Limited

Balance Sheet

as at March 31, 2020

(Currency in INR Lakhs)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	14.23	17.28
Intangible Assets	3	0.17	0.23
Deferred Tax Assets (Net)	4	-	-
Income Tax Assets (Net)		326.66	230.84
Total Non-Current Assets		341.06	248.35
Current Assets			
Inventories	5	27,627.84	43,224.98
Financial Assets			
Investments	6	3,071.81	1,843.59
Trade Receivables	7	49.76	-
Cash and Cash Equivalents	8	2,253.87	6,824.94
Bank Balances other than above	9	170.08	-
Other Current Financial Assets	10	26.92	41.00
Other Current Non Financial Assets	11	1,610.09	1,039.52
Total Current Assets		34,810.37	52,974.03
TOTAL ASSETS		35,151.43	53,222.38
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	12	427.00	427.00
Other Equity		(8,581.54)	(3,133.12)
Total Equity		(8,154.54)	(2,706.12)
LIABILITIES			
Current Liabilities			
Financial Liabilities			
Borrowings	13	16,565.04	17,156.27
Trade Payables			
total outstanding dues of micro enterprises and small enterprises (refer note 31)		65.63	-
total outstanding dues of creditors other than micro enterprises and small enterprises		1,642.65	367.99
Other Current Financial Liabilities	14	0.13	0.29
Other Current Non Financial Liabilities	15	25,032.52	38,403.95
Total Current Liabilities		43,305.97	55,928.50
TOTAL EQUITY AND LIABILITIES		35,151.43	53,222.38

Significant Accounting Policies

1

The accompanying notes 1 to 35 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 Constructions Private Limited

CIN: U70102MH2015PTC263486

ANIRUDDHA GODBOLE

Partner

Membership No: 105149

Mumbai

May 8, 2020

KARAN SINGH BOLARIA

Director

DIN: 06618461

Mumbai

May 8, 2020

UDAY BHASKAR K.

Director

DIN: 07638575

Bengaluru

May 8, 2020

Godrej Home Constructions Private Limited

Statement of Profit and Loss

for the year ended March 31, 2020

(Currency in INR Lakhs)

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from Operations	16	19,840.07	9.21
Other Income	17	1,576.24	378.81
Total Income		21,416.31	388.02
EXPENSES			
Cost of Materials Consumed	18	8,654.61	14,720.50
Change in construction work-in-progress	19	15,597.14	(13,244.87)
Finance Costs	20	1,827.96	377.73
Depreciation and Amortisation Expense	21	5.50	8.38
Other Expenses	22	779.52	501.31
Total Expenses		26,864.73	2,363.05
Loss Before Tax		(5,448.42)	(1,975.03)
Tax Expense			
Current Tax	4(b)	-	-
Deferred Tax Charge	4(a)	-	514.37
Total Tax Expense		-	514.37
Loss for the Year		(5,448.42)	(2,489.40)
Other Comprehensive Income for the Year (Net of Tax)		-	-
Total Comprehensive Loss for the Year		(5,448.42)	(2,489.40)
Earnings Per Share (Amount in INR)			
Basic	23	(127.60)	(58.30)
Diluted	23	(127.60)	(58.30)

Significant Accounting Policies

1

The accompanying notes 1 to 35 form an integral part of these Financial Statements.

As per our report of even date.

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

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

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Bengaluru

May 8, 2020

Godrej Home Constructions Private Limited

Statement of Cash Flows

for the year ended March 31, 2020

(Currency in INR Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flow from Operating Activities		
Loss Before Tax	(5,448.42)	(1,975.03)
Adjustments for:		
Depreciation and amortisation expense	5.50	8.38
Finance costs	1,827.96	377.73
Interest income	(285.58)	(326.30)
Income from Investment measured at FVTPL	(1.16)	(16.62)
Profit on sale of investments (net)	(234.51)	(35.89)
Liabilities written back	(6.66)	-
Gain on Derecognition of Financial Instruments	(1,048.33)	-
Operating (loss) before working capital changes	(5,191.20)	(1,967.73)
Changes in Working Capital:		
(Decrease) / Increase in Non Financial Liabilities	(13,364.77)	20,407.28
Increase / (Decrease) in Financial Liabilities	1,430.84	(198.03)
Decrease / (Increase) in Inventories	16,607.41	(11,166.51)
(Increase) in Non Financial Assets	(570.57)	(456.88)
(Increase) in Financial Assets	(50.25)	(5.10)
	4,052.66	8,580.77
Taxes Paid (net)	(95.82)	(109.94)
Net cash flows (used in)/ generated from operating activities	(1,234.36)	6,503.10
Cash Flow from Investing Activities		
Acquisition of property, plant and equipment, investment property and intangible assets	(2.39)	(5.35)
Purchase of mutual funds (net)	(992.55)	(1,238.21)
(Purchase) / Sale of investments in fixed deposits (net)	(170.08)	-
Interest Received	300.15	315.60
Net cash flows (used in) investing activities	(864.87)	(927.96)
Cash Flow from financing activities		
Proceeds from issue of Convertible Debentures (net)	-	-
Proceeds from short-term borrowings (net)	-	-
Interest paid	(2,471.84)	(4,937.48)
Net cash flows (used in) financing activities	(2,471.84)	(4,937.48)
Net (Decrease) / Increase in Cash and Cash Equivalents	(4,571.07)	637.66
Cash and Cash Equivalents - Opening Balance	6,824.94	6,187.28
Cash and Cash Equivalents - Closing Balance (refer note 34)	2,253.87	6,824.94

Godrej Home Constructions Private Limited

Statement of Cash Flows (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

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 8)	2,253.87	6,824.94
Less: Bank Overdrafts repayable on Demand	-	-
Cash and Cash Equivalents as per Statement of Cash Flows	2,253.87	6,824.94

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

Particular	Reconciliation of liabilities arising from financing activities					As at March 31, 2020
	As at April 01, 2019	Changes in Statement of Cash Flows	Acquisition	Non Cash Changes Changes from losing control of subsidiary	Fair Value Changes	
Short-term borrowings	16,517.63	-	-	-	(103.86)	16,413.77

Particular	Reconciliation of liabilities arising from financing activities					As at March 31, 2019
	As at April 01, 2018	Changes in Statement of Cash Flows	Acquisition	Non Cash Changes Changes from losing control of subsidiary	Fair Value Changes	
Short-term borrowings	16,728.51	-	-	-	(210.88)	16,517.63

The accompanying notes 1 to 35 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 Constructions Private Limited

CIN: U70102MH2015PTC263486

ANIRUDDHA GODBOLE

Partner

Membership No: 105149

Mumbai
May 8, 2020

KARAN SINGH BOLARIA

Director

DIN: 06618461

Mumbai
May 8, 2020

UDAY BHASKAR K.

Director

DIN: 07638575

Bengaluru
May 8, 2020

Godrej Home Constructions Private Limited

Statement of Changes in Equity

for the year ended March 31, 2020

(Currency in INR Lakhs)

a) Equity Share Capital

Particulars	As at March 31, 2020	As At March 31, 2019
Balance at the beginning of the year	427.00	427.00
Changes in equity share capital during the period	-	-
Balance at the end of the year	427.00	427.00

b) Other Equity

Particulars	Reserve and Surplus		Total
	Securities Premium (Refer Note (a) below)	Retained Earnings (Refer Note (b) below)	
Balance as at April 01, 2018	442.00	(1,085.72)	(643.72)
Total Comprehensive Income:			
i) Loss for the year	-	(2,489.40)	(2,489.40)
Balance as at March 31, 2019	442.00	(3,575.12)	(3,133.12)
Balance as at April 01, 2019	442.00	(3,575.12)	(3,133.12)
Total Comprehensive Income:			
i) Loss for the year	-	(5,448.42)	(5,448.42)
Balance as at March 31, 2020	442.00	(9,023.54)	(8,581.54)

(a) Securities Premium

Securities premium reserve is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

(b) 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.

The accompanying notes 1 to 35 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 Constructions Private Limited

CIN: U70102MH2015PTC263486

ANIRUDDHA GODBOLE

Partner

Membership No: 105149

KARAN SINGH BOLARIA

Director

DIN: 06618461

UDAY BHASKAR K.

Director

DIN: 07638575

Mumbai

May 8, 2020

Mumbai

May 8, 2020

Bengaluru

May 8, 2020

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (Continued)

as at March 31, 2020

(Currency in INR Lakhs)

2 Property, Plant and Equipment

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
	As At April 01, 2019	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 01, 2019	For the Year	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Tangible Assets										
Office Equipments	3.31	0.27	-	3.58	2.09	0.56	-	2.65	0.93	1.22
Site Equipments	2.67	1.19	-	3.86	0.47	1.14	-	1.61	2.25	2.20
Furniture and Fixtures	26.49	0.56	-	27.05	12.75	3.63	-	16.38	10.67	13.74
Computers	1.01	-	-	1.01	0.89	0.07	-	0.96	0.05	0.12
Electrical Installations and Equipments	-	0.37	-	0.37	-	0.04	-	0.04	0.33	-
Total Property, Plant and Equipment	33.48	2.39	-	35.87	16.20	5.44	-	21.64	14.23	17.28

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (Continued)

as at March 31, 2020

(Currency in INR Lakhs)

2 Property, Plant and Equipment (Continued)

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
	As At April 01, 2018	Additions during the year	Deductions during the year	As At March 31, 2019	As at April 01, 2018	For the Year	Deductions	As at March 31, 2019	As At March 31, 2019	As At March 31, 2018
Tangible Assets										
Office Equipments	3.31	-	-	3.31	1.09	1.00	-	2.09	1.22	2.22
Site Equipments	0.18	2.49	-	2.67	-	0.47	-	0.47	2.20	0.18
Furniture and Fixtures	23.63	2.86	-	26.49	6.11	6.64	-	12.75	13.74	17.52
Computers	1.01	-	-	1.01	0.68	0.21	-	0.89	0.12	0.33
Total Property, Plant and Equipment	28.13	5.35	-	33.48	7.88	8.32	-	16.20	17.28	20.25

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements *(Continued)*

as at March 31, 2020

(Currency in INR Lakhs)

3 Intangible Assets

Particulars	GROSS BLOCK			ACCUMULATED AMORTISATION				NET BLOCK		
	As At April 01, 2019	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 01, 2019	For the Year	Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Licenses and Software	0.35	-	-	0.35	0.12	0.06	-	0.18	0.17	0.23
Total Intangible Assets	0.35	-	-	0.35	0.12	0.06	-	0.18	0.17	0.23

Particulars	GROSS BLOCK			ACCUMULATED AMORTISATION				NET BLOCK		
	As At April 01, 2018	Additions during the year	Deductions during the year	As At March 31, 2019	As at April 01, 2018	For the Year	Deductions	As at March 31, 2019	As At March 31, 2019	As At March 31, 2018
Licenses and Software	0.35	-	-	0.35	0.06	0.06	-	0.12	0.23	0.29
Total Intangible Assets	0.35	-	-	0.35	0.06	0.06	-	0.12	0.23	0.29

Godrej Home Constructions Private Limited

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

(Currency in INR Lakhs)

4 Income Tax

a) Amounts recognised in the statement of profit and loss

Particulars	March 31, 2020	March 31, 2019
Current Tax	-	-
Current Tax	-	-
Tax Adjustment of Prior Years	-	-
Deferred Tax Charge	-	514.37
Tax Expense for the year	-	514.37

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)						
Property, Plant and Equipment	-	-	-	-	-	-
Brought Forward Loss	-	-	-	-	-	-
Other Items	-	-	-	-	-	-
Deferred Tax Assets/ (Liabilities)	-	-	-	-	-	-

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)						
Property, Plant and Equipment	0.99	(0.99)	-	-	-	-
Brought Forward Loss	487.24	(487.24)	-	-	-	-
Other Items	26.14	(26.14)	-	-	-	-
Deferred Tax Assets/ (Liabilities)	514.37	(514.37)	-	-	-	-

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (Continued)

as at March 31, 2020

(Currency in INR Lakhs)

4 Income Tax (Continued)

c) Reconciliation of Effective Tax Rate

Particulars	March 31, 2020	March 31, 2019
Loss Before Tax	(5,448.42)	(1,975.03)
Tax using the Company's domestic tax rate 25.17% (Previous Year : 26%)	(1,371.26)	(513.51)
Tax effect of:		
- Non deductible expenses		
Current year losses for which no Deferred tax asset was recognised	1,037.86	512.69
Unabsorbed Depreciation for which no Deferred tax asset was recognised	0.59	0.82
Disallowance on account of section 94B no Deferred tax asset was recognised	332.81	-
Change in recognised deductible temporary differences	-	514.37
Tax expense recognised	-	514.37

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	8,564.91	2,155.62	3,126.23	812.82
Unabsorbed Depreciation	10.56	2.66	0.82	0.25

e) Tax Losses Carried Forward

Particulars	March 31, 2020		March 31, 2019	
	Gross Loss	Expiry Date	Gross Loss	Expiry Date
Expire	848.61	2024-25	848.61	2024-25
	302.59	2025-26	302.59	2025-26
	1,975.03	2026-27	1,975.03	2026-27
	5,438.68	2027-28		
Never Expire	10.56		0.82	

Note:

- i) 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 tax rate and has 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.
- ii) 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 Constructions Private Limited

Notes Forming Part of Financial Statements (Continued)

as at March 31, 2020

(Currency in INR Lakhs)

	March 31, 2020	March 31, 2019
5 Inventories (Valued at lower of Cost and Net Realisable Value)		
Construction Work in Progress (Refer Note 33)	27,627.84	43,224.98
	<u>27,627.84</u>	<u>43,224.98</u>
6 Investments		
Unquoted		
Investment in Mutual Funds carried at Fair Value through Profit or Loss	3,071.81	1,843.59
	<u>3,071.81</u>	<u>1,843.59</u>
Market Value of unquoted Investments		
Aggregate book value of Unquoted Investments and Market Value thereof	3,071.81	1,843.59
7 Trade Receivables		
<i>To parties other than related parties</i>		
Unsecured, Considered Good	49.76	-
	<u>49.76</u>	<u>-</u>
8 Cash and Cash Equivalents		
Balances With Banks (Refer Note 34)		
In Current Accounts	64.89	273.88
In Fixed Deposit Accounts with maturity less than 3 months	2,183.88	6,541.00
Cheques On Hand	5.10	10.06
	<u>2,253.87</u>	<u>6,824.94</u>
9 Bank Balances other than above		
Balances With Banks (Refer Note 34)		
In Fixed Deposit Accounts with maturity more than 3 months but less than 12 months	170.08	-
	<u>170.08</u>	<u>-</u>

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (*Continued*)

as at March 31, 2020

(Currency in INR Lakhs)

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (*Continued*)

as at March 31, 2020

(Currency in INR Lakhs)

	March 31, 2020	March 31, 2019
10 Other Current Financial Assets		
Unsecured, Considered Good		
<i>To parties other than related parties</i>		
Deposits - Others (includes electricity deposit, deposit for appeal etc)	12.98	12.50
Interest Accrued on Fixed Deposits	13.94	28.51
	<u>26.92</u>	<u>41.00</u>
11 Other Current Non Financial Assets		
Secured, Considered Good		
<i>To parties other than related parties</i>		
Advance to Suppliers and Contractors (Refer Note (a) below)	90.05	80.71
Unsecured, Considered Good		
<i>To parties other than related parties</i>		
Unbilled Revenue	377.58	-
Balances with Government Authorities	481.72	236.04
Advance to Suppliers and Contractors	1.02	2.83
Prepayments	2.88	3.47
Others (includes deferred brokerage, deferred customer incentive etc)	656.84	716.47
	<u>1,610.09</u>	<u>1,039.52</u>

(a) Advance to Suppliers and Contractors includes advances amounting to INR 90.05 Lakhs (Previous year : INR 80.71 Lakhs) secured against Bank Guarantee.

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (Continued)

as at March 31, 2020

(Currency in INR Lakhs)

March 31, 2020 March 31, 2019

12 Equity Share Capital

a) Authorised :

45,00,000 Equity Shares of INR 10/- each (Previous Year: 45,00,000 Equity Share of INR 10/- each) 450.00 450.00

450.00 450.00

b) Issued, Subscribed and Paid-Up:

42,70,000 Equity Shares of INR 10/- each (Previous Year: 42,70,000 Equity Shares of INR 10/- each) fully paid-up 427.00 427.00

427.00 427.00

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 Lakhs)	No. of Shares	INR (In Lakhs)
Outstanding at the beginning of the year	42,70,000	427.00	42,70,000	427.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	42,70,000	427.00	42,70,000	427.00

d) Shareholding Information

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

e) Rights, preferences and restrictions attached to Equity shares

The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share held. 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	10,71,770	25.10%	10,71,770	25.10%
Shubh Properties Cooperatief U.A	30,88,918	72.34%	30,88,918	72.34%

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (*Continued*)

as at March 31, 2020

(Currency in INR Lakhs)

13 Borrowings (Current)

Particulars	March 31, 2020	March 31, 2019
Unsecured debentures		
From Related parties		
12% (Previous Year: 17.45%) Compulsorily Convertible Debentures (CCD) of INR 1000/- Each-Class A (Refer Note (a) below)	11,983.15	12,410.84
12% (Previous Year: 17.45%) Compulsorily Convertible Debentures (CCD) of INR 1000/- Each-Class B (Refer Note (b) below)	4,157.83	4,306.22
12% (Previous Year: 17.45%) Compulsorily Convertible Debentures (CCD) of INR 1000/- Each-Class C (Refer Note (c) below)	424.06	439.21
	16,565.04	17,156.27

Unsecured debentures include -

- (a) **12% (Previous Year: 17.45%) - 11,93,031 Class A - Compulsorily Convertible Debentures (CCD) of INR 1,000/- Each**
Each Class A CCD shall be compulsorily convertible into Equity Shares on July 15, 2022 (Previous Year: July 15, 2020) or within 7 years (Previous Year: 5 years) from the date of allotment, whichever is earlier, on the basis of the fair market value per share of the Company at the time of conversion calculated as per discounted cash flow methodology, or the minimum price determined as per the Indian Exchange Control Regulations for conversion of Class A CCDs into Equity Share, whichever is higher.
- (b) **12% (Previous Year: 17.45%) - 4,13,949 Class B - Compulsorily Convertible Debentures (CCD) of INR 1,000/- Each**
Each Class B CCD shall be compulsorily convertible into Equity Shares on July 15, 2022 (Previous Year: July 15, 2020) or within 7 years (Previous Year: 5 years) from the date of allotment, whichever is earlier, on the basis of the fair market value per share of the Company at the time of conversion calculated as per discounted cash flow methodology, or the minimum price determined as per the Indian Exchange Control Regulations for conversion of Class B CCDs into Equity Share, whichever is higher.
- (c) **12% (Previous Year: 17.45%) - 42,219 Class C - Compulsorily Convertible Debentures (CCD) of INR 1,000/- Each**
Each Class C CCD shall be compulsorily convertible into Equity Shares on July 15, 2022 (Previous Year: July 15, 2020) or within 7 years (Previous Year: 5 years) from the date of allotment, whichever is earlier, on the basis of the fair market value per share of the Company at the time of conversion calculated as per discounted cash flow methodology, or the minimum price determined as per the Indian Exchange Control Regulations for conversion of Class C CCDs into Equity Share, whichever is higher.

Note:

During the year, the Company renegotiated its existing debentures terms. The Interest rate has been reduced to 12% from 17.45% up to last year and debenture conversion period extended by 2 years i.e. July 15, 2022. Since the change in terms and conditions are substantial, the derecognition gain arising out of change in the existing debentures terms are transferred to profit and loss (Refer Note 17).

	March 31, 2020	March 31, 2019
14 Other Current Financial		
Other Liabilities (includes payables for reimbursement of expenses etc)	0.13	0.29
	0.13	0.29
15 Other Current Non Financial Liabilities		
<i>To parties other than related parties</i>		
Statutory Dues (includes Goods and Services Tax, Tax Deducted at Source etc)	54.33	227.58
Advances Received Against Sale of Flats / Units	24,978.19	38,176.37
	25,032.52	38,403.95

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (*Continued*) for the year ended March 31, 2020

(Currency in INR Lakhs)

	March 31, 2020	March 31, 2019
16 Revenue from Operations		
Sale of Real Estate Developments	19,819.09	-
Other Operating Revenues		
Other Income from Customers	20.98	9.21
	<u>19,840.07</u>	<u>9.21</u>
17 Other Income		
Interest Income	285.58	326.30
Gain on Derecognition of Financial Instruments (Refer Note 13)	1,048.33	-
Income from Investment measured at FVTPL	1.16	16.62
Profit on Sale of Investments (net)	234.51	35.89
Liabilities written back	6.66	-
	<u>1,576.24</u>	<u>378.81</u>
18 Cost of Materials Consumed		
Construction, Material and Labour	5,185.21	4,286.12
Architect Fees	19.05	15.33
Other Costs	972.80	8,129.81
Finance Costs	2,477.55	2,289.24
	<u>8,654.61</u>	<u>14,720.50</u>
19 Change in construction work-in-progress		
Inventories at the beginning of the year		
Construction Work-in-Progress	43,224.98	29,980.11
	<u>43,224.98</u>	<u>29,980.11</u>
Inventories at the end of the year		
Construction Work-in-Progress	27,627.84	43,224.98
	<u>27,627.84</u>	<u>43,224.98</u>
	<u>15,597.14</u>	<u>(13,244.87)</u>

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (Continued) for the year ended March 31, 2020

(Currency in INR Lakhs)

	March 31, 2020	March 31, 2019
20 Finance Costs		
Interest Expense	4,305.51	2,666.97
Less : Transferred to construction work-in-progress	(2,477.55)	(2,289.24)
Net Finance Costs	1,827.96	377.73
21 Depreciation and Amortisation Expense		
Depreciation on Property, Plant and Equipment	5.44	8.32
Amortisation of Intangible Assets	0.06	0.06
	5.50	8.38
22 Other Expenses		
Consultancy Charges	21.03	29.95
Insurance	0.39	0.19
Rates and Taxes	0.17	0.40
Advertisement and Marketing Expense	492.48	323.55
Business Support Services	97.78	50.95
Other Expenses *	167.67	96.27
	779.52	501.31

* includes payment to auditors amounting to INR 4.8 Lakhs (Previous year : INR 4.05 Lakhs) (refer note 29)

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

23 Earnings Per Share

a) Basic Earnings Per Share

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

	March 31, 2020	March 31, 2019
(i) Loss attributable to ordinary shareholders (basic)		
Loss for the Year attributable to ordinary shareholders of the Company	(5,448.42)	(2,489.40)
	<u>(5,448.42)</u>	<u>(2,489.40)</u>
(ii) Weighted average number of ordinary shares (basic)		
Weighted Average number of equity shares at the beginning of the year	42,70,000	42,70,000
Add: Weighted Average number of equity shares issued during the year	-	-
Weighted Average number of Equity Shares at the end of the year	<u>42,70,000</u>	<u>42,70,000</u>
Basic Earnings Per Share (INR) (Face Value INR 10 each) (Previous year: INR 10 each)	(127.60)	(58.30)

b) Dilutive/Antidilutive Earnings Per Share

The Compulsory Convertible Debentures will be converted into equity shares within seven years (Previous Year: five years) from date of allotment i.e., 15th July 2015 or earlier based on the Fair value of the shares computed as on the date of conversion and other terms & conditions of the shareholders agreement. In view of the same, the dilutive/antidilutive shares cannot be computed as the conversion ratio is not available as at the balance sheet date.

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

24 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, 2020	Carrying amount			Level 1	Fair value			Total
	Fair value through profit or loss	Amortised Cost	Total		Level 2	Level 3		
Financial Assets								
Current								
Investments	3,071.81	-	3,071.81	3,071.81	-	-	-	3,071.81
Trade receivables	-	49.76	49.76	-	-	-	-	-
Cash and cash equivalents	-	2,253.87	2,253.87	-	-	-	-	-
Bank balances other than above	-	170.08	170.08	-	-	-	-	-
Other Current Financial Assets	-	26.92	26.92	-	-	-	-	-
	3,071.81	2,500.63	5,572.44	3,071.81	-	-	-	3,071.81
Financial Liabilities								
Current								
Borrowings	-	16,565.04	16,565.04	-	16,565.04	-	-	16,565.04
Trade Payables	-	1,708.28	1,708.28	-	-	-	-	-
Other Current Financial Liabilities	-	0.13	0.13	-	-	-	-	-
	-	18,273.45	18,273.45	-	16,565.04	-	-	16,565.04

March 31, 2019	Carrying amount			Level 1	Fair value			Total
	Fair value through profit or loss	Amortised Cost	Total		Level 2	Level 3		
Financial Assets								
Current								
Investments	1,843.59	-	1,843.59	1,843.59	-	-	-	1,843.59
Cash and cash equivalents	-	6,824.94	6,824.94	-	-	-	-	-
Other Current Financial Assets	-	41.00	41.00	-	-	-	-	-
	1,843.59	6,865.94	8,709.53	1,843.59	-	-	-	1,843.59
Financial Liabilities								
Current								
Borrowings	-	17,156.27	17,156.27	-	17,156.27	-	-	17,156.27
Trade Payables	-	367.99	367.99	-	-	-	-	-
Other Current Financial Liabilities	-	0.29	0.29	-	-	-	-	-
	-	17,524.55	17,524.55	-	17,156.27	-	-	17,156.27

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2020

(Currency in INR Lakhs)

24 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 borrowings measured at amortised cost and fair value through profit or loss) which involves determination of present value of expected receipt/ payment discounted using appropriate discounting rates. The fair value so determined are classified as Level 2.

c) Risk Management Framework

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

The management monitors compliance of risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The management is assisted in its oversight role by Godrej Properties Limited's (Co-Venturers) 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 Constructions Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

24 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.

Trade Receivables

Customer credit risk is managed by requiring customers to pay advances through progress billings before transfer of ownership, therefore substantially eliminating the Company's credit risk in this respect.

The Company's credit risk with regard to trade receivable has a high degree of risk diversification due to the project having numerous customers.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

There is no impairment in respect of trade receivables during the year.

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.

Cash and Bank balances

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

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

24 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 has access to funds from debt markets through loan from banks and other debt instruments. The Company invests its surplus funds in bank fixed deposits and debt based mutual funds.

Exposure to liquidity risk

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

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	16,565.04	4,843.76	2,125.43	1,979.04	739.29	-
Trade Payables	1,708.28	1,798.99	1,342.23	223.76	233.00	-
Other Current Financial Liabilities	0.13	0.13	0.13	-	-	-

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	17,156.27	1,482.81	1,482.81	-	-	-
Trade Payables	367.99	367.99	367.99	-	-	-
Other Current Financial Liabilities	0.29	0.29	0.29	-	-	-

i) Borrowings represents the interest accrued on 12% Compulsory Convertible Debentures effective from April 2019 (Previous Year : 17.45%).

ii) The contractual cash flow of the current year is presented based on undiscounted cash flows of financial liabilities based on the due date on which the company be required to pay.

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

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

d) Financial risk management (Continued)

(iii) Market Risk

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

a) Currency Risk

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

b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The 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 liabilities		
Fixed rate instruments	16,413.77	16,517.63
	<u>16,413.77</u>	<u>16,517.63</u>
Financial assets		
Fixed rate instruments	2,353.96	6,541.00
	<u>2,353.96</u>	<u>6,541.00</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.

25 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 (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	11,069.28	8,487.74
Total equity	(8,154.54)	(2,706.12)
Net debt to Equity ratio	<u>(1.36)</u>	<u>(3.14)</u>

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

(Currency in INR Lakhs)

26 Ind AS 115 - Revenue from Contracts with Customers

(a) The amount of INR 14,014.90 Lakhs (Previous Year: INR Nil Lakhs) recognised in contract liabilities at the beginning of the year has been recognised as revenue during the year ended March 31, 2020.

(b) Significant changes in contract assets and contract liabilities balances are as follows:

Particulars	March 31, 2020	March 31, 2019
Contract asset		
At the beginning of the reporting period	-	-
Cumulative catch-up adjustments to revenue affecting contract asset	377.58	-
At the end of the reporting period	377.58	-
Contract liability		
At the beginning of the reporting period	38,176.37	17,947.15
Cumulative catch-up adjustments affecting contract liability	(17,029.42)	13,017.32
Significant financing component	3,831.24	7,211.90
At the end of the reporting period	24,978.19	38,176.37

(c) Performance obligation

The Company engaged primarily in the business of real estate construction, development and other related activities.

All the Contracts entered with the customers consists of a single performance obligation thereby the consideration allocated to the performance obligation is based on standalone selling prices.

Revenue is recognised upon transfer of control of residential and commercial units to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those units. The trigger for revenue recognition is normally completion of the project or receipt of approvals on completion from relevant authorities or intimation to the customer of completion, post which the contract becomes non-cancellable by the parties.

The revenue is measured at the transaction price agreed under the contract. In certain cases, the Company has contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company adjusts the transaction price for the effects of a significant financing component.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known.

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at March 31, 2020 is INR 46,318.22 lakhs (Previous Year: INR 41,489.34 lakhs). This will be recognised as revenue over a period of 1-3 years .

(d) Reconciliation of revenue recognised in the Statement of Profit and Loss

The following table discloses the reconciliation of amount of revenue recognised as at 31 March 2020:

Particulars	March 31, 2020	March 31, 2019
Contract price of the revenue recognised	15,061.85	-
Add: Significant financing component	4,757.24	-
Revenue recognised in the Statement of Profit and Loss	19,819.09	-

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2020

(Currency in INR Lakhs)

27 Related Party Disclosure

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

I. Relationships:

(i). Co-Venturers:

- Godrej Properties Limited (GPL) holds 25.10% of the share capital of Company
- Shubh Properties Cooperatief U.A (COOP) hold 72.34% of the Share Capital of Company, the Ultimate Holding Company
- Mr Gagan Chopra (partner) C/o. Heritage Investments hold 2.56% of the Share Capital of Company

(ii). Other Related Parties in Godrej Group

- Godrej and Boyce Manufacturing Company Limited

(iii). Key Management Personnel :

- Karan Singh Bolaria, director of the Company
- Uday Bhaskar K, director of the Company

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

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

Particulars	Godrej Properties Limited (i)	Shubh Properties Cooperatief U.A (COOP) (ii)	Mr Gagan Chopra (partner) C/o. Heritage Investments (iii)	Godrej & Boyce Manufacturing Company Ltd (G&B)	Total
Transactions during the Year					
Expenses charged by other Companies / Entities					
Current Year	291.14	-	-	-	291.14
Previous Year	133.17	-	-	38.93	172.10
Interest on Debenture					
Current Year	735.16	2,118.79	74.98	-	2,928.93
Previous Year	669.41	1,929.29	68.27	-	2,666.97
Gain on Derecognition of Financial Instruments					
Current Year	263.13	758.36	26.84	-	1,048.33
Previous Year	-	-	-	-	-
Development Management Fees					
Current Year	449.12	-	-	-	449.12
Previous Year	499.71	-	-	-	499.71
Expenses repaid to other Companies / Entities					
Current Year	803.37	-	-	-	803.37
Previous Year	685.80	-	-	38.93	724.73

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2020

(Currency in INR Lakhs)

27 Related Party Disclosure (*continued*)

Particulars	Godrej Properties Limited (i)	Shubh Properties Cooperatief U.A (COOP) (ii)	Mr Gagan Chopra (partner) C/o. Heritage Investments (iii)	Godrej & Boyce Manufacturing Company Ltd (G&B)	Total
Balance Outstanding as on March 31, 2020					
Debenture and Interest Outstanding					
As at March 31, 2020	4,157.83	11,983.15	424.06	-	16,565.04
As at March 31, 2019	4,306.22	12,410.85	439.20	-	17,156.27
Trade Payables					
As at March 31, 2020	1.35	-	-	-	1.35
As at March 31, 2019	-	-	-	-	-

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

28 Contingent Liabilities

a) Contingent Liabilities

Matters	March 31, 2020	March 31, 2019
I) Claims against Company not Acknowledged as debts:		
Claims not acknowledged as debts represent cases filed by parties in the Consumer forum, Real Estate Regulatory Authority, Civil Court and High Court and disputed by the Company as advised by our advocates. In the opinion of the management the claims are not sustainable.	18.33	-
II) Guarantees:		
Guarantees given by Bank, counter guaranteed by the Company	-	-

b) Commitments

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.

29 Payment to Auditors (net of taxes)

Particulars	March 31, 2020	March 31, 2019
Statutory Audit Fees	3.45	2.20
Certification Fees	1.10	1.85
Reimbursement of Expenses	0.25	-
Total	4.80	4.05

Note: INR 0.99 (Previous Year INR 2.51) of the fee has been transferred to construction work in progress.

30 Foreign Exchange Difference

The amount of exchange difference included in the Statement of Profit and Loss, is INR (0.24) Lakhs (Net Loss) (Previous Year: INR. Nil Lakhs (Net Loss)).

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (Continued)

for the year ended March 31, 2020

31 Micro, Small and Medium enterprises :

Particulars	March 31, 2020	March 31, 2019
(a) The principal amount remaining unpaid to any supplier as at the end of the accounting year;	65.63	Nil
(b) The interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	Nil	Nil
(c) The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	Nil	Nil
(e) The amount of interest accrued and remaining unpaid at the end of accounting year	Nil	Nil
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

32 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

None of the customers for the year ended March 31, 2020 and March 31, 2019 constituted 10% or more of the total revenue of the Company.

Godrej Home Constructions Private Limited

Notes Forming Part of Financial Statements (*Continued*)

for the year ended March 31, 2020

- 33 The write-down of inventories to net realisable value during the year amounted to INR 4,753.05 (Previous Year: INR 1,475.62).
- 34 Cash and Cash Equivalents and Bank Balances includes balances in Escrow Account which shall be used only for specified purposes as defined under Real Estate (Regulation and Development) Act, 2016.
- 35 The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables, Inventories, Investments and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources of information. As on current date, the Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

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 Constructions Private Limited

CIN: U70102MH2015PTC263486

ANIRUDDHA GODBOLE

Partner

Membership No: 105149

Mumbai

May 8, 2020

KARAN SINGH BOLARIA

Director

DIN: 06618461

Mumbai

May 8, 2020

UDAY BHASKAR K.

Director

DIN: 07638575

Bengaluru

May 8, 2020