

BUSINESS OVERVIEW

The Directors are pleased to present the business overview and statement on the consolidated IND AS Financial Statements for the year ended March 31, 2019.

FINANCIAL RESULTS

Rs in crore

Particulars	Consolidated	
	2018-19	2017-18
Revenue from operations	11,906.98	9,677.27
Other income	29.03	109.68
Share of profit / (loss) in partnership firms	-	-
Total Revenue/Income	11,936.00	9,786.95
Cost of projects	7,388.34	6,629.45
Employee benefits expense	389.89	493.00
Finance costs (net)	510.99	202.95
Depreciation, impairment & amortization	180.49	395.05
Other expenses	974.69	884.57
Total Expenditure	9,444.42	8,605.04
Profit Before Tax	2,491.57	1,181.94
Tax Expenses	(844.90)	(387.90)
Net Profit for the year	1,646.67	794.04
Other Comprehensive income	(2.37)	(21.52)
Minority Interest	(9.07)	8.13
Total Comprehensive Income for the year	1,635.21	772.52

REVENUE & PROFITABILITY ANALYSIS

Total Revenue: Total revenue increased by 22% to ₹ 11,936.00 crore for the year ended March 31, 2019 from ₹ 9,786.95 crore for the year ended March 31, 2018, primarily due to increase in revenue from operations.

Revenue from Operations: Revenue from operations increased by 23% to ₹ 11,906.98 crore for the year ended March 31, 2019 from ₹ 9,677.27 crore for the year ended March 31, 2018.

Other Income: Other income decreased by 73.5% to ₹ 29.03 crore for the year ended March 31, 2019 from ₹ 109.68 crore for the year ended March 31, 2018, primarily due to Foreign Exchange Gain (net) in previous year.

Total Expenses: Total expenses increased by 9.8% to ₹ 9,444.42 crore for the year ended March 31, 2019 from ₹ 8,605.04 crore for the year ended March 31, 2018, primarily due to increase in Revenue.

Cost of Projects: The cost of projects increased by 11.4% to ₹ 7,388.34 crore for the year ended March 31, 2019 from ₹ 6,629.45 crore for the year ended March 31, 2018, primarily due to increase in Revenue.

The financials for the current year are not comparable on account of Revenue being recognized 'Point in Time' as per Ind AS 115 'Revenue from contracts with customers' during the year under review, whereas it was recognized based on the Percentage of Completion Method (PoCM) in the previous year.

Employee Benefits Expense: Employee benefits expense decreased by 20.9% to ₹ 389.90 crore for the year ended March 31, 2019 from ₹ 493.00 crore for the year ended March 31, 2018 due to reduction in managerial remuneration.

Finance Costs: Finance costs increased by 151.8% to ₹ 511.00 crore for the year ended March 31, 2019 from ₹ 202.96 crore for the year ended March 31, 2018, primarily due to lower interest inventorisation.

Depreciation, Amortization and Impairment Expenses: Depreciation, amortization and impairment expenses decreased by 54.3% to ₹ 180.49 crore for the year ended March 31, 2019 from ₹ 395.05 crore for the year ended March 31, 2018, primarily due to goodwill impairment in previous year.

Other Expenses: Other expenses increased by 10.2% to ₹ 974.70 crore for the year ended March 31, 2019 from ₹ 884.58 crore for the year ended March 31, 2018, primarily due to provision on doubtful debts, loans and advances.

Tax expense: Tax expense increased by 117.8 % to ₹ 844.91 crore for the year ended March 31, 2019 from ₹ 387.90 crore for the year ended March 31, 2018 , primarily due to increase in Profits.

Profit: Profit increased by 107.4% to ₹ 1,646.67 crore for the year ended March 31, 2019 from ₹ 794.04 crore for the year ended March 31, 2018 due to re-recognition of High margin projects and in FY 18, lower margin in NCP.

Other Comprehensive Income: Other comprehensive income decreased to ₹ 2.37 crore for the year ended March 31, 2019 from ₹ 21.53 crore for the year ended March 31, 2018, primarily due to foreign currency translation reserve.

Total Comprehensive Income: Total comprehensive income increased to ₹ 1,644.29 crore for the year ended March 31, 2019 from ₹ 772.52 crore for the year ended March 31, 2018.

DIVIDEND

The Board does not recommend any dividend for the financial year under review.

MAJOR EVENTS DURING THE YEAR

a. The name of the Company was changed to 'Macrotech Developers Limited' with effect from May 24, 2019.

b. **Corporate reorganization:**

The following schemes of arrangement were approved by the National Company Law Tribunal ("NCLT") during the financial year 2018-19 under sections 230 to 232 of the Companies Act 2013.

- i. Amalgamation of Hi Class Buildcon Private Limited with the Company, approved by the NCLT, Mumbai Bench on September 3, 2018 and effective on September 12, 2018.
- ii. Amalgamation of Adinath Builders Private Limited and Bellissimo Vivek Enterprises Dwellers Private Limited with the Company, approved by the NCLT, Mumbai Bench on November 2, 2018 and effective on November 30, 2018.
- iii. Amalgamation of Bellissimo Developers Thane Private Limited with the Company, approved by the NCLT, Mumbai Bench on November 2, 2018 and effective on November 30, 2018.

- iv. Demerger of Bellissimo Mahavir Associates Dwellers Private Limited into the Company, approved by the NCLT, Mumbai Bench on September 4, 2018 and effective on October 27, 2018.
- v. Amalgamation of Shreeniwas Cotton Mills Limited and Suvidhinath Buildtech Private Limited with the Company, approved by the NCLT, Mumbai Bench on June 6, 2019 and effective on July 26, 2019.
- vi. Amalgamation of Dalhousie Leasing Services Private Limited, Mandip Finserve Private Limited and Hotel Rahat Palace Private Limited with the Company approved by the NCLT, Mumbai Bench on August 1, 2019. Order is awaited.

The Company has filed the following schemes of arrangements under Section 230 to 232 of the Companies Act, 2013, which are currently pending before the NCLT, Mumbai Bench.

- i. Amalgamation of Bellissimo Mahavir Associates Dwellers Private Limited, Shree Sainath Enterprises Construction and Developers Private Limited, Lodha Impression Real Estate Private Limited with the Company. No shares of the Company shall be allotted as consideration for the Scheme.
- ii. Amalgamation of Arihant Premises Private Limited and Siddhnath Residential Paradise Private Limited with the Company. No shares of the Company shall be allotted as consideration for the Scheme.
- iii. Separate schemes of demerger of commercial tower 1 of New Cuffe Parade project, Palava Xperia Mall and Palava I Think into 3 separate subsidiaries of the Company. No shares of the Company shall be allotted as consideration for the Scheme.

The Company has withdrawn the scheme of demerger of an identified business undertaking into IMSA Computer Education Private Limited on June 20, 2018 and the scheme of amalgamation of Cowtown Infotech Services Private Limited on June 21, 2019.

c. Other corporate milestones

- i. The suspension in trading of securities of Sanathnagar Enterprises Limited ("SEL"), a listed subsidiary of the Company, was revoked by BSE Limited on April 25, 2018 with effect from May 3, 2018. SEL achieved Minimum Public shareholding by way of offer for sale of shares of SEL by the promoters of SEL on May 18, 2018. The vacation order was issued by the SEBI Whole Time Member on June 13, 2018.
- ii. The Board and shareholders of National Standard (India) Limited (NSIL) had approved voluntary delisting of the equity shares of NSIL from BSE Limited and Calcutta Stock Exchange Limited on February 14, 2018 and March 17, 2018 respectively. These approvals have now lapsed. Further course of action in this matter is being evaluated.
- iii. Roselabs Finance Limited, a listed subsidiary of the Company, had applied to RBI for voluntary deregistration from NBFC activities on July 3, 2017. This has been approved by RBI by its order dated July 18, 2018.

CHANGES IN SHARE CAPITAL

The authorized share capital increased by Rs 4.81 crore during the financial year on account of various mergers effected during the year. There were no capital issuances during the financial year.

DISCLOSURES RELATED TO BOARD, COMMITTEE AND POLICIES

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Executive Committee of the Board looks after the management of the day-to-day affairs of the Company.

As on March 31, 2019, the Company had six Directors, of which two were Executive, one was Non executive and three were independent. No Director holds directorships in more than twenty companies or ten public companies. None of the Directors are related to each other. The Company has received declarations under section 149 of the Act from all independent directors confirming that they meet the criteria of independence prescribed under the Act and the Listing Regulations. None of the Non-Executive Directors had any pecuniary relationship or transaction with the Company which could potentially conflict with the interests of the Company at large.

Mr. Rajendra Lodha retires by rotation and being eligible, offers himself for re-appointment. Necessary resolutions are included in the accompanying notice of the Annual General Meeting.

Key Managerial Personnel as on March 31, 2019 as per Section 203 of the Act are:

Mr. Abhishek Lodha, Managing Director & CEO
Mr. Rajendra Lodha, Whole time Director
Mr. Jayant Mehrotra, Chief Financial Officer
Ms. Sanjyot Rangnekar, Company Secretary

BOARD AND BOARD COMMITTEES

Board Meetings

Six Board meetings were held during the year; on May 25, 2018, June 19, 2018, August 17, 2018, October 29, 2018, February 22, 2019 and March 27, 2019. The gap between two meetings did not exceed 120 days. Attendance of Members during financial year 2018-19 is given in the table below.

Name of Director(s) and DIN	Category of directorship in the Company	No. of Board meetings held during the year: 6	Attendance at last AGM	Director's Shareholding in the Company (%)
		Attended		
Mr. Mukund Chitale	Chairman, Independent Director	6	Yes	Nil
Ms. Shyamala Gopinath	Independent Director	5	No	Nil
Mr. Berjis Desai	Independent Director	3	Yes	Nil
Mr. R P Singh	Non-Executive Director	5	No	Nil
Mr. Rajendra Lodha	Whole time Director	2	No	200 shares
Mr. Abhishek Lodha	Managing Director and CEO	6	Yes	Nil

Board Committees

Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their actions. The minutes of the meetings of all Committees are placed before the Board for review.

The Board has currently established the following mandatory committees:

A. Audit Committee

The Audit Committee comprises Mr. Mukund Chitale, Chairman & Independent Director, Ms Shyamala Gopinath, Independent Director and Mr. R P Singh, Non Executive Director. All the Members of the Committee have relevant experience in financial matters. Senior executives are invited to participate in the meetings of the Committee as and when necessary. The Managing Director & CEO and the CFO are permanent invitees and the Company Secretary acts as Secretary to the Committee. The terms of reference of Audit Committee of the Company are in line with the provisions of Section 177 of the Act.

The Audit Committee met six times during the year; on May 25, 2018, June 19, 2018, August 17, 2018, October 29, 2018, February 22, 2019 and March 27, 2019. Attendance of Members during financial year 2018-19 is given in the table below.

Name of the member	Number of Meetings which the director was entitled to attend	Number of Meetings attended
Mr. Mukund Chitale	6	6
Mr. R P Singh	6	5
Ms. Shyamala Gopinath	6	5

B. Nomination & Remuneration Committee

The Nomination & Remuneration Committee comprises Mr. Berjis Desai (Chairman), Mr. Mukund Chitale and Mr. R P Singh. The Company Secretary acts as the Secretary to the Committee. The terms of reference of the Nomination & Remuneration Committee of the Company are in line with the provisions of Section 178 of the Act.

The Nomination & Remuneration Committee met twice during the year i.e. on May 25, 2018 and July 24, 2018. Attendance of Members during financial year 2018-19 is given in the table below.

Name of the member	Number of Meetings which the director was entitled to attend	Number of Meetings attended
Mr. Mukund Chitale	2	2
Mr. Berjis Desai	2	1
Mr. R P Singh	2	2

C. Corporate Social Responsibility Committee

The CSR Committee comprises Ms. Shyamala Gopinath (Chairperson), Mr. R P Singh and Mr. Berjis Desai. The Company Secretary acts as the Secretary to the Committee. The terms of reference of the CSR Committee of the Company are in line with the provisions of Section 135 of the Act.

The CSR Committee met once during the year i.e. on June 19, 2018. Attendance of Members during financial year 2018-19 is given in the table below.

Name of the member	Number of Meetings which the director was entitled to attend	Number of Meetings attended
Ms. Shyamala Gopinath	1	-
Mr. R P Singh	1	1
Mr. Berjis Desai	1	1

Non mandatory committees

The Company has constituted an Executive committee for ease of administration and smooth conduct of business. The Executive Committee comprises Mr. Abhishek Lodha, Mr. Rajendra Lodha and Mr. R P Singh. The Company Secretary of the Company acts as the Secretary to the Committee.

BOARD EVALUATION

The Board carried out an annual evaluation of its own performance, Chairman, board committees, and individual directors pursuant to the provisions of the Act. Performance of the board was evaluated after seeking inputs from all the directors on the basis of criteria such as board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In terms of the provisions of Section 178(3) of the Act, the Nomination and Remuneration Committee is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has adopted a Nomination and Remuneration.

AUDITORS & AUDITOR'S REPORTS

- **Statutory Auditor**

MSKA & Associates (F.K.A. MZSK & Associates), Chartered Accountants (Firm Registration No. 105047W), the statutory auditors, hold office until the conclusion of the 26th AGM to be held in the year 2021.

- **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Makarand M. Joshi & Co. Practicing Company Secretary was appointed as Secretarial Auditor to conduct secretarial audit for the financial year 2018-19.

- **Cost records and cost audit**

D. C. Dave & Co, Cost Accountants were appointed as Cost auditors to audit the cost records of the Company for financial year 2018-19.

Auditor's Reports

- The statutory auditor's report for financial year 2018-19 (standalone) does not contain any qualifications, reservations or adverse remarks. The Auditor's report is enclosed with the financial statements with this Annual Report.

In the audit report for financial year 2018-19 (consolidated), the Statutory Auditor has commented that one of the directors on the Board of National Standard (India) Ltd (NSIL), a listed subsidiary was disqualified under Section 164 (2) (a) of the Companies Act 2013 on account of non compliance of this section by another company in which he is an independent director. He has since ceased to be director of NSIL.

- The Secretarial Audit Report for financial year 2018-19 does not contain any qualifications, reservations or adverse remarks.
- The Cost Audit Report for financial year 2017-18 was filed with the Ministry of Corporate Affairs on October 5, 2018.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company is in the business of providing "infrastructural facilities" as defined in Schedule VI of the Companies Act 2013 and therefore the provisions of Section 186 are not applicable to any loan made, guarantee given or security provided by the Company in terms of exemption provided u/s 186. Particulars of investments made by the Company are provided in the financial statements which may be read in conjunction with this Report.

RELATED PARTY TRANSACTIONS

Transactions/contracts/arrangements, falling within the purview of provisions of Section 188(1) of the Companies Act, 2013, entered by the Company with related parties as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, were in the ordinary course of business and have been transacted at arm's length basis.

SUBSIDIARIES, JOINT VENTURES, ASSOCIATES

The Company is a subsidiary of Sambhavnath Infrabuild and Farms Limited. The Company has 44 subsidiaries / associates on March 31, 2019.

CONSOLIDATED FINANCIAL STATEMENTS

The Audited Consolidated Financial Statements for the financial year ended March 31, 2019 have been prepared in accordance with Indian Accounting Standard (Ind AS) - 110 on 'Consolidated Financial Statement' read with Ind AS-28 on 'Investments in Associates and Joint Ventures', notified under the Act, read with the Indian Accounting Standards Rules as applicable and same are in compliance with the Companies Act, 2013.

RISK MANAGEMENT & INTERNAL CONTROLS

Risk Management

Your Company has adopted a Risk Management policy which is based on three pillars: Business Risk Assessment, Operational Controls Assessment and Policy Compliance processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The key risks and mitigating actions are also placed before the Board /Audit Committee from time to time.

Adequacy of Internal Controls

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. These systems are routinely tested and audited by Statutory as well as Internal Auditor and cover all offices, sites and key business areas. Significant audit observations and follow up actions thereon are reported to the Board/ Audit Committee. The Board / Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems. These systems provide a reasonable assurance in respect of financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of frauds, accuracy & completeness of accounting records and ensuring compliance with corporate policies.

Vigil Mechanism

The Company has adopted a Transparency & Ethics Policy for directors and employees. This policy is the Company's statement of values and represents the standard of conduct which all employees are expected to observe in their business endeavours. The Policy reflects the Company's commitment to principles of integrity, transparency and fairness. It forms the benchmark against which the world at large is invited to judge the Company's activities.

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the Transparency & Ethics Policy of the Company.

The Company has provided a dedicated e-mail address for reporting such concerns. Alternatively, employees can also send written communications to the Company. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Ombudsman /Chairman of the Audit Committee of the Company for redressal.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in below:

A. Conservation of Energy

i. Steps taken or impact on conservation of energy

- Installation of solar water heaters for the residential buildings at our projects.
- Installation of solar powered street lights at township projects.
- Use of variable frequency drives for all elevators and air-conditioning equipment.
- Installation of occupation sensor controlled lighting and air-conditioning through home automation in our projects.
- Use of extensive use of materials like fly ash, GGBS, etc. at all our projects, resulting in saving of cement thus indirectly saving energy consumed in manufacturing of cement.
- Fine tuning of electrical designs at all major projects to contain the voltage drop to less than 5%.
- Use of low voltage PL lamps

ii. Steps taken for utilizing alternate sources of energy

- Use of variable frequency drives for all elevators and air-conditioning equipment.
- Home automation through use of sensor controlled lighting and air-conditioning
- Use of solar water heaters and solar powered street lights

iii. Capital investment on energy conservation equipment

The Company continues to make project level investments for reduction in consumption of energy. The capital investment on energy conservation equipment cannot be quantified.

iv. Impact of measures for reduction of energy consumption

- Reduction in overall maximum demand for the electricity in all projects and consequent energy saving benefits to the residents.
- Measures to achieve eco balance have been taken at the major sites of large developments by providing extensive green cover and creating water bodies by treating waste water and rain harvesting.
- Waste water equipment plants are installed at all major projects for treating waste water and utilising it for air-conditioning, watering of green spaces and flushing.
- Providing dust control systems for the concrete batching plant across projects.
- Complete ban on use of mud bricks in construction and using light weight blocks which helps soil conservation and utilization of material like fly ash which otherwise would cause air pollution
- Use of modern metallic form work instead of timber form work thereby helping conservation of forests
- Prefabricated dwelling units for labour accommodation with bunkers to minimise the areas utilized by the camps and controlling environmental degradation by proper waste disposal facilities.
- Minimise use of paper in its offices across all sites

- Regulated water and power supply to labour camps across all sites.
- Plantation of large number of trees and providing extensive green cover creating water bodies to enhance the ecology and environment.
- Use of fly ash and other minerals in the construction to reduce cement consumption thus indirectly saving the energy used for manufacture of cement.
- State of the art electronic parking management system installed to accommodate and control the movement of large number of vehicles thus helping de-congestion of the roads in the area resulting in smooth and faster passing of traffic thereby reducing fuel consumption and pollution caused due to carbon monoxide by idle running of vehicles.
- Use of crushed sand in the construction instead of natural sand thus helping environmental degradation as natural sand is normally dredged from the river beds.
- Crushing stones obtained from excavation at the construction site itself thus saving the transportation for disposal of stones as well as import of crush aggregate, saving both ways transportation and thus saving fuel.

B. Technology absorption

i. Efforts made towards technology absorption

The Company uses vacuum sewage systems, mechanical car parks, co-generation, solar power, top down construction, dry walls, optimization of water distribution systems for high rise buildings & automatic climbing formwork.

ii. Benefits derived like product improvement, cost reduction, product development or import substitution

The Company derives benefits in the form of cost reduction, fewer customer complaints and better quality of end products. Some measures are directed towards reduction in air pollution and fuel saving. In co-generation plants, heat generated by diesel generators is used to run the air conditioner plant or to create additional energy.

Our “top down construction” approach reduces completion time and consequent costs due to saving of energy on more efficient use of plant and equipment by shorter duration of deployment.

iii. Imported Technology

Nil

C. Foreign Exchange Earnings & Outgo

During financial year 2018-19, foreign exchange earnings and outgo was Rs 13.06 crore and Rs 428.91 crore respectively.

GENERAL DISCLOSURES

Your Directors state that for the financial year ended March 31, 2019, no disclosures are required in respect of the following items and accordingly confirm as under:

- The Company has neither revised the financial statements nor the report of Board of Directors.
- No cases were filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

- iii. There are no material changes or commitments affecting the financial position of the Company between March 31, 2019 and the date of this report.
- iv. The Company has not accepted any deposits during financial year 2018-19.
- v. No instance of fraud has been reported to Board of Directors of the Company by the Auditors or any other person.
- vi. No significant or material orders were passed by the Regulators/Courts/Tribunals which impact the going concern status and Company's operations in future.
- vii. During the financial year 2018-19, there was no change in the nature of the business of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards read with the requirements set out under Schedule III to the Act, have been followed and there are no material departures thereof.
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the financial year ended on that date;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis report has been separately furnished and forms a part of this Annual Report.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and support extended by all stakeholders.

Macrotech Developers Limited

(F.K.A Lodha Developers Limited)

For and on behalf of the Board
Macrotech Developers Limited



Abhishek Lodha
Managing Director & CEO
DIN: 00266089



Date : August 9, 2019

Place : Mumbai



**ANNUAL ACCOUNTS
FY 2018-19**

**MACROTECH DEVELOPERS LIMITED
(formerly known as LODHA DEVELOPERS LIMITED)
(CONSOLIDATED)**

INDEPENDENT AUDITOR'S REPORT

To the Members of Macrotech Developers Limited (formerly known as Lodha Developers Limited)

Report on the Audit of the Consolidated Financial Statements**Opinion**

We have audited the accompanying consolidated financial statements of Macrotech Developers Limited (formerly known as Lodha Developers Limited) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated balance sheet as at March 31, 2019, and the consolidated statement of profit and loss, the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries and an associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its associate as at March 31, 2019, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Application of Ind AS 115 "Revenue from contracts with customers":	
<p>The Group has adopted Ind AS 115 - 'Revenue from the contract with the customer' from April 1, 2018 using the modified retrospective application, with the cumulative effect of initially applying the standard to be adjusted to the opening equity.</p> <p>We consider application of Ind AS 115 to be a key area of focus for audit in view of the following:</p> <ul style="list-style-type: none">• First time adoption of Ind AS 115 and therefore require significant audit attention during the year;• Application and transition to this accounting standard is complex and involves a number of key judgments and estimates including, inter alia, identification of distinct performance obligation, determine transaction price and determining the timing of the revenue recognition.• The Application of Ind AS 115 impacted the Group's accounting for recognition of revenue from real estate projects, which	<p>Our procedures included the following:</p> <ul style="list-style-type: none">• Evaluated that the Group's revenue recognition accounting policies are in line with the applicable accounting standards and their application to the customer contracts;• Selected the sample of revenue contract for sale of residential and commercial units to identify the performance obligations of the Group under these contracts and assessed whether these performance obligations are satisfied over time or at a point in time based on the criteria specified under Ind AS 115;• Obtained and verified the computation of the adjustment to retained earnings balance as at April 1, 2018 on account of adoption of Ind AS 115 as per the modified retrospective method;• We have verified, on test check basis, revenue transaction with the underlying customer contract, Occupancy Certificates (OC), application for OC and other

Key Audit Matter	How our audit addressed the key audit matter
<p>is now being recognized at a point in time upon the Group satisfying its performance obligation and the customer obtaining control of the underlying asset.</p> <p>Refer to Note 1(B)(III)(11) to the consolidated financial statements which includes the accounting policy followed by the Group for recognizing revenue on sale of residential and commercial properties and Note 61 to the consolidated financial statements which provides the impact and other disclosure of Ind AS 115.</p>	<p>documents evidencing the transfer of control of the asset to the customer based on which the revenue is recognized; and</p> <ul style="list-style-type: none"> We assessed the consolidated financial statement disclosures arising on account of adoption of Ind AS 115 to determine if they are in compliance with the requirements of Ind AS 115.
Valuation of inventory:	
<p>The Group's properties under development and completed properties are stated at the lower of cost and Net Realizable Value (NRV). As at March 31, 2019, the Group's properties under development and completed properties amounted to Rs. 3,665,011.44 Lakhs and Rs. 469,768.78 Lakhs respectively.</p> <p>The cost of the inventory is calculated using actual land acquisition costs, construction costs, and development related costs and interest capitalized for eligible project.</p> <p>We considered the valuation of inventory a key audit matter given the relative size of the balance in the consolidated financial statements and significant judgement involved in estimating future selling prices, costs to complete project and selling costs.</p> <p>Refer to Note 1(B)(III)(5) to the consolidated</p>	<p>Our procedures in relation to the NRV of the properties under development and completed properties included:</p> <ul style="list-style-type: none"> Discussed with the management to understand the process and methodology of using key assumptions for the determining the valuation of the inventory as at the year-end; Assessed the appropriateness of the selling price estimated by the management, on a sampling basis, by comparing the estimated selling price to recent market prices in the same projects or comparable properties; and Compared the estimate construction cost to complete the project with the Group's updated budget.

Key Audit Matter	How our audit addressed the key audit matter
financial statements which includes the accounting policy followed by the Group for valuation of inventory.	
Assessment of claims & litigations:	
<p>In the normal course of the business, potential exposures may arise from various legal procedures against the Group. Due to the range of the potential outcomes and the considerable uncertainty around the resolution of various claims, the determination of the amount, if any, to be recorded in the consolidated financial statements as a provision is inherently subjective. As at March 31, 2019, the Group was involved in a number of legal cases which are still ongoing and the financial impact of which cannot be currently determined.</p> <p>Refer Note 43(c) to the consolidated financial statements for the disclosures relating to contingent liability.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Reviewed the minutes of the Board and Audit Committee meetings; • Inquired with the in-house lawyers to determine any potential outcome of the cases and steps that will be undertaken in future with regards to the ongoing litigations; • Obtained and reviewed confirmations of the external legal advisors of the Group; and • Reviewed the relevant disclosure in the contingent liabilities note to ensure completeness and accuracy of the disclosure.
Classification of investment in Optionally Convertible Debentures (OCDs):	
<p>One of the investors invested Rs. 50,000 Lakhs in to one of the subsidiaries of the Group, namely Palava Dwellers Private Limited for development of 31.3 million square feet of saleable area of the Palava project.</p> <p>Pursuant to the terms of the OCDs, the Investor only has the right to convert the OCDs in to Equity Shares. Palava Dwellers Private Limited has the option but not an obligation to redeem the OCDs out of the available cash flow from the project over the life of the Debenture. Any OCDs which remain</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We have obtained the shareholder subscription agreement and the related transaction document from the management; • Obtained accounting paper prepared by the management and reviewed the same to ensure that conclusion reached thereon is in compliance with the requirements of Ind AS 32; and • Inquired from the in-house lawyer to

Key Audit Matter	How our audit addressed the key audit matter
<p>outstanding at the end of the tenure shall be converted into Equity Shares. Accordingly, the OCDs has been classified as equity in the consolidated financial statements.</p> <p>Due to the significance of amount involved and judgment involved in the determining the appropriate classification of optionally convertible debenture into equity or liability, we have considered this as key audit matter. Refer to Note 63 to the consolidated financial statements.</p>	<p>determine whether the Group does have legal or regulatory obligation to redeem/repay the invested amount under any transaction related documents.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the notice of annual general meeting, Director's Report and management discussion and analysis but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could



reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

- a. We did not audit the financial information of 14 subsidiaries whose financial statements reflect total assets of Rs. 1,940,588.84 Lakhs as at March 31, 2019, total revenues of Rs. 19,002.36 Lakhs and net cash flows amounting to Rs. 1,749.19 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- b. The consolidated financial statements also include the Group's share of net loss of Rs. 0.02 Lakhs for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of an associate, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of an associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:



- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiaries none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director of that company in terms of Section 164 (2) of the Act *except for 1 director of one of the Group's subsidiary incorporated in India who is disqualified from being appointed as a director in terms of Section 164(2) of the Act, who has subsequently resigned.*
- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



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- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate - Refer Note 43(c) to the consolidated financial statements.
 - ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its associate incorporated in India.
2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.: 105047W

Anita Somani

Partner

Membership No.: 124118

UDIN: 19124118AAAACM5262



Place: Mumbai

Date: August 09, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MACROTECH DEVELOPERS LIMITED (FORMERLY KNOWN AS LODHA DEVELOPERS LIMITED)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.: 105047W

A Somani

Anita Somani

Partner

Membership No.: 124118

UDIN: 19124118AAAACM5262



Place: Mumbai

Date: August 09, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MACROTECH DEVELOPERS LIMITED (FORMERLY KNOWN AS LODHA DEVELOPERS LIMITED)

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Macrotech Developers Limited (formerly known as Lodha Developers Limited) on the consolidated Financial Statements for the year ended March 31, 2019]

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

In conjunction with our audit of the consolidated financial statements of Macrotech Developers Limited (formerly known as Lodha Developers Limited) (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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



Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiaries and its associate, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiaries and its associate, which are companies incorporated in India.



Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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



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Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiaries, which are companies incorporated in India, have, in all material respects, an internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.: 105047W



Anita Somani

Partner

Membership No.: 124118

UDIN: 19124118AAAACM5262



Place: Mumbai

Date: August 09, 2019

MACROTECH DEVELOPERS LIMITED (formerly known as LODHA DEVELOPERS LIMITED)
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

	Notes	As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	125,885.06	124,745.08
Capital Work-in-Progress	2	628.58	591.56
Investment Property	3	19,332.43	19,903.49
Goodwill	4	66,106.26	74,814.76
Other Intangible Assets	4	168.66	236.62
Investments accounted for using the Equity Method	5	1,396.05	1,396.09
Financial Assets			
Investments	6	12,157.83	12,157.83
Loans	7	19,452.28	4,545.96
Other Financial Assets	8	5,599.25	5,107.49
Deferred Tax Assets (net)	39	32,061.57	9,208.03
Non - Current Tax Assets (net)	9	29,780.24	14,996.52
Other Non-Current Assets	10	2,497.10	5,402.98
Total Non-Current Assets		315,065.31	273,106.41
Current Assets			
Inventories	11	4,151,241.14	3,143,435.04
Financial Assets			
Investments	12	126,942.41	124,857.80
Loans	13	48,020.67	56,321.77
Trade Receivables	14	31,208.77	75,865.74
Cash and Cash Equivalents	15	35,252.72	25,521.86
Bank Balances other than Cash and Cash Equivalents	16	30,501.53	26,723.06
Other Financial Assets	17	75,053.21	189,698.10
Other Current Assets	18	153,496.40	118,814.51
Total Current Assets		4,651,716.85	3,761,237.88
Total Assets		4,966,782.16	4,034,344.29
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	39,587.80	39,587.80
Other Equity			
Share Premium	20	21,279.47	21,279.47
Retained Earnings	21	142,960.35	278,119.66
Other Reserves	22	180,602.96	176,233.96
Equity attributable to Owners of the Company		384,430.58	515,220.89
Non-Controlling Interests		53,479.94	4,272.58
Total Equity		437,910.52	519,493.47
Non-Current Liabilities			
Financial Liabilities			
Borrowings	23	51,351.45	249,351.35
Trade Payables			
Due to Micro and Small Enterprises	24	1,754.00	1,488.03
Due to Others		18,816.69	21,756.69
Other Financial Liabilities	25	1,387.73	729.84
Provisions	26	2,619.79	2,476.60
Deferred Tax Liabilities (net)	39	4.32	57,039.68
Total Non-Current Liabilities		75,933.98	332,842.19
Current Liabilities			
Financial Liabilities			
Borrowings	27	2,284,883.37	2,010,691.97
Trade Payables			
Due to Micro and Small Enterprises	28	7,036.43	6,724.18
Due to Others		198,707.09	185,730.21
Other Financial Liabilities	29	441,243.26	249,383.27
Provisions	30	919.83	923.12
Current Tax Liabilities (net)	31	83.89	8,842.62
Other Current Liabilities	32	1,520,063.79	719,713.26
Total Current Liabilities		4,452,937.64	3,182,008.63
Total Liabilities		4,528,871.64	3,514,850.82
Total Equity and Liabilities		4,966,782.16	4,034,344.29



As per our attached report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W

A Somani

Anita Somani
(Partner)
Membership No. 124118

Place : Mumbai

Date : 09 AUG 2019



For and on behalf of the Board of Directors of Macrotech Developers Limited
(formerly known as Lodha Developers Limited)

M Chitale

Mukund Chitale
(Chairman)
DIN: 00101004

J Mehrotra

Jayant Mehrotra
(Chief Financial Officer)

Abhishek Lodha

Abhishek Lodha
(Managing Director and CEO)
DIN: 00266089

Sanjyot Rangnekar

Sanjyot Rangnekar
(Company Secretary)
Membership No. F4154

MACROTECH DEVELOPERS LIMITED (formerly known as LODHA DEVELOPERS LIMITED)
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Notes	For the Year ended 31-March-19 ₹ in Lakhs	For the Year ended 31-March-18 ₹ in Lakhs
I INCOME			
Revenue from Operations	33	1,190,697.51	967,727.02
Other Income	34	2,903.16	10,971.66
Total Income		1,193,600.67	978,698.68
II EXPENSES			
Cost of Projects	35	737,796.08	662,945.27
Employee Benefits Expense	36	38,989.80	49,300.39
Finance Costs (Net)	37	51,099.68	20,295.50
Depreciation, Amortisation and Impairment Expense	2, 3 & 4	18,049.32	39,505.30
Other Expenses	38	98,508.01	88,457.79
Total Expenses		944,442.89	860,504.25
III Profit Before Exceptional Item and Tax (I-II)		249,157.78	118,194.43
Share of Loss in Associate	5	(0.04)	-
IV Profit Before Tax		249,157.74	118,194.43
V Tax Expense:	39		
Current Tax		(9,069.41)	(49,939.21)
Deferred Tax		(75,421.33)	11,148.86
Total Tax Expense		(84,490.74)	(38,790.35)
VI Profit for the Year		164,667.00	79,404.08
VII Other Comprehensive Income (OCI)			
A Items that will not be reclassified to Statement of Profit and Loss			
Re-measurement of defined benefit plans		(107.43)	414.21
Income Tax effect		37.54	(143.30)
		(69.89)	270.91
B Items that will be reclassified to Statement of Profit and Loss			
Foreign Currency Translation Reserve		(167.78)	(2,423.36)
Total Other Comprehensive Income/ (Loss) (net of tax) (A+B)		(237.67)	(2,152.45)
VIII Total Comprehensive Income for the Year (V+VI)		164,429.33	77,251.63
Profit for the Year attributable to:		164,667.00	79,404.08
(i) Owners of the Company		163,884.22	78,333.29
(ii) Non Controlling Interest		782.78	1,070.79
		164,667.00	79,404.08
Other Comprehensive Income / (Loss) for the Year attributable to:		(237.67)	(2,152.45)
(i) Owners of the Company		(362.74)	(1,894.51)
(ii) Non Controlling Interest		125.07	(257.94)
		(237.67)	(2,152.45)
Total Comprehensive Income for the Year attributable to:		164,429.33	77,251.63
(i) Owners of the Company		163,571.48	76,438.78
(ii) Non Controlling Interest		907.85	812.85
		164,429.33	77,251.63
Earnings per Equity Share (in ₹) :			
(Face value of ₹ 10 per Equity Share)			
Basic		41.40	19.79
Diluted		41.40	19.79



As per our attached report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W

A Somani

Anita Somani
(Partner)
Membership No. 124118

Place : Mumbai
Date :

09 AUG 2019



For and on behalf of the Board of Directors of Macrotech Developers Limited
(formerly known as Lodha Developers Limited)

M Chitale

Mukund Chitale
(Chairman)
DIN: 00101004

J Mehrotra

Jayant Mehrotra
(Chief Financial Officer)

A Lodha

Abhishek Lodha
(Managing Director and CEO)
DIN: 00266089

S Rangnekar

Sanjoy Rangnekar
(Company Secretary)
Membership No. F4154

MACROTECH DEVELOPERS LIMITED (formerly known as LODHA DEVELOPERS LIMITED),
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	For the Year ended 31-March-19 ₹ in Lakhs	For the Year ended 31-March-18 ₹ in Lakhs
(A) Operating Activities		
Profit before tax	2,49,157.74	1,18,194.43
Adjustments for:		
Depreciation, Amortisation and Impairment Expense	18,049.32	39,505.30
Loss on Sale of Property, Plant and Equipment	26.45	6.26
Net Unrealised Foreign Exchange Differences	3,468.44	3,582.66
Interest Income	(492.47)	(4,375.67)
Finance Costs	3,00,143.70	2,93,446.47
(Gain)/ Loss on Sale of Investments (net)	(114.03)	275.63
Sundry Balances / Excess Provisions written off/ back (net)	64.76	(1,780.78)
Provision for Doubtful Receivables and Advances / Deposits	8,324.32	1,099.88
Gains arising from fair valuation of financial instruments	(43.03)	(115.28)
Dividend on Current Investments	(288.37)	(336.14)
Working Capital Adjustments:		
(Increase) / Decrease in Trade and Other Receivables	(34,045.55)	10,718.78
(Increase) / Decrease in Inventories	(2,54,877.54)	(1,89,324.48)
Increase / (Decrease) in Trade and Other payables	(3,04,707.36)	(1,44,873.05)
Cash Generated from / (used in) Operating Activities	(15,333.62)	1,26,024.01
Income Tax Paid	(31,157.60)	(56,467.27)
Net Cash Flows from / (used in) Operating Activities	(46,491.22)	69,556.74
(B) Investing Activities		
Sale of Property, Plant and Equipment	653.39	9.00
Purchase of Property, Plant and Equipment	(10,558.64)	(4,167.15)
Net Investment in Bank Deposits	(1,420.80)	2,931.59
Purchase of Non-Current Investments	(1,073.75)	(52,692.08)
Purchase of Current Investments (net)	(1,927.55)	(3,139.10)
Interest received	2,217.95	9,636.11
Loans Given	(6,605.22)	(18,436.96)
Dividend on Current Investments Received	288.37	336.14
Net Cash Flows used in Investing Activities	(18,426.25)	(65,522.45)
(C) Financing Activities		
Finance Costs Paid	(2,96,735.03)	(3,02,099.39)
Proceeds from Borrowings	11,08,744.48	12,97,240.58
Proceeds from Issue of Optionally Convertible Debentures	50,000.00	-
Repayment of Part of Optionally Convertible Debentures	(1,000.00)	-
Repayment of Borrowings	(7,87,246.47)	(9,92,704.19)
Net Cash Flows from Financing Activities	73,762.98	2,437.00
(D) Net Increase in Cash and Cash Equivalents (A+B+C):	8,845.51	6,471.29
Cash and Cash Equivalents at the beginning of the year	25,521.86	18,582.89
Exchange difference on translation of foreign currency cash and cash equivalent	885.35	(1,265.29)
Cash and Cash Equivalents acquired on account of Acquisition	-	1,732.97
Cash and Cash Equivalents at year end (Note 15)	35,252.72	25,521.86

Note

- Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act 2013.
- Net Cash Flows from Operating Activities for the year ended 31-March-19 includes ₹172,865.07 Lakhs net Cash used in overseas projects.
- Reconciliation of liabilities arising from financing activities under Ind AS 7

Borrowings	
Balance at the beginning of the year	
Cash flow	
Non-cash changes	
Balance at the end of the year	

	31-March-19	31-March-18
Borrowings		
Balance at the beginning of the year	22,61,610.78	18,62,958.55
Cash flow	3,21,498.01	3,04,536.39
Non-cash changes	(19,052.38)	94,115.84
Balance at the end of the year	25,64,056.41	22,61,610.78



As per our attached report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration Number: 105047W

A Somani

Anita Somani
(Partner)
Membership No. 124118

Place : Mumbai
Date :

09 AUG 2019



For and on behalf of the Board of Directors of Macrotech
Developers Limited
(formerly known as Lodha Developers Limited)

M Chitale

Mukund Chitale
(Chairman)
DIN: 00101004

Jyoti Mehrotra

Jyoti Mehrotra
(Chief Financial Officer)

Abhishek Lodha

Abhishek Lodha
(Managing Director and CEO)
DIN: 00266089

Sanjyot Ranghakar

Sanjyot Ranghakar
(Company Secretary)
Membership No. F4154

MACROTECH DEVELOPERS LIMITED (formerly known as LODHA DEVELOPERS LIMITED)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(A) EQUITY SHARE CAPITAL

Particulars	As at 31-March-19	As at 31-March-18
Balance at the beginning of the reporting year	39,587.80	11,310.80
Issue of Bonus Equity Shares during the year	-	28,277.00
Balance at the end of the reporting year	39,587.80	39,587.80

(B) OTHER EQUITY

Particulars	Reserves and Surplus					Total Equity attributable to Shareholders of the Group	Non Controlling Interest	Total
	Capital Redemption Reserve	Capital Reserve on Merger	Share Premium	Debt Redemption Reserve	Statutory Reserve			
As at 1-April-18	41.85	(9.85)	21,279.47	130,804.84	21.83	475,633.09	4,272.58	479,905.67
Profit for the year	-	-	-	-	-	163,884.22	782.78	164,667.00
Other comprehensive income / (loss)	-	-	-	-	-	(362.74)	125.07	(237.67)
Total Comprehensive Income for the year	-	-	-	-	-	(232.85)	807.85	574.99
Issue of Optionally Convertible Debentures (Refer Note 63)	-	-	-	-	-	163,521.48	907.85	164,429.33
Recapitalization of Part of Optionally Convertible Debentures	-	-	-	-	-	-	50,000.00	50,000.00
Transfer (from) / to	-	-	-	4,683.68	(21.83)	(4,661.85)	-	(1,000.00)
Profit / (Loss) on acquisition of Non Controlling Interest	-	-	-	-	-	(1,057.01)	(16.78)	(1,073.79)
Effect of Adoption of Ind AS 115 (Refer Note 61)	-	-	-	-	-	(293,254.78)	(683.71)	(293,938.49)
As at 31-March-19	41.85	(9.85)	21,279.47	135,490.52	-	344,842.78	53,479.94	398,322.72

Particulars	Reserves and Surplus					Total Equity attributable to Shareholders of the Group	Non Controlling Interest	Total
	Capital Redemption Reserve	Capital Reserve on Merger	Share Premium	Debt Redemption Reserve	Statutory Reserve			
As at 1-April-17	32.00	(9.85)	49,556.47	53,537.02	9.82	424,794.33	11,992.95	436,787.28
Effect of acquisition	-	-	-	-	-	(432.17)	-	(432.17)
As at 1-April-17 (as restated)	32.00	(9.85)	49,556.47	53,537.02	9.82	424,794.33	11,992.95	436,787.28
Profit for the year	-	-	-	-	-	78,333.29	1,070.79	79,404.08
Other comprehensive income / (loss)	-	-	-	-	-	(1,894.51)	(257.94)	(2,152.45)
Total Comprehensive Income for the year	-	-	-	-	-	76,438.78	812.85	77,251.63
Utilised for Issue of Bonus Shares	-	-	(28,277.00)	-	-	(28,277.00)	-	(28,277.00)
Transfer (from) / to	9.85	-	-	77,269.82	12.01	77,291.68	-	77,291.68
Profit / (Loss) on acquisition / disposal of subsidiary	-	-	-	-	-	2,744.58	(8,533.22)	(5,788.64)
As at 31-March-18	41.85	(9.85)	21,279.47	130,804.84	21.83	475,633.09	4,272.58	479,905.67

Significant Accounting Policies
See accompanying notes to the Consolidated Financial Statements



As per our attached report of even date
For MSA & Associates
Chartered Accountants
Firm Registration Number: 105047W



Anita Somani

Anita Somani
(Partner)
Membership No. 124118

Place : Mumbai

Date : 09 AUG 2019



For and on behalf of the Board of Directors of Macrotech Developers Limited
(formerly known as Lodha Developers Limited)

Mukund Chitale

Mukund Chitale
(Chairman)
DIN: 00101004

Jagan Mohitra

Jagan Mohitra
(Chief Financial Officer)

Abhishek Lodha

Abhishek Lodha
(Managing Director and CEO)
DIN: 00266089

Sanjay Rangnekar

Sanjay Rangnekar
(Company Secretary)
Membership No. F4154

1 SIGNIFICANT ACCOUNTING POLICIES

A Group's Background

The Consolidated financial statements comprise financial statements of Macrotech Developers Limited (formerly known as Lodha Developers Limited) (the Company), its subsidiaries and associates (collectively, the Group) for the year ended 31st March, 2019.

The Company is a public limited company domiciled and incorporated in India under the Companies Act, 1956 vide CIN - U45200MH1995PLC093041. The Company's registered office is located at 412, Floor- 4, 17 G Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai - 400001. The Company is primarily engaged in the business of real estate development.

B Significant Accounting Policies

I Basis of Preparation

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

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

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

II Principles of Consolidation and Equity Accounting

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity, when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect the returns through its power to direct the relevant activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. They are deconsolidated from the date that control ceases.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the balance sheet;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

The Group combines the financial statements of the Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognized at cost.

Under the equity method of accounting, the excess of cost of investment over the proportionate share in equity of the associate as at the date of acquisition of stake is identified as goodwill or capital reserve as the case may be and included in the carrying value of the investment in the associate.

The carrying amount of the investment is adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in Consolidated Statement of Profit and Loss, and the Group's share of other comprehensive income of the investee in Consolidated Other Comprehensive Income. However, the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such associates are not accounted for unless the accumulated losses (not accounted for by the Group) are recouped. Additional losses are provided for to the extent that the Group has incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the Group has guaranteed or to which the Group is otherwise committed. Unrealised gains or losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities.

III Summary of Significant Accounting Policies

1 Current and Non-Current Classification

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

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle.
 - ii) Held primarily for the purpose of trading
 - iii) Expected to be realised within twelve months after the reporting period, or
 - iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- Assets are classified as non-current.



A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

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

2 Property, Plant and Equipment

i. Recognition and measurement

All property, plant and equipment except freehold land are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisitions of the items. Cost includes freight, duties, taxes, borrowing cost and incidental expenses related to the acquisition and installation of the asset.

Freehold Land is measured at fair value. Valuations are performed with sufficient frequency to ensure that the carrying value of revalued asset does not defer materially from its fair value.

Revaluation surplus is recorded in Other Comprehensive Income (OCI) and credited to the Revaluation reserve in Other Equity.

ii. Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Group. All other repairs and maintenance are charged to the Consolidated Ind AS Statement of Profit and Loss during the reporting period in which they are incurred.

iii. Derecognition

The carrying amount of an item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of Property, Plant and Equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Consolidated Statement of Profit and Loss when the item is derecognized.

iv. Capital work in progress

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress.

v. Depreciation

Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as specified in Schedule II of Companies Act, 2013 except for Site/Sales Offices and Sample Flats wherein the estimated useful lives is determined by the management.

Sr. No.	Property, Plant and Equipment	Useful life (Years)
i)	Site/Sales Offices and Sample Flats	8
ii)	Freehold Building	60
iii)	Plant and Equipment	8 to 15
iv)	Office Equipment	5
v)	Computers	
	(a) Servers and networks	6
	(b) End user devices, such as, desktops, laptops, etc.	3
vi)	Furniture and Fixtures	10
vii)	Vehicles	
	(a) Motor cycles, scooters and other mopeds	10
	(b) Motor buses, motor lorries, motor cars and motor taxis	8

Depreciation on assets sold during the year is charged to the Consolidated Statement of Profit and Loss up to the month preceding the month of sale.

3 Investment Properties

The Property that is held for long term rental yield or for capital appreciation or both, and that is not occupied by the Group is classified as an Investment Property.

Investment properties are measured initially at cost, including transaction and borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The Group depreciates investment properties over the useful life of 60 years from the date of original purchase as prescribed under Schedule II to the Companies Act, 2013.

4 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Currently the company has not identified any Intangible assets other than Goodwill to have indefinite life.

Intangible assets with finite lives are amortised over the useful economic life. The useful economic life and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss.



Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Intangible assets are amortized proportionately over a period of five years or over the useful economic life of the assets as determined by the management, whichever is lower.

Intangible assets with indefinite life are tested for impairment annually. Impairment losses, if any, are recognised in Consolidated Statement of Profit and Loss.

5 Inventories

- i) Stock of Building Materials and Traded Goods is valued at lower of cost and net realizable value. Cost is generally ascertained on weighted average basis.
- ii) Completed unsold inventory is valued at lower of Cost and Net Realizable Value.
- iii) Cost for this purpose includes cost of land, shares with occupancy rights, Transferable Development Rights, premium for development rights, borrowing costs, construction / development cost and other overheads incidental to the projects undertaken.

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

6 Provisions and Contingencies

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

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

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

7 Impairment of Non-Financial Assets (excluding Inventories, Investment Properties and Deferred Tax Assets)

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

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

8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

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

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

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

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

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principal and interest.



Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group does not have any debt instruments which meets the criteria for measuring the debt instrument at FVTOCI.

Debt instrument at FVTPL

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

Debt instruments included within the FVTPL category are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

Equity investments

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

All Investments in Associates are measured at Cost.

Derecognition of Financial Assets

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

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of Financial Assets

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

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

Financial Liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of financial liability not recorded at fair value through Profit or Loss, net of directly attributable transaction costs.

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.



Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

Financial guarantee contracts

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

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Reclassification of Financial Assets and Financial Liabilities

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

Offsetting of Financial Instruments

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

9 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

10 Cash and Cash Equivalents

Cash and cash equivalent in the Consolidated 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.

11 Revenue Recognition

The Group has adopted Ind AS 115 'Revenue from contracts with customers' ('Ind AS 115') using modified retrospective approach, with effect from 1st April, 2018. Refer Note 61 for the transition related disclosure.

The Group has applied five step model as set out in Ind AS 115 to recognise revenue in this Consolidated Financial Statements. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:



- a. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- b. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time and over a period of time based on the conditions in the contracts with customers.

The specific revenue recognition criteria are described below:

(I) Income from Property Development

The Group has determined that the existing terms of the contract with customers does not meet the criteria to recognise revenue over a period of time. Revenue is recognized at point in time with respect to contracts for sale of residential and commercial units as and when the control is passed on to the customers which is linked to the application and receipt of occupancy certificate.

The Group provides rebates to the customers. Rebates are adjusted against customer dues and the revenue to be recognized. To estimate the variable consideration for the expected future rebates the Group uses the "most-likely amount" method or "expected value method".

(II) Contract Balances

Contract Assets:

The Group is entitled to invoice customers for construction of residential and commercial properties based on achieving a series of construction-linked milestones. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the payment is due, a contract asset is recognized for the earned consideration that is conditional. Any receivable which represents the Group's right to the consideration that is unconditional is treated as a trade receivable.

Contract Liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

(III) Sale of Materials, Land and Development Rights

Revenue is recognized at point in time with respect to contracts for sale of Materials, Land and Development Rights as and when the control is passed on to the customers.

(IV) Interest Income

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

(V) Rental Income

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

(VI) Dividends

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

12 Foreign Currency Translation

Initial Recognition

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

Conversion

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

Exchange Differences

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

13 Current Income Tax

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

Deferred Tax

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

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



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

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

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

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

Presentation of Current and Deferred Tax:

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

14 Borrowing Costs

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

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

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

15 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease.

Lease arrangements where the Group has substantially all the risks and rewards of ownership associated with the leased assets are classified as finance leases. Assets taken on finance lease are recognised as fixed assets. An equivalent liability is created at the inception of the lease. Rentals paid are apportioned between finance charge and principal based on the implicit rate of return in the contract. The finance charge is shown as interest expense and the principal amount is reduced from the liability. The assets acquired under the lease are depreciated over the lease term, which is reflective of the useful life of the leased asset.

Operating lease payments are recognised as an expense in the Consolidated Ind AS Statement of Profit and Loss on a straight line basis unless payment to the lessor are structured to increase in the line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership asset associated with the leased assets are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

16 Retirement and Other Employee Benefits

Retirement and other Employee benefits are accounted in accordance with Ind AS 19 – Employee Benefits.

a) Defined Contribution Plan

The Group contributes to a recognised provident fund for all its employees. Contributions are recognised as an expense when employees have rendered services entitling them to such benefits.



b) Gratuity (Defined Benefit Scheme)

The Group provides for its gratuity liability based on actuarial valuation as at the balance sheet date which is carried out by an independent actuary using the Projected Unit Credit Method. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur.

c) Compensated absences (Defined Benefit Scheme)

Liability in respect of earned leave expected to become due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of benefit expected to be availed by the employees. Liability in respect of earned leave expected to become due or expected to be availed beyond one year after the balance sheet date is estimated on the basis of actuarial valuation performed by an independent actuary using the projected unit credit method.

17 Business Combinations under Common Control

Business Combinations involving entities or business under common control are accounted for using the pooling of interest method.

Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after making adjustments necessary to harmonise the accounting policies. The financial information in the consolidated financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the consolidated financial statements, irrespective of the actual date of the combination. The identity of the reserves is preserved in the same form in which they appeared in the standalone financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and amount of share capital of the transferor is transferred to capital reserves.

18 Earnings Per Share

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

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

19 Goodwill

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the fair value of net identifiable tangible assets acquired and liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in OCI and accumulated in equity as capital reserve. After initial recognition, goodwill is measured at the cost less any accumulated impairment losses.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative values of the operation disposed off and the portion of the cash-generating unit retained.



MACROTECH DEVELOPERS LIMITED (formerly known as LODHA DEVELOPERS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

2 Property, Plant and Equipment

Particulars	Freehold Land	Site / Sales Office and Sample Flat	Freehold Buildings	Leasehold Improvements	Plant and Equipments	Office Equipments	Computers	Furniture and Fixtures	Vehicles	Total	Capital Work in Progress
(A) Gross Carrying Amount											
Cost as at 1-April-17	62,890.20	15,337.47	37,235.09	878.71	15,739.31	2,847.79	3,538.62	3,667.75	909.26	143,044.20	10,943.05
Additions	4,698.87	70.11	3,146.65	-	5,548.73	203.35	406.26	151.28	27.11	14,252.36	497.30
Additions on account of Acquisition (Refer Note 59)	-	-	-	-	7,869.25	2.29	41.88	1.43	8.99	7,923.84	-
Disposals / Adjustments	-	-	-	-	(68.52)	(1.55)	(674.46)	(0.34)	(50.68)	(795.55)	(10,848.79)
As at 31-March-18	67,589.07	15,407.58	40,381.74	878.71	29,088.77	3,051.88	3,312.30	3,820.12	894.68	164,424.85	591.56
Additions	-	-	-	-	8,615.65	684.30	569.35	59.61	85.64	10,014.55	37.02
Disposals / Adjustments	-	45.69	147.45	-	(1,217.18)	(221.57)	(120.88)	85.43	(179.31)	(1,460.37)	-
As at 31-March-19	67,589.07	15,453.27	40,529.19	878.71	36,487.24	3,513.45	3,760.77	3,957.20	801.01	172,969.91	628.58
(B) Depreciation and Impairment											
As at 1-April-17	-	10,720.71	4,503.40	868.99	6,827.32	2,042.54	3,214.60	2,213.91	505.88	30,897.35	-
Depreciation charge for the year	-	1,543.82	916.21	1.41	3,304.28	409.16	347.00	404.81	103.94	7,030.63	-
Additions on account of Acquisition (Refer Note 59)	-	-	-	-	2,481.72	1.90	21.43	1.20	8.82	2,515.07	-
Disposals / Adjustments	-	-	-	-	(58.58)	(0.83)	(674.86)	(0.26)	(28.75)	(763.28)	-
As at 31-March-18	-	12,264.53	5,419.61	870.40	12,554.74	2,452.77	2,908.17	2,619.66	589.89	39,679.77	-
Depreciation charge for the year	-	985.75	1,110.96	1.40	4,899.64	381.56	449.87	313.06	90.31	8,232.55	-
Disposals / Adjustments	-	32.25	147.45	-	(610.85)	(217.13)	(124.31)	89.06	(143.02)	(826.55)	-
As at 31-March-19	-	13,282.53	6,678.02	871.80	16,843.53	2,617.00	3,233.73	3,021.06	537.18	47,084.85	-
(C) Net Carrying Amount (A-B)											
As at 31-March-19	67,589.07	2,170.74	33,851.17	6.91	19,643.71	896.45	527.04	936.14	263.83	125,885.06	628.58
As at 31-March-18	67,589.07	3,143.05	34,962.13	8.31	16,534.03	599.11	404.13	1,200.46	304.79	124,745.08	591.56

Note:

1 The Group had carried a parcel of land at revalued amount and surplus arising from the revaluation is recognised under the head 'Revaluation Surplus' through OCT. The carrying amount of the Land that would have been recognised had the asset being carried under the cost model is ₹ 6,942.63 Lakhs.

2 Carrying amount of Buildings hypothecated with Banks against loans.

3 Carrying amount of Vehicles hypothecated with Banks against vehicle loans.

As at	As at
31-March-19	31-March-18
30,680.54	31,747.41
36.09	61.77



3 Investment Property

		₹ in Lakhs
Particulars		Freehold Building
(A) Gross Carrying Amount		
Cost as at 1-April-17		21,868.72
Additions		-
As at 31-March-18		21,868.72
Additions		399.05
As at 31-March-19		22,267.77
(B) Depreciation and Impairment		
As at 1-April-17		946.31
Depreciation charge for the year		1,018.92
As at 31-March-18		1,965.23
Depreciation charge for the year		970.11
As at 31-March-19		2,935.34
(C) Net Carrying Amount (A-B)		
As at 31-March-19		19,332.43
As at 31-March-18		19,903.49

(i) Income and expenditure of Investment Properties

		₹ in Lakhs
Particulars	31-March-19	31-March-18
Rental and Facilities Income	3,435.58	2,445.26
Less : Direct Operating expenses for property that generate Rental Income	(1,242.09)	(1,318.22)
Profit from Investment properties before depreciation	2,193.49	1,127.04
Depreciation	970.11	1,018.92
Profit from Investment Properties	1,223.38	108.12

(ii) Fair value measurement

As at 31-March-19, the fair value of the properties are ₹ 35,028.00 Lakhs (31-March-18 ₹ 30,444.08 Lakhs). These valuations are based on valuations performed by an independent valuer with experience of valuing investment properties. The fair value has been arrived using discounted cash flow projections based on reliable estimates of future cash flows.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iii) Carrying amount of Buildings hypothecated with Banks against loans.

		₹ in Lakhs
As at	As at	
31-March-19	31-March-18	
17,603.71	18,504.90	



MACROTECH DEVELOPERS LIMITED (formerly known as LODHA DEVELOPERS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

4 Intangible Assets

Particulars	₹ in Lakhs	
	Goodwill	Other Intangible Assets (Software)
(A) Gross Carrying Amount		
Cost as at 1-April-17	174,213.96	1,882.43
Additions	-	46.86
Additions on account of Acquisition of Subsidiaries (Refer Note 59)	8,162.79	111.65
As at 31-March-18	182,376.75	2,040.94
Additions	-	69.70
Disposals / Adjustments	-	(91.64)
As at 31-March-19	182,376.75	2,019.00
(B) Amortisation and Impairment		
As at 1-April-17	76,359.46	1,523.93
Amortisation charge for the year	31,202.53	253.22
Additions on account of Acquisition of Subsidiaries (Refer Note 59)	-	27.17
As at 31-March-18	107,561.99	1,804.32
Amortisation charge for the year	2,703.91	138.16
Impairment	6,004.59	-
Disposals / Adjustments	-	(92.14)
As at 31-March-19	116,270.49	1,850.34
(C) Net Book Value (A-B)		
As at 31-March-19	66,106.26	168.66
As at 31-March-18	74,814.76	236.62

Note:

Certain Goodwill arising out of merger is amortised based on the accounting treatment as prescribed by the merger scheme, which has been approved by the Honorable High Court of Bombay.



MACROTECH DEVELOPERS LIMITED (formerly known as LODHA DEVELOPERS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

5 Investments accounted for using the Equity Method

The following entity has been included in the consolidated financial statements using the equity method:

Kora Construction Pvt. Ltd.

Total Equity Accounted Investments

Summarised financial information of associates:

Current Assets

Non-Current Assets

Current Liabilities

Non-Current Liabilities

Equity

Revenue

Expenses

Loss before Tax

Tax Expense

Loss for the year

Group's share of Loss for the year

As at
31-March-19
₹ in Lakhs

As at
31-March-18
₹ in Lakhs

1,396.05

1,396.09

1,396.05

1,396.09

0.46

0.39

122.25

122.25

(39.84)

(39.64)

(58.81)

(58.81)

24.06

24.19

For the Year ended
31-March-19
₹ in Lakhs

For the Year ended
31-March-18
₹ in Lakhs

1.07

0.63

1.16

0.62

(0.09)

0.01

-

-

(0.09)

0.01

(0.04)

0.00

As at
31-March-19
₹ in Lakhs

As at
31-March-18
₹ in Lakhs

6 Non-Current Investments

Face Value in ₹
(unless otherwise stated)

(A) Unquoted Equity Shares, Fully paid up

Fellow Subsidiary, at Cost

PCL Developers (Mauritius) Ltd. (₹ 194)

Numbers

Amount

1 GBP

-

2

-

0.00

Others, at fair value

Bellissimo Healthy Constructions and Developers Pvt. Ltd.

Numbers

Amount

10

345,454

345,454

455.09

455.09

Hall and Anderson Ltd.

Numbers

Amount

10

456,801

456,801

4.57

4.57

Less: Provision for Diminution in the Value of Investments

(4.57)

(4.57)

Total (A)

455.09

455.09

(B) Unquoted Preference Shares, Fully paid up, at cost

Others

Susima Infotech Pvt. Ltd.

Numbers

Amount

1,000

-

100,000

-

1,000.00

Less: Provision for Diminution in the Value of Investments

-

(1,000.00)

Total (B)

-

-

(C) Unquoted Optionally Convertible Debentures, Fully paid up at Fair Value

Others

Bellissimo Healthy Constructions and Developers Pvt. Ltd.

Numbers

Amount

10

73,000,000

73,000,000

7,300.00

7,300.00

Lodha Builders Pvt. Ltd.

Numbers

Amount

100

4,510,000

4,510,000

4,208.00

4,208.00



MACROTECH DEVELOPERS LIMITED (formerly known as LODHA DEVELOPERS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

		As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
Maruti Finvest and Services Pvt. Ltd.			
Numbers		-	1,000.00
Amount	100	-	1,000.00
Less: Provision for Diminution in the Value of Investments		-	(1,000.00)
		-	-
Total (C)		11,508.00	11,508.00
Total Unquoted Investments (A+B+C)		11,963.09	11,963.09
(D) Others*			
Bellissimo Healthy Constructions and Developers Pvt. Ltd.		194.74	194.74
Total (D)		194.74	194.74
* Represents Financial Guarantees given by Group accounted as Investments.			
Total Investments		12,157.83	12,157.83
Aggregate value of unquoted investments		11,963.09	11,963.09
Aggregate amount of impairment in value of investments		4.57	2,004.57
7 Non-Current Loans			
Unsecured considered good unless otherwise stated			
Loans		19,452.28	4,545.96
Total		19,452.28	4,545.96
8 Other Non-Current Financial Assets			
Unsecured considered good unless otherwise stated			
Deposits		767.53	712.70
Fixed Deposits with maturity of more than 12 months		4,831.72	4,394.79
Total		5,599.25	5,107.49
9 Non - Current Tax Assets (net)			
Advance Income Tax (Net of Provisions)		29,780.24	14,996.52
Total		29,780.24	14,996.52
10 Other Non-Current Assets			
Unsecured, considered good unless otherwise stated			
Indirect Tax receivables		2,497.10	1,907.51
Capital Advances		3,209.51	3,209.50
Other Receivables		-	285.97
		5,706.61	5,402.98
Less: Provision for Doubtful Advances		(3,209.51)	-
Total		2,497.10	5,402.98
11 Inventories			
Building Materials		16,460.92	15,670.11
Land and Property Development Work-in-Progress (Refer Note 46)		3,665,011.44	2,947,544.38
Finished Stock (Refer Note 46)		469,768.78	180,220.55
Total		4,151,241.14	3,143,435.04
The carrying amount of Inventories charged as securities against borrowings.		3,602,552.04	2,531,659.29
12 Current Investments			
Quoted Investments at Fair Value through Profit & Loss			
(A) In Mutual Funds			
Fatering Capital India Evolving Fund			
Numbers		121.886	-
Amount	1,000	1,297.82	-
Birla Sun Life			
Numbers		24,909.808	25,554,216
Amount	10	2,911.08	2,971.09
ICICI Prudential Flexible Income - Regular Plan - Daily Dividend			
Numbers		-	138
Amount	10	-	0.13



MACROTECH DEVELOPERS LIMITED (formerly known as LODHA DEVELOPERS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

		As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
Reliance Liquid Fund			
Numbers		169	39,117
Amount	1,000	2.59	598.33
ICICI Prudential Liquid Fund - Daily Dividend			
Numbers		426,948	4,045,451
Amount	10	427.75	672.16
L & T Opportunities Fund - Dividend			
Numbers		-	17,294,238
Amount	10	-	1,883.90
L & T Liquid Fund - Growth			
Numbers		137,605	-
Amount	1,000	3,513.94	-
		8,153.18	6,125.61
(B) In Equity Shares			
Dhenu Buildcon Infra Ltd.			
Numbers		302,088	302,088
Amount	10	8.43	8.43
		8.43	8.43
(C) In Debentures			
Others			
IFCI Ltd.			
Numbers		25,000	25,000
Amount	1,000	362.54	305.50
		362.54	305.50
Unquoted Optionally Convertible Debentures, Fully paid up Holding Company			
Sambhavnath Infrabuild and Farms Pvt. Ltd. (Refer Note 55)			
Numbers		118,418,260	118,418,260
Amount	100	118,418.26	118,418.26
		118,418.26	118,418.26
Total Current Investments		126,942.41	124,857.80
Aggregate cost of quoted investments		8,481.12	6,178.73
Aggregate value of unquoted investments		118,418.26	118,418.26
Aggregate market value of quoted investments		8,524.15	6,439.54
13 Current Loans			
Unsecured considered good unless otherwise stated			
Loans / Inter Corporate Deposits to Related Parties (Refer Note 49)		13,011.13	5,400.09
Other Loans		35,009.54	50,921.68
Considered Doubtful			
Others		7,036.49	3,450.22
		55,057.16	59,771.99
Less: Provision for expected credit losses		(7,036.49)	(3,450.22)
Total		48,020.67	56,321.77
14 Trade Receivables (net)			
Unsecured			
Considered good		31,208.77	75,865.74
Considered doubtful		1,701.31	1,701.31
		32,910.08	77,567.05
Less: Provision for Doubtful Receivables		(1,701.31)	(1,701.31)
Total		31,208.77	75,865.74
(i) Trade Receivables charged as securities against borrowings.		25,339.09	74,210.12
(ii) For trade receivables outstanding with other related parties, Refer to Note 49.			
(iii) Trade Receivables are settled net of advances, as per agreed terms.			



MACROTECH DEVELOPERS LIMITED (formerly known as LODHA DEVELOPERS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

	As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
15 Cash and Cash Equivalents		
Balances with Banks	34,529.45	25,453.56
Fixed Deposits with original maturity of less than 3 months	28.41	-
Cash on Hand	694.86	68.30
Total	35,252.72	25,521.86
16 Bank Balances other than Cash and Cash Equivalents		
Fixed Deposits held as Margin Money	7.53	-
Fixed Deposits with original maturity of more than 3 months but less than 12 months	8,419.27	7,428.22
Cash held in Trust in Escrow account *	22,074.73	19,294.84
Total	30,501.53	26,723.06
* Received for overseas projects under contractual arrangement with customers to be released on deposit protection coverage.		
17 Other Current Financial Assets		
Deposits	1.91	33.67
Interest Receivables	4,515.96	6,241.44
Accrued Revenue (Refer note 61)	68,956.72	181,634.93
Other Financial Assets	1,578.62	1,788.06
Total	75,053.21	189,698.10
18 Other Current Assets		
Unsecured, considered good unless otherwise stated		
Advances / Deposits to:		
Suppliers / Contractors	47,054.77	47,547.91
Employees	358.59	1,324.88
Related Parties	435.87	188.79
Prepaid Expenses	41,357.41	20,361.16
Indirect Tax receivables	45,642.29	36,104.02
Lease Equalisation	157.60	105.35
Other Advances	18,489.87	13,182.40
Total	153,496.40	118,814.51
19 Equity Share Capital		
(A) Authorised Share Capital		
Equity Shares of ₹ 10 each		
Numbers		
Balance at the beginning of the year	1,021,051,250	300,720,440
Increase during the year	4,790,500	1,122,423,430
Adjustment for Consolidation of Shares	-	(402,092,620)
Balance at the end of the year	1,025,841,750	1,021,051,250
Amount		
Balance at the beginning of the year	102,105.13	15,036.02
Increase during the year	479.05	87,069.11
Balance at the end of the year	102,584.18	102,105.13
Preference Shares of ₹ 10 each		
Numbers		
Balance at the beginning of the year	10,891,250	21,040,000
Increase during the year	225,000	421,250
Adjustment for Consolidation of Shares	-	(10,570,000)
Balance at the end of the year	11,116,250	10,891,250
Amount		
Balance at the beginning of the year	1,089.13	1,052.00
Increase during the year	22.50	37.13
Balance at the end of the year	1,111.63	1,089.13



MACROTECH DEVELOPERS LIMITED (formerly known as LODHA DEVELOPERS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

	As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
(B) Issued Equity Capital		
Equity Shares of ₹ 10 each issued, subscribed and fully paid up		
Numbers		
Balance at the beginning of the year	395,878,000	226,216,000
Adjustment for Consolidation of Shares	-	(113,108,000)
Issue of Bonus Shares	-	282,770,000
Balance at the end of the year	395,878,000	395,878,000
Amount		
Balance at the beginning of the year	39,587.80	11,310.80
Issue of Bonus Shares (Refer Clause (ii) of Note (D) below)	-	28,277.00
Balance at the end of the year	39,587.80	39,587.80

(C) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each Shareholder is entitled for one vote per share. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividend proposed by the Board of Directors and approved by the Shareholders.

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

- (D) (i) During FY 17-18, the shareholders of the Company had approved consolidation of equity shares of the Company from two (2) equity share of face value ₹ 5 each fully paid up to one (1) equity shares of face value ₹ 10 each fully paid up.
(ii) Pursuant to the approval of the shareholders of the Company, the Company had allotted 282,770,000 fully paid up Bonus Equity Shares of face value of ₹ 10 each in FY 17-18. Except above there are no shares issued for consideration other than cash during the period of five years.

	As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
(E) Shares held by holding company and / or their subsidiaries / associates		
Equity Shares		
a) Sambhavnath Infrabuild and Farms Pvt. Ltd. (alongwith nominees)		
Numbers	267,297,320	267,297,320
Amount	26,729.73	26,729.73
b) Sambhavnath Trust (formerly known as Mangal Prabhat Lodha Family Discretionary Trust)		
Numbers	128,580,480	128,580,480
Amount	12,858.05	12,858.05
Total		
Numbers	395,877,800	395,877,800
Amount	39,587.78	39,587.78

(F) Details of shareholders holding more than 5% shares in the Company
Equity Shares

Sambhavnath Infrabuild and Farms Pvt. Ltd. (alongwith Nominees)		
Numbers	267,297,320	267,297,320
% of Holding	67.52%	67.52%
Sambhavnath Trust (formerly known as Mangal Prabhat Lodha Family Discretionary Trust)		
Numbers	128,580,480	128,580,480
% of Holding	32.48%	32.48%

(G) ESOP Scheme 2018

Pursuant to the resolution passed by Board on 16-February-18, the Company had instituted the ESOP Scheme 2018 for issue of options to eligible employees. As on 31-March-19, no options have been granted under the ESOP Scheme 2018.

20 Share Premium

Balance at the beginning of the year	21,279.47	49,556.47
Increase / (Decrease) during the year	-	-
Utilised for Issue of Bonus Shares	-	(28,277.00)
Balance at the end of the year	21,279.47	21,279.47

21 Retained Earnings

Balance at the beginning of the year	278,119.66	274,062.56
Increase / (Decrease) during the year (Refer Note (B) - Statement of Changes in Equity)	(135,159.31)	4,057.10
Balance at the end of the year	142,960.35	278,119.66



MACROTECH DEVELOPERS LIMITED (formerly known as LODHA DEVELOPERS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

	As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
22 Other Reserves		
(i) Capital Redemption Reserve	41.85	41.85
(ii) Capital Reserve	(9.85)	(9.85)
(iii) Debenture Redemption Reserve	135,490.52	130,806.84
(iv) Foreign Currency Translation Reserve	2,041.09	2,333.94
(v) Revaluation Reserve	43,039.35	43,039.35
(vi) Statutory Reserve	-	21.83
Total	180,602.96	176,233.96
 (I) Capital Redemption Reserve		
Balance at the beginning of the year	41.85	32.00
Increase / (Decrease) during the year	-	9.85
Balance at the end of the year	41.85	41.85
 (II) Capital Reserve		
Balance at the beginning of the year	(9.85)	(9.85)
Increase / (Decrease) during the year	-	-
Balance at the end of the year	(9.85)	(9.85)
 (iii) Debenture Redemption Reserve		
Balance at the beginning of the year	130,806.84	53,537.02
Increase / (Decrease) during the year	4,683.68	77,269.82
Balance at the end of the year	135,490.52	130,806.84
 (iv) Foreign Currency Translation Reserve		
Balance at the beginning of the year	2,333.94	4,499.36
Increase / (Decrease) during the year	(292.85)	(2,165.42)
Balance at the end of the year	2,041.09	2,333.94
 (v) Revaluation Reserve		
Balance at the beginning of the year	43,039.35	43,039.35
Increase / (Decrease) during the year	-	-
Balance at the end of the year	43,039.35	43,039.35
 (vi) Statutory Reserve		
Balance at the beginning of the year	21.83	9.82
Increase / (Decrease) during the year	(21.83)	12.01
Balance at the end of the year	-	21.83

The nature and purpose of other reserves:

- (i) Capital Redemption Reserve - Amounts transferred from share capital on redemption of issued shares.
- (ii) Capital Reserve - Amount of Share capital issued on merger.
- (iii) Debenture Redemption Reserve - Reserve created for an amount which is equal to 25% of the value of debentures outstanding.
- (iv) Foreign Currency Translation Reserve - Gains / losses arising on retranslating the net assets of overseas entities.
- (v) Revaluation Reserve - Gains arising on the revaluation of certain class of Property, Plant and Equipment.
- (vi) Statutory Reserve - Reserve created as per Section 45IC of Reserve Bank of India Act, 1934.

23 Non-Current Borrowings *

Secured

Term Loans from Banks
Term Loans from Others
Vehicle Loans

Unsecured

Senior Notes

	As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
Term Loans from Banks	-	15,440.52
Term Loans from Others	53,017.14	21,545.64
Vehicle Loans	8.88	29.65
Unsecured		
Senior Notes	226,147.02	213,903.00
	279,173.04	250,918.81
	(227,821.59)	(1,567.46)
Total	51,351.45	249,351.35

Less: Current Maturities of Non-Current Borrowings (Refer note 29)

Total



MACROTECH DEVELOPERS LIMITED (formerly known as LODHA DEVELOPERS LIMITED)
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	As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
Disclosure of details of security, terms of repayments and rate of interest of borrowings *:		
Term Loan from Financial Institutions		
Secured by :	50,258.50	36,986.16
1 (i) Charge on certain land and building situated at Mumbai and Thane.		
(ii) Charge over rent receivables.		
(iii) Personal Guarantee of a Director.		
Terms of Repayment :		
Repayment ending on September-2033		
Effective Rate of Interest :		
Rate of Interest range from 10.00% to 10.50% p.a.		
2 Secured by :	2,758.64	-
Charge on land and building situated at London		
Terms of Repayment :		
No later than 7th February, 2022		
Effective Rate of Interest :		
Rate of Interest 4.15% p.a.		
3 Senior Notes	224,115.01	211,393.33
The aggregate potential liability of the Parent Guarantor and all Subsidiary Guarantors directly held by the Parent Guarantor under their Note Guarantees will be capped initially at an amount equal to 175.00 % of the aggregate principal amount of the Notes, being US\$ 567,000,000;		
Terms of Repayment :		
Redemption upto March 13, 2020		
Effective Rate of Interest :		
Rate of Interest 12 % p.a.		
4 Vehicle Loans		
Secured by :	8.88	29.65
Hypothecation of Vehicles		
Terms of Repayment :		
Repayment from February- 2014 and ended on August-2019		
Rate of Interest :		
Rate of Interest range from 10.76 % to 11.40 % p.a.		
* Above note represents outstanding borrowings before adjusting loan issue cost and premium on debentures.		
24 Non-Current Trade Payables		
Due to Micro and Small Enterprises	1,754.00	1,488.03
Due to Others	18,816.69	21,756.69
Total	20,570.69	23,244.72
Note: Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Group regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue during the years ended and as at March 31, 2019. March 31, 2018 to Micro, Small and Medium Enterprises on account of principal or interest.		
25 Other Non-Current Financial Liabilities		
Deposits	1,387.73	729.84
Total	1,387.73	729.84
26 Non-Current Provisions		
Employee Benefits (Refer Note 48)		
Gratuity	1,598.36	1,394.37
Leave Obligation	1,021.43	1,080.25
Others	-	1.98
Total	2,619.79	2,476.60
27 Current Borrowings		
Secured		
Term Loans		
From Banks	453,265.12	479,305.75
From Others	1,195,875.83	949,244.43
Non Convertible Debentures	532,711.60	525,083.63
Cash Credit / Overdraft Facility	87,581.59	38,742.50
Unsecured		
Loans / Inter Corporate Deposit from Related Parties (Refer Note 48)	15,449.23	18,015.66
Loans from Others	-	300.00
Total	2,284,883.37	2,010,691.97



MACROTECH DEVELOPERS LIMITED (formerly known as LODHA DEVELOPERS LIMITED)
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	As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
Disclosure of details of security, terms of repayments and rate of interest of borrowings *:		
A Term Loan from Banks and Financial Institutions		
1 Secured by :	410,987.64	357,411.56
(i) Charge on certain land and building situated at Thane.		
(ii) Charge over project receivables.		
(iii) Personal Guarantee of the Director		
Terms of Repayment :		
Repayment from June-2016 and ending on September-2023		
Effective Rate of Interest :		
Rate of Interest range from 10.50% to 14.50% p.a.		
2 Secured by :	649,488.76	693,384.68
(i) Charge on certain land and building situated at Mumbai		
(ii) Charge over project receivables.		
(iii) Personal Guarantee of the Director		
Terms of Repayment :		
Repayment from June-2017 and ending on May-2023.		
Effective Rate of Interest :		
Rate of Interest range from 10.05 % to 14.50 % p.a.		
3 Secured by :	595,954.76	425,208.35
Charge on land and building situated at London		
Terms of Repayment :		
Repayment starting from August-2019 ending on March-2021		
Effective Rate of Interest :		
Rate of Interest range from 7.50% to 8.50% p.a.		
B Non Convertible Debentures		
Secured by :	520,432.19	522,074.37
(i) Charge on land and building situated at Mumbai and Thane		
(ii) Charge over project receivables.		
(iii) Personal Guarantee of the Director		
Terms of Repayment :		
Repayment at the end of the term upto July-2023		
Rate of Interest range from 12.50 % to 16.50 % XIRR		
C Cash Credit/ Overdraft Facility		
Secured by :	87,581.59	38,742.50
(i) Charge on land and building situated at Mumbai and Thane		
(ii) Charge over project receivables.		
(iii) Personal Guarantee of the Director		
Terms of Repayment :		
Repayable on demand		
Effective Rate of Interest :		
Rate of Interest range from 8.20 % to 13.75 % p.a.		
D Related Parties	15,449.23	18,015.66
Repayable on demand		
Effective Rate of Interest :		
Rate of Interest range from 12 % to 14 % p.a.		
E Others	-	300.00
Repayable on demand		
Effective Rate of Interest :		
Rate of Interest 14 % p.a.		

* Above note represents outstanding borrowings before adjusting loan issue cost and premium on debentures.



MACROTECH DEVELOPERS LIMITED (formerly known as LODHA DEVELOPERS LIMITED)
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	As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
28 Current Trade Payables		
Due to Micro and Small Enterprises	7,036.43	6,724.18
Due to Others	198,707.09	185,730.21
Total	205,743.52	192,454.39
<p>Note: Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Group regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue during the years ended and as at March 31, 2019, March 31, 2018 to Micro, Small and Medium Enterprises on account of principal or interest.</p>		
29 Other Current Financial Liabilities		
*Current Maturities of Non - Current Borrowings (Refer note 23)	227,821.59	1,567.46
Interest accrued but not due	18,700.97	15,292.30
Deposits	5,917.43	5,427.92
Employee Payables	14,540.16	13,262.64
Deferred Liability against Purchase of Land	148,598.02	174,081.48
Payable on Cancellation of Allotted Units	12,325.91	11,979.52
Other Liabilities	13,339.18	27,771.95
Total	441,243.26	249,383.27
30 Current Provisions		
Employee Benefits (Refer Note 48)		
Gratuity	578.62	568.89
Leave Obligation	341.21	354.23
Total	919.83	923.12
31 Current Tax Liabilities (net)		
Provision for Income Tax (Net of Advance Tax)	83.89	8,842.62
Total	83.89	8,842.62
32 Other Current liabilities		
Advances received from Customers (Refer Note 61)	1,206,774.09	545,448.16
Other Contractual Payments	1,371.85	1,371.85
Duties and Taxes	6,677.00	17,904.19
Accrued Liability and Society Payables	305,240.85	154,989.06
Total	1,520,063.79	719,713.26



MACROTECH DEVELOPERS LIMITED (formerly known as LODHA DEVELOPERS LIMITED)
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	For the Year ended 31-March-19 ₹ in Lakhs	For the Year ended 31-March-18 ₹ in Lakhs
33 Revenue from Operations		
Income from Property Development (Refer Note 61)	11,72,529.39	9,12,913.21
Sale of Land / Development Rights	2,264.10	3,530.43
Sale of Building Materials	2,645.01	22,278.97
Rent Income	2,476.08	1,828.24
Other Operating Revenue	10,782.93	27,176.17
Total	11,90,697.51	9,67,727.02
34 Other Income		
Rent Income	472.63	215.70
Gains arising from fair valuation of financial instruments	43.03	115.28
Gain on Sale of Investments (net)	114.03	-
Dividend on Current Investments	288.37	336.14
Sundry Balances / Excess Provisions written back (net)	-	1,780.78
Foreign Exchange Gain (net)	-	7,074.27
Miscellaneous Income	1,985.10	1,449.49
Total	2,903.16	10,971.66
35 Cost of Projects		
Opening Stock		
Land and Property Development Work-in-Progress	29,47,544.38	27,68,808.15
Finished Stock	1,80,220.55	38,007.53
Effect on account of adoption of Ind AS 115 (Refer Note 61)	7,72,910.41	-
Add : Expenditure during the period / year		
Land, Construction and Development Cost	5,61,834.73	4,29,035.48
Consumption of Building Materials	1,00,319.61	1,12,151.17
Purchase of Building Materials	2,592.11	21,833.39
Other Construction Expenses	36,461.00	20,249.26
Overheads Allocated	2,92,299.83	3,00,946.09
Add / (Less) :		
Adjustment on account of Acquisition of Subsidiaries	-	10,002.49
Foreign Currency translation	(20,046.30)	90,307.46
Transfers and Others	(1,560.01)	(630.82)
Less: Closing Stock		
Land and Property Development Work-in-Progress	(36,65,011.45)	(29,47,544.38)
Finished Stock	(4,69,768.78)	(1,80,220.55)
Total	7,37,796.08	6,62,945.27
36 Employee Benefits Expense		
Salaries and Wages	73,837.11	80,353.43
Contribution to Provident and Other Funds	2,192.16	2,552.03
Staff Welfare	1,201.69	862.66
	77,230.96	83,768.12
Less: Allocated to Cost of Projects	(38,241.16)	(34,467.73)
Total	38,989.80	49,300.39
37 Finance Costs (Net)		
Interest Expense on Borrowings and Others	2,89,106.80	2,74,630.55
Other Borrowing Costs	11,036.90	18,815.92
	3,00,143.70	2,93,446.47
Less: Interest Income on / from:		
Loans / Advances / Deposits	(381.78)	(14,589.47)
Customers	(3,793.63)	(3,129.22)
Others	(110.69)	(102.39)
	2,95,857.60	2,75,625.39
Less: Allocated to Cost of Projects	(2,44,757.92)	(2,55,329.89)
Total	51,099.68	20,295.50



MACROTECH DEVELOPERS LIMITED (formerly known as LODHA DEVELOPERS LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

	For the Year ended 31-March-19 ₹ in Lakhs	For the Year ended 31-March-18 ₹ in Lakhs
38 Other Expenses		
Rent	2,054.74	1,659.68
Rates and Taxes	2,891.17	5,757.51
Insurance	609.94	1,074.63
Electricity	487.38	1,220.72
Postage / Telephone / Internet	731.21	759.73
Printing and Stationery	951.21	1,050.17
Legal and Professional	12,441.33	11,340.98
Payment to Auditors as:		
Audit Fees	283.67	295.81
Taxation matters	44.55	45.70
Other services	71.31	63.25
Advertising / Consultancy / Exhibitions	18,055.41	13,133.46
Brokerage	11,732.13	11,799.93
Business / Sales Promotion	9,430.95	11,709.30
Stamp Duty and Registration Fees	9,275.45	11,171.28
Travelling and Conveyance	2,506.31	2,296.31
Bank Charges	1,193.07	908.68
Donations	3,201.14	7,334.42
Sundry Balances / Excess Provisions written off (net)	64.76	-
Repairs and Maintenance - Others	10,806.51	9,680.51
Loss on Sale of Investments (net)	-	275.63
Foreign Exchange Loss / (Gain) (net)	3,896.88	-
Loss on Sale of Property, Plant & Equipment	26.45	6.26
Provision for Doubtful Receivables and Advances / Deposits	8,324.32	1,099.88
Compensation to Customers	5,456.38	3,483.62
Miscellaneous Expenses	3,272.49	3,438.80
	107,808.76	99,606.26
Less: Allocated to Cost of Projects	(9,300.75)	(11,148.47)
	98,508.01	88,457.79



MACROTECH DEVELOPERS LIMITED (formerly known as LODHA DEVELOPERS LIMITED)
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39 Tax Expense

a) The major components of Income Tax expense are as Follows:

Profit or loss section

	For the Year ended 31-March-19 ₹ in Lakhs	For the Year ended 31-March-18 ₹ in Lakhs
(i) Income tax recognised in the statement of profit and loss:		
Current Income Tax (expense) / benefit :		
Current Income Tax	(6,422.72)	(50,124.95)
Adjustments in respect of current Income Tax of previous year	(2,646.69)	185.74
Total	(9,069.41)	(49,939.21)
Deferred Tax (expense) / benefit :		
Origination and reversal of temporary differences	(79,349.43)	11,204.99
Adjustments in respect of deferred tax of previous year	3,928.10	(56.13)
Total	(75,421.33)	11,148.86
Income Tax (expense) / benefit reported in the Statement of Profit or Loss	(84,490.74)	(38,790.35)

(ii) Income tax expenses recognised in OCI section

Deferred Tax (expense) / benefit on remeasurements of defined benefit plans	37.54	(143.30)
Income Tax charged to OCI	37.54	(143.30)

b) Reconciliation of Tax Expense and the Accounting Profit multiplied by applicable tax rate:

	For the Year ended 31-March-19 ₹ in Lakhs	For the Year ended 31-March-18 ₹ in Lakhs
Accounting Profit Before Tax	249,157.74	118,194.43
Income tax expenses calculated at corporate tax rate		
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense	(82,387.98)	(40,130.48)
Deductible expenses for Tax purposes:		
Other deductible expenses	172.35	5,686.22
Non-deductible expenses for Tax purposes:		
Permanent disallowance of Expenses	(1,936.52)	(2,336.75)
Donation / CSR Expenses	(1,604.32)	(1,909.48)
Interest on Income Tax	(15.68)	(229.47)
Adjustments in respect of Current Tax of previous year	(2,646.69)	185.74
Adjustments in respect of Deferred Tax of previous year	3,928.10	(56.13)
Tax expense reported in the Statement of Profit and Loss	(84,490.74)	(38,790.35)

c) The major components of deferred tax (liabilities)/assets arising on account of temporary differences are as follows:

Deferred Tax relates to the following:

	As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
Accelerated depreciation and amortisation for tax purposes	(1,190.84)	2,861.96
Expenses allowable but not charged to Statement of Profit and Loss	(41,477.84)	(44,650.83)
Carried Forward Business Loss / Unabsorbed Depreciation	16,373.06	218.27
Deferred Tax on Revaluation of Land	(12,908.22)	(12,908.22)
Effect of adoption of Ind AS 115 (Refer Note 61)	59,876.32	-
Write down of inventories to Net Realisable Value	1,083.35	-
Expected credit losses of Financial Assets	3,664.13	-
MAT credit	4,710.84	4,710.84
Others	1,926.45	1,936.33
Net Deferred Tax Assets / (Liabilities)	32,057.25	(47,831.65)
	For the Year ended 31-March-19 ₹ in Lakhs	For the Year ended 31-March-18 ₹ in Lakhs
Accelerated depreciation and amortisation for tax purposes	(4,052.80)	4,314.20
Expenses allowable but not charged to Statement of Profit and Loss	3,172.99	9,100.00
Carried Forward Business Loss / Unabsorbed Depreciation	16,154.79	(2,989.40)
Effect of adoption of Ind AS 115 (Refer Note 61)	(98,282.63)	-
Expected credit losses of Financial Assets	3,664.13	-
Write down of inventories to Net Realisable Value	1,083.35	-
Others	2,838.84	724.06
Deferred Tax (Expense) / Benefits	(75,421.33)	11,148.86



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d) Reconciliation of Deferred Tax Assets / (Liabilities) (net) :

	As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
Balance at the beginning of the year	(47,831.65)	(59,133.53)
Tax income/(expense) during the year recognised in profit or loss	(75,421.33)	11,148.86
Tax income/(expense) during the year recognised in OCI	37.54	(143.30)
Effect of adoption of Ind AS 115 (Refer Note 61)*	158,158.95	-
Deferred Taxes acquired in Business combinations	(2,886.26)	296.32
Balance at the end of the year	<u>32,057.25</u>	<u>(47,831.65)</u>

* Deferred tax recognised as adjustment to retained earning on account of adoption of Ind AS 115.

40 Category wise classification of Financial Instruments

	As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
Financial Assets carried at amortised cost		
Loans	67,472.95	60,867.73
Trade Receivables	31,208.77	75,865.74
Cash and Cash Equivalents	35,252.72	25,521.86
Bank Balances other than Cash and Cash Equivalents	30,501.53	26,723.06
Other Financial Assets	80,652.46	194,805.59
Total Financial Assets carried at amortised cost	<u>245,088.43</u>	<u>383,783.98</u>
Financial Liabilities carried at amortised cost		
Borrowings	2,336,234.82	2,260,043.32
Trade Payables	226,314.21	215,699.11
Other Financial Liabilities	442,630.99	250,113.11
Total Financial Liabilities carried at amortised cost	<u>3,005,180.02</u>	<u>2,725,855.54</u>



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41 Significant Accounting Judgements, Estimates and Assumptions

(i) Useful Life of Property, Plant and Equipments, Intangible Assets and Investment Properties

The Group determines the estimated useful life of its property, plant and equipments, investment properties and intangible assets for calculating depreciation/ amortisation. The estimate is determined after considering the expected usage of the assets or physical wear and tear. The Group periodically reviews the estimated useful life and the depreciation/ amortisation method to ensure that the method and period of depreciation/ amortisation are consistent with the expected pattern of economic benefits from these assets.

(ii) Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. An assessment is carried to determine whether there is any indication of impairment in the carrying amount of the Group's assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

(iii) Income Taxes

Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(iv) Defined Benefit Plans (Gratuity and Leave Encashment Benefits)

The costs of providing pensions and other post-employment benefits are charged to the Consolidated Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

(v) Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

(vi) Revaluation of Property, Plant and Equipment

The Group measures Land classified as property, plant and equipment at revalued amounts with changes in fair value being recognised in Other Comprehensive Income (OCI). The Group has engaged an independent valuer to assess the fair value periodically. Land is valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

(vii) Valuation of inventories

The determination of net realisable value of inventory includes estimates based on prevailing market conditions, current prices and expected date of commencement and completion of the project, the estimated future selling price, cost to complete projects and selling cost.

42 Company Information

The Subsidiaries, Associates, Partnership Firm and Limited Liability Partnership considered in the Consolidated Financial Statement are :

a) Subsidiaries

Sr. No.	Name of the Company	Principal activities	Country of Incorporation	Percentage of Holding as on	
				31-March-19	31-March-18
1	Adinath Builders Pvt. Ltd. ¹⁴	Real Estate	India	-	100.00%
2	Anantnath Constructions and Farms Pvt. Ltd.	Real Estate	India	100.00%	100.00%
3	Arihant Premises Pvt. Ltd.	Real Estate	India	100.00%	100.00%
4	Cowtown Infotech Services Pvt. Ltd. (Formerly known as Cowtown Land Development Pvt. Ltd.)	Support service activities	India	100.00%	100.00%
5	Dalhousie Leasing and Financial Services Pvt. Ltd.	Real Estate	India	100.00%	100.00%
6	Hi-class Buildcon Pvt. Ltd. ¹³	Real Estate	India	-	80.00%
7	Hotel Rahat Palace Pvt. Ltd.	Real Estate	India	100.00%	100.00%
8	Bellissimo Developers Thane Pvt. Ltd. (Formerly known as Lodha Developers Thane Pvt. Ltd.) ¹⁴	Real Estate	India	-	100.00%
9	MMR Social Housing Pvt. Ltd. (formerly known as Lodha Buildcon Pvt. Ltd.)	Real Estate	India	100.00%	100.00%
10	Lodha Impression Real Estate Pvt. Ltd.	Real Estate	India	100.00%	100.00%
11	Cowtown Software Design Pvt. Ltd. (Formerly known as Nabhiraja Software Design Pvt. Ltd.)	Support service activities	India	100.00%	100.00%
12	National Standard (India) Ltd.	Real Estate	India	73.94%	73.94%
13	Odeon Theatres and Properties Pvt. Ltd.	Real Estate	India	100.00%	100.00%
14	Palava City Management Pvt. Ltd.	Facility Management Services	India	100.00%	100.00%
15	Karabs Finance Ltd.	Real Estate	India	74.25%	74.25%
16	Siddhivinagar Enterprises Ltd.	Real Estate	India	72.71%	90.03%
17	Sri Sai Sainath Enterprises Construction and Developers Pvt. Ltd.	Real Estate	India	100.00%	100.00%



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Sr. No.	Name of the Company	Principal activities	Country of Incorporation	Percentage of Holding as on	
				31-March-19	31-March-18
18	Shreeniwas Cotton Mills Ltd. ¹⁵	Real Estate	India	-	99.76%
19	Siddhant Residential Paradise Pvt. Ltd.	Real Estate	India	100.00%	100.00%
20	Sintools Pvt. Ltd.	Real Estate	India	53.46%	76.24%
21	Sifaldos Estate Pvt. Ltd.	Real Estate	India	91.18%	91.18%
22	Palava Dwellers Pvt. Ltd.	Real Estate	India	98.03%	98.00%
23	Suvidhinath Buildtech Pvt. Ltd. ^{2 and 15}	Real Estate	India	-	100.00%
24	Bellissimo Mahavir Associates Dwellers Pvt. Ltd.	Real Estate	India	100.00%	100.00%
25	Bellissimo Land Dwellers Ltd. (Formerly known as Patel Land Developers Ltd.) ³	Real Estate	India	-	100.00%
26	Mandip Finserve Pvt. Ltd. ⁵	Real Estate	India	100.00%	100.00%
27	Muzcovite Constructions Pvt. Ltd. ⁵	Real Estate	India	-	100.00%
28	Sumangla Developers & Farms Pvt. Ltd. ⁵	Real Estate	India	-	100.00%
29	Bellissimo Vivek Enterprises Dwellers Pvt. Ltd. ¹⁴	Real Estate	India	-	100.00%
30	Suryoday Buildwell and Farms Pvt. Ltd. ⁵	Real Estate	India	-	100.00%
31	Center for Urban Innovation ⁹	Real Estate	India	100.00%	-
32	Palava Institute of Advanced Skill Training ⁹	Real Estate	India	100.00%	-
33	Bellissimo Constructions and Developers Pvt. Ltd. (Formerly known as Lodha Knowledge Foundation) ¹⁰	Real Estate	India	100.00%	-
34	Bellissimo Estate Pvt. Ltd. (Formerly known as Palava City Management Association) ¹¹	Real Estate	India	100.00%	-
35	Bhayanderpada Splandora Complex Pvt. Ltd. ¹¹	Real Estate	India	100.00%	-
36	Altamount Road Property Pvt. Ltd. ¹²	Real Estate	India	100.00%	-
37	Lodha Developers International (Netherlands) B. V.	Real Estate	Netherlands	100.00%	100.00%
38	Lodha Developers IGSQ Ltd.	Real Estate	Jersey Island	76.25%	76.25%
39	Lodha Developers 48CS Ltd.	Real Estate	Jersey Island	76.25%	76.25%
40	Lodha Developers Dorset Close Ltd.	Real Estate	Jersey Island	76.25%	76.25%
41	Grosvenor Street Apartments Ltd. (Formerly known as Holland Park Residences Holdings Ltd.)	Real Estate	United Kingdom	75.00%	75.00%
42	Lodha Developers IGSQ Holdings Ltd.	Real Estate	Jersey Island	76.25%	76.25%
43	Lodha Developers Canada Ltd. ⁷	Marketing and Sales activities	Canada	100.00%	-
44	Lodha Developers International (Jersey) III Ltd.	Project Management	Jersey Island	76.25%	76.25%
45	Lodha Developers International Ltd.	Marketing and Sales activities	Mauritius	100.00%	99.99%
46	Lodha Developers UK Ltd. ¹	Support service activities	United Kingdom	75.00%	75.00%
47	Lodha Developers U.S., Inc. ⁴	Marketing and Sales activities	United States	100.00%	100.00%
48	New Court Developers Ltd.	Real Estate	United Kingdom	75.00%	-
49	New Court Holdings Ltd.	Real Estate	United Kingdom	75.00%	-
50	IGSQ Leaseco Ltd. ⁶	Real Estate	United Kingdom	75.00%	-

- 1 Associate from 4-September-17 to 14-January-18 and Subsidiary Upto 3-September-17 and from 15-January-18.
- 2 Acquired on 28-September-17.
- 3 Acquired on 5-December-17 and merged with a Subsidiary Bellissimo Developers Thane Pvt. Ltd. w.e.f 13-July-18.
- 4 Acquired on 3-October-17.
- 5 Acquired on 30-December-17 and merged with a Subsidiary Cowtown Infotech Services Pvt. Ltd. w.e.f 13-July-18.
- 6 Acquired on 30-May-18.
- 7 Acquired on 28-September-18.
- 8 Incorporated on 21-December-18.
- 9 Incorporated on 14-January-19.
- 10 Acquired on 1-February-19.
- 11 Acquired on 8-March-19.
- 12 Acquired on 26-March-19.
- 13 Merged with Holding Company w.e.f 12-September-18.
- 14 Merged with Holding Company w.e.f 30-November-18.
- 15 Merged with Holding Company w.e.f 26-July-19.

b) Associate

Sr. No.	Name of the Company	Country of Incorporation	Percentage of Holding as on	
			31-March-19	31-March-18
1	Kaya Constructions Pvt. Ltd.	India	44.00%	44.00%
2	Lodha Developers International (Jersey) I Holdings Ltd. ¹	Jersey Island	-	40.62%

- 1 Merged with a subsidiary Lodha Developers International (Jersey) III Ltd. w.e.f 19-October-18.



c) Limited Liability Partnerships

Sr. No.	Name of the Limited Liability Partnerships	Country of Registration	Percentage of Holding as on	
			31-March-19	31-March-18
1	Bellissimo Buildtech LLP	India	100.00%	100.00%

43 Commitments and Contingencies

a. Leases

Operating Lease Commitments — Company as Lessee

The Group has entered into cancellable and non-cancellable operating leases on commercial premises, with the terms between 3 and 10 years. The Lease Agreement is usually renewable by mutual consent on mutually agreeable terms.

The Group has paid following towards minimum lease payment during the year

	31-March-19 ₹ in lakhs	31-March-18 ₹ in lakhs
Cancellable operating lease	196.52	156.24
Non-Cancellable operating lease	1,858.22	1,503.44
	2,054.74	1,659.68

Future minimum rentals payable under non-cancellable operating leases are, as follows:

	31-March-19 ₹ in lakhs	31-March-18 ₹ in lakhs
Within one year	1,543.75	1,667.14
After one year but not more than five years	5,370.44	6,049.99
More than five years	2,082.62	3,706.03
	8,996.81	11,423.16

Operating Lease Commitments — Company as Lessor

The Group has entered into cancellable and non-cancellable operating leases on its commercial premises. These leases have terms of between 5 and 20 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	31-March-19 ₹ in lakhs	31-March-18 ₹ in lakhs
Cancellable operating lease	27.60	27.47
Non-Cancellable operating lease	2,972.23	2,020.33
	2,999.83	2,047.80

Future minimum rentals receivable under non-cancellable operating leases are, as follows:

	31-March-19 ₹ in lakhs	31-March-18 ₹ in lakhs
Within one year	2,425.99	1,835.05
After one year but not more than five years	5,357.45	5,246.69
More than five years	3,446.79	3,240.31
	11,230.23	10,322.05

b. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for:	31-March-19 ₹ in lakhs	31-March-18 ₹ in lakhs
Estimated amount of contracts remaining to be executed on capital account is and not provided for (net of advances).	1,606.51	1,634.43

c. Contingent Liabilities

Claims against the company not acknowledged as debts	31-March-19 ₹ in lakhs	31-March-18 ₹ in lakhs
(i) Disputed Demands of Customers excluding amounts not ascertainable.	13,811.76	6,053.52
(ii) Corporate Guarantees Given*	16,283.73	66,150.00
(iii) Disputed Taxation Matters	23,486.89	24,567.19
(iv) Disputed Land related Legal cases	4,137.21	4,137.21
(v) Others	150.00	150.00

* Represents Outstanding amount of the Loan / Balances guaranteed.

(i) The Contingent Liabilities exclude undeterminable outcome of pending litigations.

(ii) The Group has assessed that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

44 Penalties under section 271D and 271E of the Income Tax Act, 1961 have been levied by the Income Tax Department for various Assessment years. Penalties levied by the department on similar facts have been deleted by the Appellate authorities (CIT(A) & ITAT) in various matters of the Group Companies on the basis of the decision of the Hon'ble Bombay High Court in the case of CIT vs Triumph International Finance (India) Limited. The appeals preferred by the Income tax Department in some group company cases have also been dismissed by the Hon'ble Bombay High Court upholding that the penalty should not be levied. On further appeal to the High Court, the appeal filed by Income Tax Department before the Hon'ble Supreme Court have been dismissed. Consequently, no provision for the same is not considered necessary by the management.

45 In case of pending appeals filed by the Income Tax Department against the favourable orders, the management is confident that the outcome would be favourable and no further liability is likely to accrue.



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46 Land and Property Development Work-in-Progress and Finished Goods includes:

	31-March-19 ₹ in lakhs	31-March-18 ₹ in lakhs
a Land for which conveyance is pending.	50,375.79	48,196.45
b Land held in the name of Promoters on behalf of the Group pending execution of conveyance.	35,620.21	46,663.38
c Land already acquired for which Memorandum of Understanding / consent letters are pending	36,687.57	27,262.85
	1,22,683.57	1,22,122.68

47 The details of Donation given to political parties is as under:

	(₹ in lakhs)	
Particulars	For the Year ended 31-March-19	For the Year ended 31-March-18
Donations given	425.00	985.16

48 Gratuity and Leave Obligation

The Group has a funded defined benefit gratuity plan, which is a final salary plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(₹ in lakhs)		
(A) Leave Obligation	For the Year ended 31-March-19	For the Year ended 31-March-18
Changes in the present value of the defined benefit obligation are, as follows:		
Defined benefit obligation at the beginning of the year	1,434.48	1,422.67
Interest cost	35.39	92.88
Current service cost	540.09	627.54
Transfer in / (out) obligation	-	19.90
Actuarial gain and losses	11.85	(45.43)
Experience adjustments	(114.95)	(167.56)
Benefits paid	(544.22)	(515.52)
Defined benefit obligation at the end of the year	1,362.64	1,434.48
(B) Gratuity Benefits	For the Year ended 31-March-19	For the Year ended 31-March-18
(i) Obligation		
Defined benefit obligation at the beginning of the year	2,462.26	2,201.85
Current service cost	437.43	522.67
Past Service Cost	-	170.07
Interest cost	51.94	160.80
Transfer in/(out) obligation	474.13	40.87
Actuarial gain and losses	29.45	(96.56)
Experience adjustments	216.09	(104.66)
Benefits paid	(486.44)	(432.78)
Defined benefit obligation at the end of the year	3,184.86	2,462.26
(ii) Fund		
Defined benefit obligation at the beginning of the year	(499.00)	(449.41)
Current service cost	-	-
Past Service Cost	-	-
Interest cost	(52.17)	(32.85)
Transfer in/(out) obligation	(471.79)	(13.50)
Return on plan assets	15.08	1.46
Benefits paid	-	(4.70)
Defined benefit obligation at the end of the year	(1,007.88)	(499.00)
Defined benefit obligation at the beginning of the year	1,963.26	1,752.44
Current service cost	437.43	522.67
Past Service Cost	-	170.07
Interest cost	(0.23)	127.95
Transfer in/(out) obligation	2.34	27.37
Return on plan assets	15.08	1.46
Actuarial gain and losses	29.45	(96.56)
Experience adjustments	216.09	(104.66)
Benefits paid	(486.44)	(437.48)
Defined benefit obligation at the end of the year	2,176.98	1,963.26



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The major categories of plan assets of the fair value of the total plan assets are as follows:

	As at 31-March-19 ₹ in Lakhs	As at 31-March-18 ₹ in Lakhs
Unquoted investments:		
Policy of insurance	(1,007.88)	(499.00)
Total	(1,007.88)	(499.00)

(C) The principal assumptions used in determining gratuity and leave encashment obligations for the Group's plans are shown below:

	31-March-19 %	31-March-18 %
Discount rate:		
Gratuity	7.60%	7.70%
Leave Obligation	7.60%	7.70%
Future salary increases:		
Gratuity	5.00%	5.00%
Leave Obligation	5.00%	5.00%
Mortality Rate : Indian Assured Lives Mortality (2006-08) Table		

(D) Impact on defined benefit obligation

Sensitivity Level	31-March-19	₹ in lakhs 31-March-18
Impact of 0.5% Increase of Discount Rate		
Gratuity	2,554.66	2,318.13
Leave Obligation	1,304.82	1,374.08
Impact of 0.5% Decrease of Discount Rate		
Gratuity	2,854.13	2,587.58
Leave Obligation	1,426.80	1,500.24
Sensitivity Level		
Impact of 0.5% Increase of Future Salaries		
Gratuity	2,806.21	2,538.96
Leave Obligation	1,425.42	1,501.67
Impact of 0.5% Decrease of Future Salaries		
Gratuity	2,593.10	2,355.97
Leave Obligation	1,303.62	1,372.31

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

(E) The following payments are expected contributions to the defined benefit plan in future years:

	31-March-19 ₹ in lakhs	31-March-18 ₹ in lakhs
Within the next 12 months (next annual reporting period)	521.38	525.25
Between 2 and 5 years	920.63	872.95
Between 5 and 10 years	1,431.04	1,427.18
Beyond 10 years	-	-
Total expected payments	2,873.05	2,825.38

The average duration of the defined benefit plan obligation w.r.t. gratuity at the end of the reporting year is 13.41 years (31-March-18: 11.33 years).

49 Related Party Transactions

Information on Related Party Transactions as required by Ind AS 24 - 'Related Party Disclosures'

A. List of Other Related Parties:

{As identified by the management}, unless otherwise stated

I Person having Control or Joint Control or Significant Influence

Mangal Prabhat Lodha (MPL)
 Abhishek Lodha

Son

II Close family members of person having control

Manjula Lodha
 Vinita Lodha

Wife
 Son's wife.

III Holding Company

Sambhaji Infrabuild and Farms Pvt. Ltd.



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IV Subsidiaries of Holding Company

- 1 Bellissimo Properties Development Pvt. Ltd. (Formerly known as Lodha Properties Development Pvt. Ltd.)
- 2 Grosvenor Street Apartments Ltd. (Formerly known as Holland Park Residences Holdings Ltd.) (Upto 3-September-17)
- 3 New Court Developers Limited (Upto 28-May-18)
- 4 New Court Holdings Limited (Upto 28-May-18)
- 5 PCL Developers (Mauritius) Ltd. (Upto 17-January-19)

V Others (Entities controlled by person having control or joint control, with whom the Group had transactions)

- 1 Lodha Charitable Trust (Merged with Sitaben Shah Memorial Trust w.e.f. 24-January-18).
- 2 Lodha Family Discretionary Trust (dissolved w.e.f. 18-July-18)
- 3 Lodha Builders Pvt. Ltd.
- 4 Lodha Construction Pvt. Ltd. (Merged with Lodha Builders Private Limited w.e.f. 05-July-18)
- 5 Sitaben Shah Memorial Trust
- 6 Bellissimo Healthy Constructions and Developers Pvt. Ltd. (Formerly known as Lodha Healthy Constructions and Developers Pvt. Ltd.)
- 7 Pangea Holdings Ltd.
- 8 Piramal Chaturbhuj Trust (Private Trust)
- 9 Eirian Consulting Pvt. Ltd. (upto 15-April-18)
- 10 Lodha Global Ltd. (dissolved w.e.f. 05-November-18)
- 11 45 Chester Square Investment Ltd. (upto 30-March-18)

VI Associate

- 1 Kora Construction Pvt. Ltd.
- 2 Lodha Developers International (Jersey) I Holdings Ltd. (Merged with a subsidiary Lodha Developers International (Jersey) III Ltd. w.e.f. 19-October-18)

VII Key Management Person (KMP)

- 1 Abhishek Lodha (Managing Director and CEO) - (w.e.f. 01-March-2018)
- 2 Rajendra Lodha (Whole Time Director) - (w.e.f. 01-March-2018)
- 3 Mukund M. Chitale (Independent Director and Chairman)
- 4 Berjis Minoo Desai (Independent Director w.e.f. 24-February-17)
- 5 Shyamala Gopinath (Independent Director w.e.f. 16-February-18)
- 6 Rajinder Pal Singh (Non Executive Director)

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

(i) Outstanding Balances

(₹ in Lakhs)

Sr. No.	Nature of Transactions	As on	Holding Company, KMP, Controlling Shareholder and his relatives	Associate and Others
1	Investments	31-March-19	118,418.26	13,553.88
		31-March-18	118,418.26	13,553.92
2	Loans given	31-March-19	13,011.13	-
		31-March-18	5,400.10	-
3	Other Current Assets	31-March-19	286.46	149.41
		31-March-18	-	188.79
4	Trade Receivables	31-March-19	-	-
		31-March-18	653.74	35.86
5	Other Financial Assets	31-March-19	14.02	4.50
		31-March-18	25.19	14.67
6	Loans taken	31-March-19	-	15,449.23
		31-March-18	1,183.54	16,831.02
7	Trade Payables	31-March-19	13.84	-
		31-March-18	-	-
8	Other Financial Liabilities	31-March-19	514.60	2,022.31
		31-March-18	-	1,844.16
9	Other Current Liabilities	31-March-19	21,939.62	-
		31-March-18	2,796.03	-
10	Guarantees taken	31-March-19	1,601,500.13	-
		31-March-18	1,273,896.84	-



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(ii) Disclosure in respect of transactions with Related Parties:

(₹ in Lakhs)

Sr No	Particulars	Relationship	For the Year ended 31-March-19	For the Year ended 31-March-18
1	Income from Property Development			
	Mangal Prabhat Lodha	Person having control	781.00	1,274.27
	Abhishek Lodha	KMP	-	2,882.48
	Rajendra Lodha	KMP	-	5,903.44
	Manju Lodha	Others	2,749.50	-
	Vinti Lodha	Others	928.84	1,430.77
2	Purchase of Property, Plant and Equipment			
	Bellissimo Healthy Constructions and Developers Pvt. Ltd.	Others	9.92	-
3	Sale of Building Materials			
	Sitaben Shah Memorial Trust	Others	15.07	-
	Bellissimo Properties Development Pvt. Ltd.	Subsidiary of Holding Company	-	15.73
	Lodha Charitable Trust	Others	-	0.05
	Sambhavnath Infrabuild and Farms Pvt. Ltd. *	Holding Company	-	3,573.96
4	Interest Income			
	Lodha Builders Pvt. Ltd.	Others	4.50	4.51
	45 Chester Square Investment Ltd.	Others	-	218.73
	Sambhavnath Infrabuild and Farms Pvt. Ltd.	Holding Company	16.08	27.81
5	Purchase of Construction materials			
	Bellissimo Healthy Constructions and Developers Pvt. Ltd.	Others	3.51	0.39
	Sitaben Shah Memorial Trust	Others	0.31	-
	Sambhavnath Infrabuild and Farms Pvt. Ltd. *	Holding Company	473.70	3,502.87
6	Refund received on Cancellation of Flat purchased			
	Bellissimo Healthy Constructions and Developers Pvt. Ltd.	Others	281.93	-
7	Amount paid for Purchase of flats			
	Bellissimo Healthy Constructions and Developers Pvt. Ltd.	Others	-	281.93
8	Remuneration paid			
	Mangal Prabhat Lodha	Person having control	1,000.40	5,414.04
	Abhishek Lodha	KMP	1,000.40	3,712.89
	Rajendra Lodha	KMP	791.29	2,254.00
	Rajinder Pal Singh	KMP	180.40	180.40
	Manjula Lodha	Others	-	912.66
	Vinti Lodha	Others	-	1,591.05
9	Commission and Sifting Fees			
	Mukund Chitale	KMP	46.90	60.30
	Beris Desai	KMP	41.95	41.70
	Shyamala Gopinath	KMP	42.25	5.20
10	Interest Expenses			
	Bellissimo Properties Development Pvt. Ltd.	Subsidiary of Holding Company	-	250.94
	Lodha Construction Pvt. Ltd.	Others	-	65.87
	Bellissimo Healthy Constructions and Developers Pvt. Ltd.	Others	2,247.02	1,947.82
	Sambhavnath Infrabuild and Farms Pvt. Ltd.	Holding Company	147.06	-
	Pangea Holdings Pvt. Ltd.	Others	-	222.71
11	Rent Expenses			
	Mangalprabhat Lodha	Person having control	17.00	-
	Abhishek Lodha	KMP	12.00	-
	Rajendra Lodha	KMP	9.00	-
	Vinti Lodha	Others	22.00	-
	Pangea Holdings Pvt. Ltd.	Others	313.45	168.02
12	Donation / Corporate Social Responsibility			
	Sitaben Shah Memorial Trust	Others	60.00	120.00
	Lodha Charitable Trust	Others	7.28	4,625.00
13	Purchase of Mutual Funds			
	Sambhavnath Infrabuild and Farms Pvt. Ltd.	Holding Company	1,297.82	-
14	Purchase of Shares			
	Lodha Builders Pvt. Ltd.	Others	3.10	-
	Bellissimo Properties Development Pvt. Ltd.	Subsidiary of Holding Company	-	961.96
15	Refund given on cancellation of flat			
	Lodha Family Discretionary Trust	Others	441.69	-
16	Sale of vehicle			
	Mangal Prabhat Lodha	Person having control	14.00	-
17	Loans / Advances given / (returned)			
	Mangal Prabhat Lodha	Person having control	-	(1,904.33)
	Abhishek Lodha	KMP	-	(7,032.66)
	Rajendra Lodha	KMP	-	(871.85)
	Bellissimo Healthy Constructions and Developers Pvt. Ltd.	Others	-	(3,526.74)
	Lodha Constructions Pvt. Ltd.	Others	-	(701.21)
	Lodha Builders Pvt. Ltd.	Others	(73.22)	(43.24)
	Pangea Holdings Pvt. Ltd.	Others	64.76	(1,790.43)
	Bellissimo Properties Development Pvt. Ltd.	Subsidiary of Holding Company	-	(1,002.52)



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Sr No	Particulars	Relationship	For the Year ended 31-March-19	For the Year ended 31-March-18
	Piramal Chaturbhuj Trust (Private Trust)	Others	-	(294.60)
	Sambhavnath Infrabuild and Farms Pvt. Ltd.	Holding Company	7,611.03	5,400.00
	Lodha Global Ltd.	Others	(30.92)	30.92
18	Loans / Advances taken / (returned)			
	Bellissimo Healthy Constructions and Developers Pvt. Ltd.	Others	(427.75)	1,702.15
	Bellissimo Properties Development Pvt. Ltd.	Subsidiary of Holding Company	-	(782.44)
	Pangea Holdings Pvt. Ltd.	Others	-	(4,792.63)
	Sambhavnath Infrabuild and Farms Pvt. Ltd.	Holding Company	(1,183.54)	1,183.54
19	Redemption of Debentures			
	Sambhavnath Infrabuild and Farms Pvt. Ltd.	Holding Company	15,000.00	-
20	Advances Received against Agreement to Sell			
	Mr. Mangalprabhat Lodha	Person having control	3,688.30	478.92
	Mr. Abhishek Lodha	KMP	886.53	3,593.38
	Mrs. Manju Lodha	Others	7,389.65	-
	Mrs. Vinti Lodha	Others	2,298.66	394.39
	Mr. Rajendra Lodha	KMP	1,928.56	5,719.84
21	Reimbursement Taken			
	Bellissimo Healthy Constructions and Developers Pvt. Ltd.	Others	-	20.97
22	Investments			
	Sambhavnath Infrabuild and Farms Pvt. Ltd.	Holding Company	15,000.00	-
23	Guarantees taken			
	Sambhavnath Infrabuild and Farms Pvt. Ltd.	Holding Company	189,500.00	-
	Abhishek Lodha	KMP	415,150.00	1,180,000.00

* Includes transaction made on behalf of Eirian Consulting Pvt. Ltd. pursuant to merger order w.e.f 2-December-17.

iii) Terms and conditions of outstanding balances with Related Parties

a) Receivables from related parties

The receivables from related parties arise mainly from sale transactions and services rendered and are received as per agreed terms. No provisions are held against receivables from related parties.

b) Payable to Related Parties

The payables to related parties arise mainly from purchase transactions and services received and are paid as per agreed terms.

c) Loans to Related Parties

The loans to related parties are unsecured and receivable on demand bearing effective interest rate.

iv) Terms and conditions of transaction with Related Parties

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

50 Financial Instrument measured at Amortised Cost

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

51 Fair Value Measurement

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities.

Particulars	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant Unobservable inputs (Level 3)
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
As at 31-March-19				
Financial Assets measured at fair value through profit and loss				
Investment in Mutual Funds	8,153.18	8,153.18	-	-
Investment in Equity Shares	8.43	8.43	-	-
Investment in Debentures	362.54	362.54	-	-
	8,524.15	8,524.15	-	-
As at 31-March-18				
Financial Assets measured at fair value through profit and loss				
Investment in Mutual Funds	6,125.61	6,125.61	-	-
Investment in Equity Shares	8.43	8.43	-	-
Investment in Debentures	305.50	305.50	-	-
	6,439.54	6,439.54	-	-



52 Financial Risk Management Objectives and Policies

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

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

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

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

(a) Market Risk

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

(i) Interest Rate Risk

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

ii) Foreign Currency Risk

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

b) Credit Risk

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

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, has less influence on the credit risk. The Group has entered into contracts for the sale of residential and commercial units on an installment basis. The installments are specified in the contracts. The Group is exposed to credit risk in respect of installments due. However, the legal ownership of residential and commercial units are transferred to the buyer only after all the installments are recovered. In addition, installment dues are monitored on an ongoing basis with the result that the Group's exposure to credit risk is not significant. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely Credit risk from balances with banks and financial institutions is managed by Group's treasury in accordance with the Group's policy. The Group limits its exposure to credit risk by only placing balances with local banks and international banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail in meeting its obligations.

c) Liquidity Risk

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

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

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Year ended 31-March-19						
Borrowings *	1,03,030.82	29,850.57	1,70,533.91	19,05,495.18	1,33,230.69	23,42,141.17
Trade Payables	-	2,05,743.52	-	20,570.69	-	2,26,314.21
Other financial liabilities **	25,853.73	42,541.20	2,70,852.44	1,02,704.62	-	4,41,951.99
	1,28,884.55	2,78,135.29	4,41,386.35	20,28,770.49	1,33,230.69	30,10,407.37
Year ended 31-March-18						
Borrowings *	54,896.53	30,780.00	1,61,873.58	18,96,650.19	1,15,843.02	22,60,043.32
Trade Payables	-	1,92,454.39	-	23,244.72	-	2,15,699.11
Other financial liabilities **	55,070.96	11,539.36	3,385.29	1,79,711.70	160.90	2,49,868.21
Financial guarantee contracts	-	-	69.32	175.58	-	244.90
	1,09,967.49	2,34,773.75	1,65,328.19	20,99,782.19	1,16,003.92	27,25,855.54

Borrowings are stated before adjusting for issue cost and premium on debentures.

** Payables on Cancellation of Allotment included in Other financial liabilities are stated at nominal value.

53 Capital Management

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

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

	31-March-19	31-March-18
	₹ in lakhs	₹ in lakhs
Borrowings (including current maturities of long-term debt)	2,564,056.41	2,261,610.78
Less: Cash and Cash Equivalents	(35,252.72)	(25,521.86)
Less: Bank balances other than cash and cash equivalents	(30,501.53)	(26,723.06)
Net debt	2,498,302.16	2,209,365.86
Equity Share Capital	39,587.80	39,587.80
Other Equity		
Others Reserves	301,803.43	432,593.74
Total Capital	341,391.23	472,181.54
Capital and net debt	2,839,693.39	2,681,547.40
Gearing ratio	87.98%	82.39%

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

54 Unhedged Foreign Currency Exposure

(₹ in Lakhs)

₹ in Lakhs

Particulars	Currency	As at 31-March-19		As at 31-March-18	
		in ₹	in Foreign Currency	in ₹	in Foreign Currency
ASSETS					
Advances to Suppliers / Contractors / Expenses	USD	699.63	10.09	2,003.68	30.96
	Euro	628.62	8.08	403.77	5.03
	AED	61.54	3.26	31.12	1.74
	GBP	171.39	1.90	54.08	0.59
	SGD	0.03	-	101.91	2.09
	AUD	0.01	-	12.66	0.25
	ZAR	2.02	0.42	-	-
	CNY	87.50	8.47	81.81	7.92
Bank Balance	Euro	0.62	0.01	0.21	-
	GBP	3.26	0.04	11.29	0.12
TOTAL ASSETS		1,654.62		2,700.53	
Particulars	Currency	As at 31-March-19		As at 31-March-18	
		in ₹	in Foreign Currency	in ₹	in Foreign Currency
LIABILITIES					
Trade Payables	USD	4,337.27	62.57	4,312.22	67.42
	Euro	3,019.05	38.83	1,113.92	13.88
	AED	30.84	1.63	26.10	1.47
	GBP	265.41	2.94	158.11	2.91
	SGD	115.26	2.25	80.03	0.53
	CAD	-	-	41.90	0.85
	AUD	0.70	1.02	-	-
	KES	1.66	0.09	-	-
	KWD	3.78	0.02	-	-
	THB	-	-	6.00	2.54
	CNY	35.71	3.44	3.75	0.36
TOTAL LIABILITIES		7,809.68		5,742.03	

55 The Group has invested in 0.01% Optionally Convertible Debentures (OPCDs) of ₹ 118,418.26 Lakhs issued by Sambhavnath Infrabuild and Farms Pvt. Ltd. (SIFPL). In March-18 SIFPL and the Group has entered into an agreement to redeem OPCDs at carrying value and hence the fair value of OPCDs approximates its carrying value.

56 Pursuant to the Order of the Collector of Stamps, levying of stamp duty and penalty in respect of Agreement to Lease entered in to with Mumbai Metropolitan Regional Development Authority (MMRDA) for Wadala Truck Terminal plot and the Order of the Hon'ble Bombay High Court, the Company has deposited ₹ 20,249.50 Lakhs with the Office of the Collector of Stamps. The Order of Chief Controlling Revenue Authority (CCRA) in appeal upholding the Order of Collector of Stamps levying of stamp duty of ₹ 27,134.30 Lakhs has been stayed by the Hon'ble Bombay High Court.



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- 57 a) Pursuant to Scheme of Amalgamation entered between Lodha Developers International (Jersey) I Holdings Limited (LDIJI) (amalgamating Company) with Lodha Developers International (Jersey) III Limited (LDIJ3) (amalgamated Company), LDIJI got merged with LDIJ3 w.e.f 19-October-18.

The amalgamation being common control transactions, have been accounted for using the 'Pooling of Interest' method as prescribed under Ind AS 103 – "Business Combination" for common control transactions. In accordance with the requirements of para 9 (iii) of Appendix C to Ind AS 103, the Consolidated Financial Statements of the Company in respect of the prior periods have been restated as if amalgamation had occurred from the beginning of the preceding period, irrespective of the actual date of the combination.

b) On 20-June-18, the Company has withdrawn the scheme of demerger of identified business undertaking (Demerged Company) into IMSA Computer Education Pvt. Ltd. (Resulting Company) from the NCLT, Mumbai bench.

- 58 Goodwill on consolidation is tested for impairment annually or if there are indications that it might be impaired. The Group uses cash flow projections based on the recent financial forecast approved by the management for the purpose of impairment testing.
- 59 On December 30, 2017 ("Acquisition Date"), the Group acquired all outstanding equity shares of Muzcovite Constructions Pvt. Ltd. ("Muzcovite") a General Construction Company, for a total consideration of ₹ 12.00 Lakhs.
- All identifiable assets acquired and liabilities assumed have been measured initially at their fair value as on acquisition date. The purchase price was allocated, as set out below, to the assets acquired and liabilities assumed in the business combination.

	(₹ in Lakhs)
	Balance as at 30 December-17
Assets Acquired	
Property, plant and Equipment	5,407.98
Investments	50,035.57
Cash and Cash Equivalents	1,731.32
Other Assets	150,001.92
Total Assets	207,176.79
Liabilities	
Trade Payables	63,049.36
Other Liabilities	150,228.15
Total Liabilities	213,277.51
Purchase Consideration	12.00
Add: Pre-existing relationship	2,050.07
Total Purchase consideration	2,062.07
Goodwill on acquisition	8,162.79

Goodwill was attributable mainly to benefits from expected synergies and will not be deductible for tax purposes. Impact of acquisition on the results of the Group for the year ended March 31, 2018 is not material.

Had this acquisition occurred on April 1, 2017, impact on Group's revenue and profit for the year ended March 31, 2018 would not have been material.

60 Segment Information

(a) For management purposes, the Group is into one reportable segment i.e. Real Estate development.

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

(b) The Group is engaged in the business of real estate property development in India and United Kingdom. The Group's Revenue from External Customers, Profit before tax and Non-Current Assets by geographical areas are as follows:

				(₹ in Lakhs)
Particulars		India	United Kingdom	Total
Revenues *	31-March-19	1,190,655.45	42.06	1,190,697.51
	31-March-18	868,645.78	99,081.24	967,727.02
Profit Before Tax	31-March-19	252,038.60	(2,880.86)	249,157.74
	31-March-18	110,236.24	7,958.19	118,194.43
Non - Current Assets	31-March-19	250,276.83	20,569.08	270,845.91
(excluding Deferred Tax and Financial Assets)	31-March-18	224,108.57	12,635.46	236,744.03

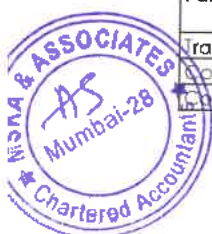
* Revenues are attributed to countries on the basis of location where the sale occurred.

61 Disclosure under Ind AS 115 - Revenue from Contracts with Customers

Based on the contractual arrangements with the customers and legal framework where Group operates, Group satisfies the criteria with respect to recognition of revenue at point in time. Disclosures with respect to Ind AS 115 are as follows:

- (a) Contract Assets and Contract Liabilities

Particulars	As at 31-March-19	As at 31-March-18
Trade receivables (Refer Note 14)	31,208.77	75,865.74
Contract Assets - Accrued revenue (Refer Note 17)	68,956.72	181,634.93
Contract Liabilities - Advance from customers (Refer Note 32)	1,206,774.09	545,448.16



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(b) Movement of Contract Liabilities

(₹ in Lakhs)

Particulars	As at 31-March-19
Amounts included in contract liabilities at the beginning of the year §	1,622,190.26
Amount received during the year	757,113.22
Performance obligations satisfied in current year #	(1,172,529.39)
Amounts included in contract liabilities at the end of the year	1,206,774.09

§ Amount represent balance at the beginning after adopting Ind AS 115

Includes ₹ 339,719.84 lakhs recognised out of opening contract liabilities.

(c) Closing balances of assets recognised from costs incurred to obtain a contract with a customer.

(₹ in Lakhs)

Particulars	As at 31-March-19	As at 31-March-18
Closing balances of assets recognised	40,376.00	18,420.46
Amortisation recognised during the year	21,007.58	22,971.21

(d) The transaction price of the remaining performance obligations as at 31-March-19 is ₹ 2,087,685.12 lakhs. The same is expected to be recognised within 1 to 4 years.

(e) The cumulative effect of the changes made to Group's financial statements as on 1-April-18 for the adoption on account of new revenue standard are as follows:

(₹ in Lakhs)

Particulars	Balance as on 31-March-18	Adjustment due to new revenue standard	Balance as on 1-April-18
ASSETS			
Inventories	3,143,435.04	772,910.41	3,916,345.45
Trade Receivables	75,865.74	(19,701.64)	56,164.10
Other Financial Assets	189,698.10	(137,976.38)	51,721.72
Deferred Tax Assets	9,208.03	158,158.95	167,366.98
Other Current Assets	118,814.51	9,412.27	128,226.78
EQUITY AND LIABILITIES			
Total Other Equity	475,633.09	(293,254.78)	182,378.31
Non-Controlling Interests	4,272.58	(683.71)	3,588.87
Other Financial Liabilities	249,383.27	-	249,383.27
Current Tax Liabilities	8,842.62	-	8,842.62
Other Current Liabilities	719,713.26	1,076,742.10	1,796,455.36

(f) In accordance with the requirements of the new revenue standard, the disclosure of the impact of adoption on statement of profit and loss and balance sheet are as follows:

(i) Balance Sheet

(₹ in Lakhs)

Particulars	As at 31-March-19		
	As Reported	Balances Without Adoption of new revenue standard	Effect of Change Increase / (Decrease)
ASSETS			
Non - Current Tax Assets	29,780.24	20,056.58	9,723.66
Deferred Tax Assets	32,061.57	1,977.82	30,083.75
Inventories	4,151,241.14	3,455,624.81	695,616.33
Trade Receivables	31,208.77	39,847.30	(8,638.53)
Other Financial Assets	75,053.21	249,303.12	(174,249.91)
Other Current Assets	153,496.40	133,809.39	19,687.01
EQUITY AND LIABILITIES			
Total Other Equity	344,842.78	527,956.63	(183,113.85)
Non-Controlling Interests	53,479.94	56,004.68	(2,524.74)
Deferred Tax Liabilities	4.32	50,086.82	(50,082.50)
Current Tax Liabilities	83.89	849.60	(765.71)
Other Current Liabilities	1,520,063.79	711,117.51	808,946.28



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(ii) Statement of Profit and Loss

(₹ in Lakhs)

Particulars	For the year ended 31-March-19		
	As Reported	Without Adoption of new revenue standard	Effect of Change Increase / (Decrease)
Revenue from Operations	1,190,697.51	887,590.98	303,106.53
Total Expenses	944,442.89	817,059.96	127,382.93
Profit before Tax	249,157.74	73,441.23	175,716.51
Profit for the Year	164,667.00	56,419.98	108,247.02

62 Basic and Diluted Earnings Per Share

Particulars	For the Year ended 31-March-19	For the Year ended 31-March-18
Basic earnings per share:		
a) Profit for the Year (₹ in Lakhs)	163,884.22	78,333.29
b) No. of Equity Shares as at beginning of the year	395,878,000	226,216,000
Add: No of Shares issued during the year	-	-
Less: Adjustment for consolidation of Shares (Refer Note 19 (D))	-	(113,108,000)
Add: Issue of Bonus Shares (Refer Note 19 (D))	-	282,770,000
No. of Equity Shares as at end of the year	395,878,000	395,878,000
Weighted average no. of Equity Shares outstanding during the year	395,878,000	395,878,000
c) Face Value per Equity Share (₹)	10	10
d) Basic earnings per share (₹)	41.40	19.79
Diluted earnings per share:		
a) Profit for the Year (₹ in Lakhs)	163,884.22	78,333.29
b) No. of Equity Shares as at beginning of the year	395,878,000	226,216,000
Less: Adjustment for consolidation of Shares (Refer Note 19 (D))	-	(113,108,000)
Add: Issue of Bonus Shares (Refer Note 19 (D))	-	282,770,000
Weighted average no. of Equity Shares outstanding during the year	395,878,000	395,878,000
c) Diluted earnings per share (₹)	41.40	19.79

63 During the year, a Subsidiary has issued 45,632 Series 'A' % Optionally Convertible Debentures (Series 'A' OCDs) having face value of ₹ 100,000 each and 4,240 Series 'B' % Optionally Convertible Debentures (Series 'B' OCDs) having face value of ₹100,000 each to the Investors. These Series A and Series B Debentures were issued at par.

In accordance with the Securities Subscription Agreement (Agreement), the Investor may exercise the Conversion Right with respect to:
- Series A Debentures at any time until the expiry of its 8 years tenure from the date of issue
- Series B Debentures:

- (i) on the expiry of 2 (two) years from the Allotment Date, if there is increase in Investor Share as per terms of the agreement;
- (ii) at the end of the Tenure if there is no increase in Investor Share as per Clause (i) above

in the agreed ratio of 100 equity shares for each lot of 1281 Series A and Series B Debenture. Further, the Subsidiary has an option but not an obligation of early redemption of these Debentures. Accordingly, these Debentures have been classified as equity instrument. In the event such Conversion Right is not exercised with respect to Series A Debentures and Series B Debentures till end of the Tenure, then the outstanding Debentures shall stand converted into Equity Shares of the Company in the proportion provided under the Agreement on the last date of the Tenure.

64 Standard issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

(a) Ind AS 116- Leases

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The effective date for adoption of Ind AS 116 is financial periods beginning on or after April 1, 2019. The Group is currently evaluating the requirements of amendments. The Group believe that the adoption of this amendment will not have a material effect on its financial statements.



(b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Group will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives..

The Group is currently evaluating the impact of this new standard on its Consolidated financial statements and expects that the effect on adoption of Ind AS 12 Appendix C would be insignificant.

(c) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on the Consolidated financial statements and expects that the effect on adoption of this amendment would be insignificant.

(d) Amendment to Ind AS 23 – Borrowing cost

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.



65 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates:

Sr. No.		Net Assets (Total Assets minus Total Liabilities)		Share in Profit and Loss		Other Comprehensive Income (OCI)		Total Comprehensive Income (TCI)	
		As % of Consolidated Net Assets	Net Assets (₹ In Lakhs)	As % of Consolidated Profit and Loss	Profit and Loss (₹ in Lakhs)	As % of Consolidated OCI	OCI (₹ in Lakhs)	As % of Consolidated TCI	TCI (₹ in Lakhs)
	Parent								
1	Macrotech Developers Ltd.	83.77%	366,823.22	73.90%	121,692.66	40.90%	(97.21)	73.95%	121,595.45
	Subsidiaries								
	Indian								
2	Altamount Road Property Pvt. Ltd.	0.00%	0.58	0.00%	1.08	-	-	0.00%	1.08
3	Ananthnath Constructions and Farms Pvt. Ltd.	0.64%	2,811.69	-0.01%	(9.34)	-	-	-0.01%	(9.34)
4	Arihant Premises Pvt. Ltd.	0.13%	585.32	0.00%	0.04	-	-	0.00%	0.04
5	Cowlown Infotech Services Pvt. Ltd.	0.99%	4,315.02	0.27%	439.33	-	-	0.27%	439.33
6	Dalhousie Leasing & Financial Services Pvt. Ltd.	0.06%	246.64	0.02%	33.69	-	-	0.02%	33.69
7	Bellissimo Estate Pvt. Ltd.	0.00%	(1.36)	0.00%	(0.53)	-	-	0.00%	(0.53)
8	Hotel Rahat Palace Pvt. Ltd.	0.00%	(12.13)	0.00%	(0.63)	-	-	0.00%	(0.63)
9	Bellissimo Constructions and Developers Pvt. Ltd.	0.00%	(16.92)	-0.01%	(15.57)	-	-	-0.01%	(15.57)
10	MMR Social Housing Pvt. Ltd.	-0.01%	(23.36)	0.00%	(4.60)	-	-	0.00%	(4.60)
11	Bhayanderpada Splendoria Complex Pvt. Ltd.	0.00%	0.50	0.00%	(0.50)	-	-	0.00%	(0.50)
12	Bellissimo Buildtech LLP	0.13%	581.49	0.05%	79.44	-	-	0.05%	79.44
13	Lodha Impression Real Estate Pvt. Ltd.	-0.40%	(1,737.85)	-0.01%	(21.98)	-	-	-0.01%	(21.98)
14	Bellissimo Mahavir Associates Dwellers Pvt. Ltd.	0.00%	0.81	0.00%	(0.18)	-	-	0.00%	(0.18)
15	Cowtown Software Design Pvt. Ltd.	0.09%	384.55	-0.59%	(976.29)	-11.44%	27.20	-0.58%	(949.09)
16	National Standard (India) Ltd.	4.43%	19,396.37	0.29%	475.94	-	-	0.29%	475.94
17	Odeon Theatres and Properties Pvt. Ltd.	-0.02%	(65.69)	-0.02%	(33.24)	-	-	-0.02%	(33.24)
18	Palava City Management Pvt. Ltd.	0.04%	153.95	0.00%	0.93	-	-	0.00%	0.93
19	Palava Dwellers Pvt. Ltd.	16.24%	71,099.84	10.87%	17,903.73	-	-	10.89%	17,903.73
20	Roselabs Finance Ltd.	-0.07%	(317.48)	-0.02%	(38.87)	-	-	-0.02%	(38.87)
21	Sanathnagar Enterprises Ltd.	-0.28%	(1,215.95)	-0.07%	(115.61)	-	-	-0.07%	(115.61)
22	Shree Sainath Enterprises Construction and Developers Pvt. Ltd.	-0.23%	(1,020.66)	-0.31%	(513.18)	-	-	-0.31%	(513.18)
23	Siddhivath Residential Paradise Pvt. Ltd.	0.01%	48.28	0.02%	28.18	-	-	0.02%	28.18
24	Simtools Pvt. Ltd.	0.01%	49.98	0.03%	44.78	-	-	0.03%	44.78
25	Sitaldas Estate Pvt. Ltd.	0.44%	1,921.60	0.00%	(4.94)	-	-	0.00%	(4.94)
26	Mandip Finance Pvt. Ltd.	0.05%	209.34	0.00%	1.40	-	-	0.00%	1.40
27	Center for Urban Innovation	0.00%	0.48	0.00%	(0.52)	-	-	0.00%	(0.52)
28	Palava Institute of Advanced Skill Training	0.00%	0.47	0.00%	(0.53)	-	-	0.00%	(0.53)
	Foreign								
29	Lodha Developers IGSQ Ltd.	-0.96%	(4,209.35)	-0.92%	(1,519.23)	-	-	-0.92%	(1,519.23)
30	Lodha Developers U.S., Inc.	-0.01%	(58.08)	0.05%	77.79	-	-	0.05%	77.79
31	Lodha Developers 48CS Ltd.	-0.68%	(2,982.26)	-0.81%	(1,332.65)	-	-	-0.81%	(1,332.65)
32	Lodha Developers Dorset Close Ltd.	-0.06%	(244.86)	-0.03%	(50.69)	-	-	-0.03%	(50.69)
33	Lodha Developers IGSQ Holdings Ltd.	-0.01%	(22.75)	-0.01%	(15.77)	-	-	-0.01%	(15.77)
34	Grosvenor Street Apartments Ltd. (Formerly known as Holland Park Residences Holdings Ltd.)	-0.04%	(170.24)	-0.10%	(165.77)	-	-	-0.10%	(165.77)
35	Lodha Developers International (Jersey) III Ltd.	-0.16%	(712.51)	0.00%	(4.74)	-	-	0.00%	(4.74)
36	Lodha Developers International Ltd.	-1.34%	(5,852.83)	0.20%	332.82	-	-	0.20%	332.82
37	Lodha Developers International (Netherlands) B. V.	0.50%	2,175.37	0.13%	214.90	-	-	0.13%	214.90
38	Lodha Developers UK Ltd.	0.08%	355.60	0.15%	243.34	-	-	0.15%	243.34
39	LD IGSQ Leasco	0.00%	(1.94)	0.00%	(1.98)	-	-	0.00%	(1.98)
40	Lodha Developers Canada Ltd.	0.00%	0.49	0.00%	0.50	-	-	0.00%	0.50
41	New Court Holdings Ltd.	0.00%	(6.49)	0.00%	(3.26)	-	-	0.00%	(3.26)
42	New Court Developers Ltd.	0.00%	(2.54)	0.00%	(3.94)	-	-	0.00%	(3.94)
	Sub-Total		452,486.00		136,736.00		(70.00)		136,666.00
	Adjustments arising out of Consolidation	-3.33%	(14,575.48)	16.96%	27,931.00	70.55%	(167.67)	16.88%	27,763.33
	Total		437,910.52		164,667.00		(237.67)		164,429.33



66 Previous year figures have been regrouped / rearranged wherever necessary.

As per our attached report of even date
For MSKA & Associates

Chartered Accountants
Firm Registration Number: 105047W

Anita Somani

Anita Somani
(Partner)
Membership No. 124118

Place : Mumbai

Date : 09 AUG 2019



For and on behalf of the Board of Directors of Macrotech Developers
Limited
(formerly known as Lodha Developers Limited)

Mukund Chitale

Mukund Chitale
(Chairman)
DIN: 00101004

Abhishek Lodha

Abhishek Lodha
(Managing Director and CEO)
DIN: 00266089

Jayant Mehrotra

Jayant Mehrotra
(Chief Financial Officer)

Sanjyot Rangnekar

Sanjyot Rangnekar
(Company Secretary)
Membership No. F4154

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act 2013 to the extent applicable. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12 month period ended March 31 of that year. This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance.

Overview

We are the largest real estate developer in India by residential Sales for the year ended March 31, 2019 (*Source: Liases Foras*). We develop real estate across the residential and commercial sectors in the Mumbai Metropolitan Region (the "MMR"), Pune and London.

In our residential portfolio, we are present across multiple price points with unit values ranging from ₹ 3.11 million to ₹ 580 million. In our commercial portfolio, we develop office and retail projects as income generating assets on lease model and sale model, with an increasing focus on the former.

Our customer-centric business model focuses on designing and developing our "branded products" to address consumer needs across locations and price points. We have in-house capabilities to deliver a project from conceptualization to completion with fast turnaround time from acquisition to launch to completion, which focuses on de-risking and improving our return on investment. Our core competence lies in professionally managing the real estate value chain and attracting and retaining talent to maximize value creation. We streamline our supply chain and construction processes with an aim to develop high quality products consistently and in a timely and cost efficient manner. Our design team uses customer insights to conceptualize and design products that are best suited for the respective locations and target a variety of customer groups. Our construction management and procurement teams focus on realizing efficiencies in procurement, vendor selection and construction. We focus on branded realty and our brands include "CASA by Lodha" for affordable housing, the "Lodha" and "Lodha Luxury" brands for premium projects, and the "iThink", "Lodha Excelus" and "Lodha Supremus" brands for our office spaces. Our in-house sales team is supported by a distribution network of multiple channels across India as well as key NRI markets such as Gulf Cooperation Council, United Kingdom, Hong Kong, Singapore and USA.

Our Company was founded in 1995 by our Promoter, Mangal Prabhat Lodha, who is now our chief mentor. We also have a leadership team of experienced professionals, each having more than 15 years of relevant functional expertise across different industries and who are instrumental in implementing our business strategies. We began our operations in Mumbai, developing affordable housing in the suburbs of Mumbai, and later diversified into other segments and regions in the MMR. As of March 31, 2019, we had completed projects with Developable Area of 52.08 million square feet.

As of March 31, 2019, we had 40 ongoing projects, of which 38 projects were in India and two were in London. These projects accounted for a Developable Area of 30.41 million square feet, of which 28.59 million square feet represented projects located in the MMR. As of March 31, 2019, we also had 17 planned projects in India with a Developable Area of 58.33 million square feet, of which 57.53 million square feet is located in the MMR.

Our residential portfolio comprises affordable housing and premium housing consisting of luxury, high-end and aspirational developments. We believe one of the reasons for our success in recent years has been our ability to convert the surroundings of a location into attractive destinations for people across income groups. We believe that our understanding of the relevant real estate market, positive perception by our customers, innovative design, and marketing and branding techniques enable us to attract customers. We also develop office and retail projects across markets as standalone developments and in mixed-use format. Overseas, we are developing two residential projects in London.

We are a large affordable housing developer with a proven track record in this category. We have completed affordable housing projects in Thane and Dombivali with 27.73 million square feet of Saleable Area in the last five years. As an early entrant in the affordable housing category, our large portfolio of affordable housing projects includes Palava (in Dombivali-Kalyan region), Amara (Thane), Upper Thane (Thane) and Codename Bulls Eye (Mira Road). Our affordable housing developments accounted for Sales of ₹ 27,035 million, which was 37.7% of our Sales from India Operations by value in financial year 2018-19.

We categorize our premium residential developments into luxury, high-end and aspirational. In the luxury category, we are developing several luxury apartment projects such as the World Towers at Lower Parel, Trump@ Tower Mumbai at Worli and Lodha Altamount at Altamount Road. In our high-end residential category, we are developing projects such as The Park at Worli, Lodha Venezia at Parel, Lodha Fiorenza at Goregaon and New Cuffe Parade at Wadala. In our aspirational residential category, we are developing several projects, including Lodha Eternis at Andheri, Lodha Luxuria Priva at Thane, Lodha Splendor at Thane and Lodha Belmondo at Pune.

In our commercial portfolio, our office space projects comprise IT campuses, high-end corporate offices and boutique office spaces, while our retail projects include malls and other high street retail shopping options to residents in our projects. We plan to develop a 120-acre logistics and industrial park that is strategically located near the Jawaharlal Nehru Port and the proposed international airport in Navi Mumbai.

In addition to our ongoing and planned projects, as of March 31, 2019, we had land reserves of approximately 4,534 acres for future development in the MMR with the potential to develop approximately 385 million square feet of Developable Area.

The table below shows our key financial and operational metrics for our India Operations:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sales (Developable Area in million square feet)	6.4	7.4
Sales (Number of units)	5,975	6,844
Sales (Value in ₹ million)	71,627	81,299
Gross Collections (in ₹ million)	90,649	85,642
Completed Developable Area (in million square feet)	6.0	13.78
Completed units	5,712	11,398

Our overseas projects currently consist of projects in London, including Lincoln Square on Carey Street and 1 Grosvenor Square in Mayfair. These projects have achieved financial closure with development finance facilities tied up to meet future construction expenses. As of March 31, 2019, we have sold 158 units and achieved total Sales of GBP 467.95 million.

Significant Factors Affecting Our Results of Operations and Financial Condition

Our results of operations and financial condition may be affected by a number of significant factors, including the following:

General Economic Condition and the Condition and Performance of the Real Estate Market in India and London

We derive a substantial part of our revenue from our real estate activities in India. Accordingly, we are heavily dependent on the state of the Indian real estate sector, the MMR real estate sector in particular and the Indian economy in general. In addition, we derive a part of our revenue from our real estate activities in London. We may be partially affected by the state of the real estate sector in the United Kingdom, the London real estate sector in particular, and the United Kingdom in general. As demand for new residential and commercial properties is driven by increased employment and increasing disposable income, any slowdown or perceived slowdown in the Indian or the United Kingdom economy, or in specific sectors of the Indian or United Kingdom economy, could adversely affect our business and financial performance.

Fluctuations in Market Prices for our Projects

Our total income is affected by the sales and rental prices of our projects, which are affected by prevailing market conditions and prices in the real estate sector in the MMR and in London, and in India and United Kingdom generally (including market forces of supply and demand), the nature and location of our projects, and other factors such as our brand and reputation and the design of the projects.

Supply and demand market conditions are affected by various factors outside our control, including:

- prevailing local economic, income and demographic conditions;
- availability of consumer financing (interest rates and eligibility criteria for loans);
- availability of and demand for projects comparable to those we develop;
- changes in governmental policies;
- changes in applicable regulatory schemes; and
- competition from other real estate developers.

Since most of our ongoing and planned projects are concentrated in the MMR, we are particularly affected by changes in real estate market conditions in the MMR.

Sales Volume and Rate of Progress of Construction and Development

Income from Property Development, which comprised 98.2 % and 93.3 % of our total income for the year ended March 31, 2019 and March 31, 2018, respectively. The financials for the current year are not comparable on account of Revenue being recognized 'Point in Time' as per Ind AS 115 'Revenue from contracts with customers' during the year under review, whereas it was recognized based on the Percentage of Completion Method (PoCM) in the previous year.

The volume of bookings depends on our ability to design projects that will meet customer preferences and market trends, and to timely market and pre-sell our projects, the willingness of customers to pay for the projects or enter into sale agreements well in advance of receiving possession of the projects and general market conditions. We market and pre-sell our projects in phases from the date of launch of the project after receiving requisite approvals, including those required under the RERA, which is typically after acquisition of the land or land development rights and during the process of planning and designing the project, up until the time we complete our project, depending on market conditions. Construction progress depends on various factors, including the availability of labor and raw materials, the actual cost of construction (which is particularly affected by fluctuations in the market price for steel and cement) and changes to the estimated total construction cost, the competence of and priority given to our projects by our contractors, the receipt of approvals and regulatory clearances, access to utilities such as electricity and water, and the absence of contingencies such as litigation and adverse weather conditions.

Availability of Future Growth Opportunities

Our growth is linked to the availability of land in areas where we intend to develop projects. Suitable land parcels are severely limited in the city of Mumbai, our primary market. Occasionally areas of land become available, such as the lands belonging to the inoperative textile mills, but these tend to be expensive and are often sold through an auction process. We believe that we have been successful in obtaining some of the land belonging to such mills at reasonable cost, but are not able to predict our ability to do so in the future.

The cost of acquiring land, which includes the amounts paid for freehold rights, leasehold rights, the cost of registration and stamp duty, represents a substantial part of our project cost, and may sometimes determine whether we are able to acquire certain parcels of land at all. We acquire land from private parties and also from the Government. We enter into a deed of conveyance or a lease deed transferring title or leasehold rights in our favour. The registration charges and stamp duty are payable by us. Additional costs include those incurred in complying with regulatory formalities, such as fees paid for change of land use, infrastructure and development charges and premium.

Cost of Construction and Development

Our cost of construction includes the cost of raw materials such as steel, cement, wood, flooring and other building materials and labour costs. Raw material prices, particularly those of steel and cement, may be affected by price volatility caused by various factors that affect the Indian, United Kingdom and international commodity markets. If there are extraordinary price increases in construction materials due to increases in demand for cement and steel, or shortages in supply, the contractors we hire for construction or development work may be unable to fulfil their contractual obligations and may therefore be compelled to increase their contract prices. As a result, increases in costs for any construction materials may affect our construction costs, and consequently the sales prices or rental income for our projects. Further, certain approval costs and premiums payable to Government authorities are linked to the ready reckoner rates announced by the relevant government authorities periodically. Any increase in the ready reckoner rates increases our approval costs.

In addition, the timing and quality of construction of the projects we develop depends on the availability and skill of our contractors and consultants, as well as contingencies affecting them, including labor and industrial actions, such as strikes and lockouts. Such labor and industrial actions may cause significant delays to the construction timetables for our projects and we may therefore be required to find replacement contractors and consultants at higher cost. As a result, any increase in prices resulting from higher construction costs could adversely affect demand for our projects and our profit margins.

Cost of Financing; Changes in Interest Rates

We fund our property development activities through a significant level of medium and long-term debt and internal accruals. Accordingly, our ability to obtain financing, as well as the cost of such financing, affects our business.

Though we believe we are able to obtain funding at competitive interest rates, cost of financing is material for us, as we require significant capital to develop our projects. Our total outstanding indebtedness, on a consolidated basis was ₹ 256,405.64 million and ₹ 226,161.09 million as of March 31, 2019 and March 31, 2018, respectively, and our total net interest and finance charges before allocating to cost of projects were ₹ 29,585.76 million and ₹ 27,562.54 million for the year ended March 31, 2019 and March 31, 2018, respectively. One of the major drivers behind the growth of demand for housing units is rising disposable income and availability of housing loans at affordable interest rates. Changes in interest rates also affect the ability and willingness of our prospective real estate customers, particularly customers for our residential properties, to obtain financing for their purchase of our developments. The interest rate at which our real estate

customers may borrow funds for the purchase of our properties affects the affordability and purchasing power of, and hence the market demand for, our residential real estate developments.

Competition

We face significant competition in the Indian and London real estate markets. In particular, we compete with other developers in the MMR and in London in identifying and acquiring parcels of land of suitable size and location at attractive prices for the development of our real estate projects. Our continued growth also depends in large part on our ability to acquire high quality land at attractive prices and under terms that can yield reasonable returns. If the Indian economy continues to grow, we expect that competition among developers for land reserves that are suitable for property development will intensify and that land acquisition costs will increase as a result. Competition from other developers in the MMR and London may adversely affect our ability to develop and sell or lease our projects, and continued development by other market participants could result in saturation of the real estate market.

Ability to Lease Office Space and Retail Projects and the Rentals Charged

We receive lease income from rentals of our completed office space and retail projects. The amount that we receive in lease income is based upon the amount of space we have leased and the rate per square foot we charge for that leased space. The occupancy and rates we charge per square foot depend on various factors including the location and design of the project, the tenant mix, prevailing economic conditions and competition. Our lease income is also be affected by escalation clauses contained in our lease agreements.

We lease retail space in our retail spaces either on a fixed rental, variable (revenue-based) rental, or fixed or variable (whichever is higher) basis. The more consumers spend at stores for which the rent contains a variable component, the more lease income we will receive. The amount of money spent by consumers at these stores is dependent on numerous factors including prevailing economic conditions and competition from other shopping malls and stores.

Regulatory Framework

The real estate sector is highly regulated. Regulations applicable to our operations include standards regarding land acquisition, the ratio of built-up area to land area, land usage, the suitability of building sites, road access, necessary community facilities, open spaces, water supply, sewage disposal systems, electricity supply, environmental suitability and size of the project. Approval of development plans is conditioned on, among other things, completion of the acquisition of the project site and compliance with relevant conditions. Approvals must be obtained at both the national and local levels, and our results of operations are expected to continue to be affected by the nature and extent of the regulation of our business, including the relative time and cost involved in procuring approvals for each new project, which can vary from project to project. For example, the RERA, which was notified in March 2016, has imposed certain obligations on real estate developers, including us, such as mandatory registration of real estate projects, not issuing any advertisements or accepting advances unless real estate projects are registered under RERA, restrictions on use of funds received from customers prior to project completion and taking customer approval for major changes in sanction plan.

In addition, some of our affordable housing real estate projects qualify for tax benefits. The continuation of these benefits cannot be assured and if they are disputed or terminated, there could be a material effect on our results of operations. The GST regime which took effect from July 1, 2017 and any new rules or regulations thereunder may also have a material effect on our results of operations.

Other Developments

During the year Lodha Developers International (Jersey) I Holdings Ltd. got merged with Lodha Developers International (Jersey) III Ltd. The amalgamation / acquisitions of overseas subsidiaries, being common control transactions, have been accounted for using the 'Pooling of Interest' method as prescribed under Ind AS 103 – "Business Combination" for common control transactions. In accordance with the requirements of para 9 (iii) of Appendix C to Ind AS 103, the Consolidated Financial Statements of the Company in respect of the prior periods have been restated as if amalgamation had occurred from the beginning of the preceding period (i.e. 1-April-2017), irrespective of the actual date of the combination.

Our Significant Accounting Policies

The Consolidated financial statements comprise financial statements of Macrotech Developers Limited (Formerly known as Lodha Developers Limited) (the Company), its subsidiaries and associates (collectively, the Group) for the year ended March 31, 2019.

The Company is a public limited company domiciled and incorporated in India under the Companies Act, 1956 vide CIN - U45200MH1995PLC093041. The Company's registered office is located at 412, Floor - 4, 17 G Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai - 400001. The Company is primarily engaged in the business of real estate development.

Our Audited Consolidated Financial Statements have been prepared on the following basis:

Significant Accounting Policies

I Basis of Preparation

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

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

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

II Principles of Consolidation and Equity Accounting

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity, when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect the returns through its power to direct the relevant activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. They are deconsolidated from the date that control ceases.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the balance sheet;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

The Group combines the financial statements of the Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognized at cost.

Under the equity method of accounting, the excess of cost of investment over the proportionate share in equity of the associate as at the date of acquisition of stake is identified as goodwill or capital reserve as the case may be and included in the carrying value of the investment in the associate.

The carrying amount of the investment is adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in Consolidated Statement of Profit and Loss, and the Group's share of other comprehensive income of the investee in Consolidated Other Comprehensive Income. However, the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such associates are not accounted for unless the accumulated losses (not accounted for by the Group) are recouped. Additional losses are provided for to the extent that the Group has incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the Group has guaranteed or to which the Group is otherwise committed.

Unrealised gains or losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities.

III Summary of Significant Accounting Policies

1 Current and Non-Current Classification

The Group presents assets and liabilities in the Consolidated Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle.
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The operating cycle of the Group's real estate operations varies from project to project depending on the size of the project, type of development, project complexities and related approvals. Assets and Liabilities are classified into current and non-current based on the operating cycle.

2 Property, Plant and Equipment

i. Recognition and measurement

All property, plant and equipment except freehold land are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisitions of the items. Cost includes freight, duties, taxes, borrowing cost and incidental expenses related to the acquisition and installation of the asset.

Freehold Land is measured at fair value. Valuations are performed with sufficient frequency to ensure that the carrying value of revalued asset does not defer materially from its fair value. Revaluation surplus is recorded in OCI and credited to the Revaluation reserve in Other Equity.

ii. Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Group. All other repairs and maintenance are charged to the Consolidated Ind AS Statement of Profit and Loss during the reporting period in which they are incurred.

iii. Derecognition

The carrying amount of an item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of Property, Plant and Equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Consolidated Statement of Profit and Loss when the item is derecognized.

iv. Capital work in progress

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress.

v. Depreciation

Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as specified in Schedule II of Companies Act, 2013 except for Site/Sales Offices and Sample Flats wherein the estimated useful lives is determined by the management.

Sr. No.	Property, Plant and Equipment	Useful life (Years)
i)	Site/Sales Offices and Sample Flats	8
ii)	Freehold Building	60

iii)	Plant and Equipment	8 to 15
iv)	Office Equipment	5
v)	Computers	
	(a) Servers and networks	6
	(b) End user devices, such as, desktops, laptops, etc.	3
vi)	Furniture and Fixtures	10
vii)	Vehicles	
	(a) Motor cycles, scooters and other mopeds	10
	(b) Motor buses, motor lorries, motor cars and motor taxis	8

Depreciation on assets sold during the year is charged to the Consolidated Statement of Profit and Loss up to the month preceding the month of sale.

3 Investment Properties

The Property that is held for long term rental yield or for capital appreciation or both, and that is not occupied by the Group is classified as an Investment Property.

Investment properties are measured initially at cost, including transaction and borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The Group depreciates investment properties over the useful life of 60 years from the date of original purchase as prescribed under Schedule II to the Companies Act, 2013.

4 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Currently the company has not identified any Intangible assets other than Goodwill to have indefinite life.

Intangible assets with finite lives are amortised over the useful economic life. The useful economic life and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Intangible assets are amortized proportionately over a period of five years or over the useful economic life of the assets as determined by the management, whichever is lower.

Intangible assets with indefinite life are tested for impairment annually. Impairment losses, if any, are recognised in Consolidated Statement of Profit and Loss.

5 Inventories

Stock of Building Materials and Traded Goods is valued at lower of cost and net realizable value. Cost is generally ascertained on weighted average basis.

Completed unsold inventory is valued at lower of Cost and Net Realizable Value.

Cost for this purpose includes cost of land, shares with occupancy rights, Transferrable Development Rights, premium for development rights, borrowing costs, construction / development cost and other overheads incidental to the projects undertaken.

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

6 Provisions and Contingencies

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

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

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

7 Impairment of Non-Financial Assets (excluding Inventories, Investment Properties and Deferred Tax Assets)

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

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

8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

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

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

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

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

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group does not have any debt instruments which meets the criteria for measuring the debt instrument at FVTOCI.

Debt instrument at FVTPL

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

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

All Investments in Associates are measured at Cost.

Derecognition of Financial Assets

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

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of Financial Assets

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

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

Financial Liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

Financial guarantee contracts

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

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Reclassification of Financial Assets and Financial Liabilities

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

Offsetting of Financial Instruments

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

9 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

10 Cash and Cash Equivalents

Cash and cash equivalent in the Consolidated 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.

11 Revenue Recognition

The Group has adopted Ind AS 115 'Revenue from contracts with customers' ('Ind AS 115') using modified retrospective approach, with effect from 1st April, 2018. Refer Note 64 of Consolidated Financial Statements for the transition related disclosure.

The Group has applied five step model as set out in Ind AS 115 to recognise revenue in the Consolidated Financial Statements. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- a. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- b. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time and over a period of time based on the conditions in the contracts with customers.

The specific recognition criteria are described below:

i) Income from Property Development:

The Group has determined that the existing terms of the contract with customers does not meet the criteria to recognise revenue over a period of time. Revenue is recognized at point in time with respect to contracts for sale of residential and commercial units as and when the control is passed on to the customers which is linked to the application and receipt of occupancy certificate.

The Group provides rebates to the customers. Rebates are adjusted against customer dues and the revenue to be recognized. To estimate the variable consideration for the expected future rebates the Group uses the "most-likely amount" method or "expected value method".

ii) Contract Balances

Contract Assets:

The Group is entitled to invoice customers for construction of residential and commercial properties based on achieving a series of construction-linked milestones. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the

payment is due, a contract asset is recognized for the earned consideration that is conditional. Any receivable which represents the Group's right to the consideration that is unconditional is treated as a trade receivable.

Contract Liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

iii) Interest Income

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

iv) Rental Income

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

v) Dividends

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

12 Foreign Currency Translation

Initial Recognition

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

Conversion

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

Exchange Differences

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

13 Current Income Tax

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

Deferred Tax

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. The Group recognizes deferred tax liabilities for all taxable temporary differences except those associated with the investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Presentation of Current and Deferred Tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/

expense are recognized in Other Comprehensive Income. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

14 Borrowing Costs

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

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

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

15 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 01-April-15, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease.

Lease arrangements where the Group has substantially all the risks and rewards of ownership associated with the leased assets are classified as finance leases. Assets taken on finance lease are recognised as fixed assets. An equivalent liability is created at the inception of the lease. Rentals paid are apportioned between finance charge and principal based on the implicit rate of return in the contract. The finance charge is shown as interest expense and the principal amount is reduced from the liability. The assets acquired under the lease are depreciated over the lease term, which is reflective of the useful life of the leased asset.

Operating lease payments are recognised as an expense in the Consolidated Ind AS Statement of Profit and Loss on a straight line basis unless payment to the lessor are structured to increase in the line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership asset associated with the leased assets are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

16 Retirement and Other Employee Benefits

Retirement and other Employee benefits are accounted in accordance with Ind AS 19 – Employee Benefits.

a) Defined Contribution Plan

The Group contributes to a recognised provident fund for all its employees. Contributions are recognised as an expense when employees have rendered services entitling them to such benefits.

b) Gratuity (Defined Benefit Scheme)

The Group provides for its gratuity liability based on actuarial valuation as at the balance sheet date which is carried

out by an independent actuary using the Projected Unit Credit Method. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur.

c) **Compensated absences (Defined Benefit Scheme)**

Liability in respect of earned leave expected to become due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of benefit expected to be availed by the employees. Liability in respect of earned leave expected to become due or expected to be availed beyond one year after the balance sheet date is estimated on the basis of actuarial valuation performed by an independent actuary using the projected unit credit method.

17 **Business Combinations under Common Control**

Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the Net Worth of transferor entity or business is recognised as Goodwill or capital reserve.

18 **Earnings Per Share**

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

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

19 **Goodwill**

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the fair value of net identifiable tangible assets acquired and liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised as capital reserve. After initial recognition, goodwill is measured at the cost less any accumulated impairment losses.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative values of the operation disposed off and the portion of the cash-generating unit retained.

Our Results of Operations

The following table sets out select financial data from our consolidated statements of profit and loss for the financial years ended March 31, 2019 and 2018, the components of which are also expressed as a percentage of total revenue for such periods:

Particulars	For the Year ended		For the Year ended	
	31-March-19		31-March-18	
	(₹ in millions)	(% of Total revenue)	(₹ in millions)	(% of Total revenue)
INCOME				
Revenue from Operations	119,069.75	99.8%	96,772.70	98.9%
Other Income	290.32	0.2%	1,097.17	1.1%
Total Income	119,360.07	100.0%	97,869.87	100.0%
EXPENSES				
Cost of Projects	73,883.44	61.9%	66,294.53	67.7%

Employee Benefits Expense	3,898.98	3.3%	4,930.04	5.0%
Finance Costs (Net)	5,109.97	4.3%	2,029.55	2.1%
Depreciation, Amortisation and Impairment Expense	1,804.93	1.5%	3,950.53	4.0%
Other Expenses	9,746.96	8.2%	8,845.78	9.0%
Total Expenses	94,444.28	79.1%	86,050.43	87.9%
Profit Before Tax	24,915.79	20.9%	11,819.44	12.1%
Tax Expense:	(8,449.08)	-7.1%	(3,879.04)	-4.0%
Profit for the Year	16,466.71	13.8%	7,940.40	8.1%
Other Comprehensive Income (OCI)	(23.77)	0.0%	(215.25)	-0.2%
Total Comprehensive Income for the year	16,442.94	13.8%	7,725.15	7.9%
Minority Interest	(89.94)	-0.1%	(81.29)	-0.1%
Net total Comprehensive Income for the year	16,353.00	13.7%	7,643.86	7.8%

Year ended March 31, 2019 Compared to Year Ended March 31, 2018

Total Revenue: Total revenue increased by 22.0% to ₹ 119,360.07 million for the year ended March 31, 2019 from ₹ 97,869.87 million for the year ended March 31, 2018, primarily due to increase in revenue from operations.

Revenue from Operations: Revenue from operations increased by 23.0% to ₹ 119,069.75 million for the year ended March 31, 2019 from ₹ 96,772.70 million for the year ended March 31, 2018.

The financials for the current year are not comparable on account of Revenue being recognized 'Point in Time' as per Ind AS 115 'Revenue from contracts with customers' during the year under review, whereas it was recognized based on the Percentage of Completion Method (PoCM) in the previous year.

Other Income: Other income decreased by 73.5% to ₹ 290.32 million for the year ended March 31, 2019 from ₹ 1,097.17 million for the year ended March 31, 2018, primarily due to Foreign Exchange Gain (net) in previous year.

Total Expenses: Total expenses increased by 9.8% to ₹ 94,444.28 million for the year ended March 31, 2019 from ₹ 86,050.43 million for the year ended March 31, 2018, primarily due to increase in Revenue.

Cost of Projects: The cost of projects increased by 11.4% to ₹ 73,883.44 million for the year ended March 31, 2019 from ₹ 66,294.53 million for the year ended March 31, 2018, primarily due to increase in Revenue.

The financials for the current year are not comparable on account of Revenue being recognized 'Point in Time' as per Ind AS 115 'Revenue from contracts with customers' during the year under review, whereas it was recognized based on the Percentage of Completion Method (PoCM) in the previous year.

Employee Benefits Expense: Employee benefits expense decreased by 20.9% to ₹ 3,898.98 million for the year ended March 31, 2019 from ₹ 4,930.04 million for the year ended March 31, 2018 due to reduction in managerial remuneration.

Finance Costs: Finance costs increased by 151.8% to ₹ 5,109.97 million for the year ended March 31, 2019 from ₹ 2,029.55 million for the year ended March 31, 2018, primarily due to lower interest inventorisation.

Depreciation, Amortization and Impairment Expenses: Depreciation, amortization and impairment expenses decreased by 54.3% to ₹ 1,804.93 million for the year ended March 31, 2019 from ₹ 3,950.53 million for the year ended March 31, 2018, primarily due to goodwill impairment in previous year.

Other Expenses: Other expenses increased by 10.2% to ₹ 9,746.96 million for the year ended March 31, 2019 from ₹ 8,845.78 million for the year ended March 31, 2018, primarily due to provision on doubtful debts, loans and advances.

Tax expense: Tax expense increased by 117.8 % to ₹ 8,449.08 million for the year ended March 31, 2019 from ₹ 3,879.04 million for the year ended March 31, 2018 , primarily due to increase in Profits.

Profit: profit increased by 107.4% to ₹ 16,466.71 million for the year ended March 31, 2019 from ₹ 7,940.40 million for the year ended March 31, 2018 due to re-recognition of High margin projects and in FY 18, lower margin in NCP.

Other Comprehensive Income: Other comprehensive income decreased to ₹ (23.77) million for the year ended March 31, 2019 from ₹ (215.25) million for the year ended March 31, 2018, primarily due to foreign currency translation reserve.

Total Comprehensive Income: Total comprehensive income increased to ₹ 16,442.94 million for the year ended March 31, 2019 from ₹ 7,725.15 million for the year ended March 31, 2018.

Financial Condition, Liquidity and Capital Resources

Cash Flows

The table below summarizes our consolidated cash flows for the year ended March 31, 2019 and March 31, 2018

Particulars	(₹ in million)	
	As at March 31	
	2019	2018
Net cash generated from/(used in) operating activities	(3,978.03)	6,955.50
Net cash used in investing activities	(1,904.52)	(6,552.25)
Net cash generated from financing activities	6,938.38	243.70
Net increase in cash and cash equivalents	1,055.83	646.95

Operating Activities

Net cash used in operating activities was ₹ 3,978.03 million for the year ended March 31, 2019. We had profit before tax of ₹ 24,915.79 million for the year ended March 31, 2019, which was primarily adjusted for non cash items like depreciation and amortization expenses of ₹ 1,804.93 million, interest income of ₹ 49.25 million, finance costs of ₹ 30,014.37 million and working capital adjustments of ₹ 2,975.06 million due to a increase in advances, deposits to suppliers and contractors and accrued revenue, decrease in trade and other payables of ₹ 40,461.67 million and increase in inventories of ₹ 25,397.68 million due to increase in land and property development work in progress.

Net cash generated from operating activities was ₹ 6,955.50 million for the year ended March 31, 2018. We had profit before tax of ₹ 11,819.44 million for the year ended March 31, 2018, which was primarily adjusted for non cash items like depreciation and amortization expenses of ₹ 3,950.53 million, interest income of ₹ 437.57 million, finance costs of ₹ 29,344.65 million and working capital adjustments such as decrease in trade and other assets of ₹ 1,071.88 million, increase in inventories of ₹ 18,932.45 million, and decrease in trade and other payables of ₹ 14,487.48 million.

Investing Activities

Net cash used in investing activities was ₹ 1,904.52 million for the year ended March 31, 2019, which primarily related to the purchase of property, plant and equipment of ₹ 1,055.87 million, purchase of investments of ₹ 442.21 million and loans given of ₹ 722.41 million which were partially offset by interest income of ₹ 221.80 million.

Net cash used in investing activities was ₹ 6,552.25 million for the year ended March 31, 2018, which primarily related to the purchase of property, plant and equipment of ₹ 416.71 million, purchase of investments of ₹ 4,473.68 million and loans given of ₹ 2,659.98 million to, which were partially offset by interest income of ₹ 963.61 million.

Financing Activities

Net cash generated from financing activities was ₹ 6,938.38 million for the year ended March 31, 2019. This primarily resulted from proceeds from borrowings of ₹ 110,874.45 million and Proceeds from Instruments entirely equity in nature ₹ 4,900.00 millions, which were partially offset by finance costs paid of ₹ 29,673.50 million and repayment of borrowings of ₹ 79,162.57 million.

Net cash generated from financing activities was ₹ 243.70 million for the year ended March 31, 2018. This primarily resulted from proceeds from borrowings of ₹ 129,724.05 million, which were partially offset by finance costs paid of ₹ 30,209.94 million and repayment of borrowings of ₹ 99,270.42 million.

Indebtedness

As of March 31, 2019, our consolidated indebtedness (including UK business) is as set out below:

(₹ in million)

Particulars	As at 31 March, 2019
Current Borrowings	
Secured	226,943.41
Unsecured	1,544.92
Total Current Borrowings	228,488.33
Non-Current Borrowings	
Secured	5,135.15
Unsecured	-
Total Non-Current Borrowings	5,135.15
Current maturities of long term debt	22,782.16
Total	256,405.64

Our debt maturity profile as of March 31, 2019 is as follows:

(₹ in million)

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings *	10,303.08	2,985.06	16,621.59	190,174.77	13,248.07	233,332.57
Trade Payables	-	20,574.34	-	2,057.07	-	22,631.41
Other financial liabilities \$	2,985.98	4,123.80	26,904.12	10,070.05	-	44,083.95
Total	13,289.06	27,683.20	43,525.71	202,301.89	13,248.07	300,047.93

* Borrowings are stated before netting off loan issue cost and premium on debentures.

\$ Payable on cancellation of allotted units included in other financial liabilities are stated at nominal value.

Contingent Liabilities

As of March 31, 2019, our contingent liabilities, on a consolidated basis, are as set out in the table below:

(₹ in million)

Particulars	As of March 31, 2019
Disputed Demands of Customers excluding amounts not ascertainable	1,096.89
Corporate Guarantees Given	1,628.37
Disputed Taxation Matters	2,355.36
Others	48.00

Commitments

The estimated amounts of contracts remaining to be executed on capital account and not provided for are shown in the table below:

(₹ in million)	
Particulars	As of March 31, 2019
Obligation to pay lease rentals to MMRDA over the 65 years of lease period	126.88

Capital Expenditures

Our capital expenditures were ₹ 1,055.87 million and ₹ 416.72 million for the year ended March 31, 2019 and March 31, 2018 respectively.

Our fixed assets primarily constitute premises, site and sales offices and sample flats, Plant and equipment, computers and furniture and fixtures.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various types of market risks during the normal course of business. We are exposed to market risk, liquidity risk, credit risk, and commodity price risk in the normal course of our business.

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

Market Risk

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

Interest Rate Risk

We are exposed to cash flow interest rate risk from long-term borrowings at variable rate. Currently we have external borrowings (excluding short-term overdraft facilities) which are fixed and floating rate borrowings. We typically seek to refinance our fixed rate loans to achieve an optimum interest rate profile when the interest rate goes down. However, this does not protect us entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with variability in interest payments. We believe that we achieve an appropriate balance of exposure to these risks.

Foreign Currency Risk

Foreign currency is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. We are exposed to foreign exchange rate risk resulting from fluctuations in exchange rates in the translation of our U.S. dollar-denominated loans. As of March 31, 2019, we have U.S. dollar-denominated bonds in principal amount of US\$ 324 million. In addition, the Indian Rupees value of profits from our London projects or dividends from Subsidiaries in the United Kingdom which are in GBP and which we remit to India may be affected by fluctuations in the GBP to Indian Rupee exchange rate.

Liquidity Risk

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

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities (primarily trade receivables) and from

our financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

We have entered into contracts for the sale of residential and commercial units on an instalment basis. The instalments are specified in the contracts. We are exposed to credit risk in respect of instalments due. However, the possession of residential and commercial units are transferred to the buyer only after all the instalments are recovered. In addition, instalment dues are monitored on an ongoing basis with the result that our exposure to credit risk is not significant. We evaluate the concentration of risk with respect to trade receivables as low, as we sell our products to a large customer base.

Credit risk from balances with banks and financial institutions is managed by our treasury in accordance with our policy. We limit our exposure to credit risk by only placing balances with local banks and liquid mutual funds. Given the profile of our counterparties, our management does not expect any counterparty to fail in meeting our obligations.

Commodity Price Risk

As a property developer, we are exposed to the risk that prices for construction materials used to build our properties (including timber, cement and steel) will increase. These materials are global commodities and their prices are cyclical in nature and fluctuate in accordance with global market conditions. We are exposed to the risk that we may not be able to pass increased commodities costs to our customers, which would lower our margins.

Related Party Transactions

We have in the past engaged, and in the future may engage, in transactions with related parties, including with our affiliates. Such transactions could be for, among other things, purchase and sale of services, rent or lease of certain properties and sale and purchase of land and fixed assets.

As at March 31, 2019, our related party transactions in the consolidated financial statements amounted to ₹ 63,856.32 million, which included Loans / Advances given / (returned) to related parties (net) of ₹ 757.17 million and Guarantees taken ₹ 60,465.00 million.

For additional details of our related party transactions in accordance with the requirements under Ind AS 24 issued by the ICAI, see our Consolidated Financial Statements.

Impact of Inflation

Although India has experienced an increase in inflation rates in recent years, inflation has not had a material impact on our business and results of operations.

Seasonality of Business

Our operations may be adversely affected by difficult working conditions during monsoons that restrict our ability to carry on construction activities and fully utilize our resources. Our sales may also increase during the festive seasons of Diwali and Ganesh Chaturthi. Otherwise, we generally do not believe that our business is seasonal.