

LODHA DEVELOPERS INTERNATIONAL LIMITED

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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LODHA DEVELOPERS INTERNATIONAL LIMITED**CORPORATE INFORMATION**

		Date of appointment	Date of resignation
DIRECTORS	:		
	Mr Denis Sek Sum	22 Nov 13	-
	Mrs Bibi Mehnaz Abdool Rassool	19 Jul 16	21 Sep 18
	Mrs Dineshwaree Varsha Ramphul- Ausgarallee	21 Sep 18	-
REGISTERED OFFICE	:		
	St James Court – Suite 308 St Denis Street Port Louis Republic of Mauritius		
COMPANY SECRETARY	:		
	C/o First Island Trust Company Ltd St James Court – Suite 308 St Denis Street Port Louis Republic of Mauritius		
BANKER	:		
	SBM Bank (Mauritius) Ltd Corporate office, State Bank Tower 1 Queen Elizabeth II Avenue Port Louis Republic of Mauritius		
AUDITOR	:		
	Qaiyoom Dustagheer FCCA, MIPA (M) Licensed Auditor 3 Maharata Street Port Louis Republic of Mauritius		

LODHA DEVELOPERS INTERNATIONAL LIMITED
DIRECTORS' COMMENTARY
FOR THE YEAR ENDED 31 MARCH 2020

The directors present their commentary, together with the audited financial statements of **Lodha Developers International Limited** (the 'Company') for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

The main business activity of the Company is to carry out real estate development and construction activity globally either directly or through its sister concerns. The primary focus of the Company is to undertake projects in developed markets like the US, UK and the Asian continents.

RESULTS AND DIVIDENDS

The results for the year are shown on page 8.

The directors did not recommend the payment of dividend for the year under review (2019: Nil)

IMPACT OF COVID 19

The outbreak of Coronavirus (COVID-19) pandemic globally forced to cease or limit business operations for a short period of time. Measures are being taken to contain the spread of COVID-19, including movement of transport vehicles, travel bans, social distancing and closure of non-essential services. This resulted in an economic slowdown, which will have impact on the business of the Company. At this point of time, it is not possible to estimate the duration and consequences of the COVID-19, as well as their impact on the financial position and business of the Company. However, the Company will continue to closely monitor the further economic development and its impact.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the Company's statement of financial position as at 31 March 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with the International Financial Reporting Standards (IFRS), the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence and the Financial Reporting Act 2004.

The directors' responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

BY ORDER OF THE BOARD



DIRECTOR

Date: 19 May 2020

**SECRETARY'S CERTIFICATE
FOR THE YEAR ENDED 31 MARCH 2020**

We certify that, to the best of our knowledge and belief, we have filed with the Registrar of Companies, all such returns as are required of **Lodha Developers International Limited** under the Mauritius Companies Act 2001 in terms of Section 166 (d) for the year ended 31 March 2020.



For and on behalf of:
First Island Trust Company Ltd
Corporate Secretary

Registered office:
St James Court – Suite 308
St Denis Street
Port Louis
Republic of Mauritius

Date: 19 May 2020

QAIYOOM DUSTAGHEER FCCA, MIPA(M)
3 MAHARATA STREET, PORT LOUIS, REPUBLIC OF MAURITIUS
TEL: (230) 5752 1203
EMAIL: dustagheerqaiyoom@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LODHA DEVELOPERS INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of **Lodha Developers International Limited** (the "Company"), which comprise the statement of financial position as at 31 March 2020 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 26.

In my opinion, these financial statements give a true and fair view of the financial position of **Lodha Developers International Limited** as at 31 March 2020 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and in compliance with the requirements of the Mauritius Companies Act 2001, in so far as applicable to Category 1 Global Business License companies and the Financial Reporting Act 2004.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (IESBA Code), and I have fulfilled my other ethical responsibilities in accordance with the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' commentary and Secretary's Certificate. The other information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

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

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS), the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence and the Financial Reporting Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

QAIYOOM DUSTAGHEER FCCA, MIPA(M)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LODHA DEVELOPERS INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

QAIYOOM DUSTAGHEER FCCA, MIPA(M)

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF LODHA DEVELOPERS INTERNATIONAL LIMITED****Report on the Audit of the Financial Statements (Continued)****Other Matter**

This report is made solely to the Company's members, in accordance with Section 205 of the Mauritius Companies Act. My audit work has been undertaken so that I might state to the Company's members those matters that I am required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's members, for my audit work, for this report, or for the opinions I have formed.

Report on Other Legal and Regulatory Requirements

The Mauritius Companies Act 2001 requires that in carrying out my audit I consider and report to you on the following matters. I confirm that:

- (a) I have no relationship with or interests in the Company other than in my capacity as auditor;
- (b) I have obtained all the information and explanations I have required; and
- (c) In my opinion, proper accounting records have been kept by the Company as far as it appears from my examination of those records.



Qaiyoom Dustagheer FCCA, MIPA (M)
Licensed by the FRC

Date: 19 May 2020

LODHA DEVELOPERS INTERNATIONAL LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 USD	2019 USD
Revenue			
Interest income		38,343,116	39,714,204
Unrealised foreign exchange gain		2,631,175	749,514
Fair value gain on financial instrument through profit or loss		-	1,187,129
Other income		-	45,000
		40,974,291	41,695,847
Expenses			
Bank charges		808	1,541
Audit fees		3,800	4,370
Licence fees		2,110	2,110
Legal and professional fees		86,176	258,093
Tax filing fees		500	500
Administration fees		18,083	18,600
Interest expense		40,108,326	38,676,372
Amortisation of bond transaction cost		2,463,130	2,213,590
Amount written off		-	44,598
Fair value loss on financial instrument through profit or loss		43,772	-
		42,726,705	41,219,774
(Loss) / profit before taxation		(1,752,414)	476,073
Income tax expense	6	-	-
(Loss) / profit for the year		(1,752,414)	476,073
Other comprehensive (loss) / income for the year, net of taxation		-	-
Total comprehensive (loss) / income for the year, net of taxation		(1,752,414)	476,073

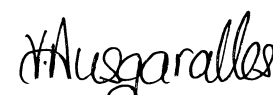
The notes on pages 12 to 26 form an integral part of these financial statements.
Auditor's report is on pages 5 to 7.

LODHA DEVELOPERS INTERNATIONAL LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Notes	2020 USD	2019 USD
ASSETS			
Non-current asset			
Financial assets at amortised cost	7	267,093,783	368,362,079
Current assets			
Derivative financial instrument	12	-	1,187,129
Cash and cash equivalents	8	10,975	32,312
		<u>10,975</u>	<u>1,219,441</u>
Total assets		<u>267,104,758</u>	<u>369,581,520</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	9	10,102	10,102
Accumulated reserves		(10,223,870)	(8,471,456)
Total equity		<u>(10,213,768)</u>	<u>(8,461,354)</u>
Non-current liability			
Borrowings	10	275,889,475	51,098,937
Current liabilities			
Borrowings	10	-	326,937,639
Other payables	11	1,429,051	6,298
Current tax liabilities	6	-	-
		<u>1,429,051</u>	<u>326,943,937</u>
Total liabilities		<u>277,318,526</u>	<u>378,042,874</u>
Total equity and liabilities		<u>267,104,758</u>	<u>369,581,520</u>

Approved by the Board of Directors on 19 May 2020 and signed on its behalf by:


 DIRECTOR


 DIRECTOR

The notes on pages 12 to 26 form an integral part of these financial statements.
 Auditor's report is on pages 5 to 7.

LODHA DEVELOPERS INTERNATIONAL LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Stated capital USD	Accumulated reserves USD	Total equity USD
Balance as at 01 April 2018	10,102	(8,947,529)	(8,937,427)
Profit for the year	-	476,073	476,073
Balance as at 31 March 2019	<u>10,102</u>	<u>(8,471,456)</u>	<u>(8,461,354)</u>
Loss for the year	-	(1,752,414)	(1,752,414)
Balance as at 31 March 2020	<u>10,102</u>	<u>(10,223,870)</u>	<u>(10,213,768)</u>

The notes on pages 12 to 26 form an integral part of these financial statements.
Auditor's report is on pages 5 to 7.

LODHA DEVELOPERS INTERNATIONAL LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 USD	2019 USD
OPERATING ACTIVITIES		
(Loss) / profit before taxation	(1,752,414)	476,073
<u>Adjustment for:</u>		
Interest income	(38,343,116)	(39,714,204)
Interest expense	40,108,326	38,676,372
Amortisation of bond transaction cost	2,463,130	2,213,590
Unrealised foreign exchange gain	(2,631,175)	(749,514)
Fair value loss / (gain) on financial instrument through profit or loss	43,772	(1,187,129)
Profit on interest buyback	-	(45,000)
Amount written off	-	44,598
<u>Working capital adjustments:</u>		
Increase in other receivables	-	(6,839)
Decrease in derivative financial instrument	1,187,129	-
Increase / (decrease) in other payables	1,422,753	(1)
Net cash flows generated from / (used in) operating activities	2,498,405	(292,054)
INVESTING ACTIVITIES		
Loan granted to related parties	-	(890,009)
Loan repaid by related parties	139,255,000	12,476,018
Net cash flows generated from investing activities	139,255,000	11,586,009
FINANCING ACTIVITIES		
Proceeds from borrowings	222,250,472	30,287,160
Repayment of loan	(325,145,000)	(2,580,000)
Interest paid on unsecured bond	(38,880,000)	(38,990,000)
Net cash flows used in financing activities	(141,774,528)	(11,282,840)
Net movement in cash and cash equivalents	(21,123)	11,115
Exchange difference arising on cash and cash equivalents	(214)	(540)
Cash and cash equivalents at the beginning of the year	32,312	21,737
Cash and cash equivalents at the end of the year (Note 8)	10,975	32,312

The notes on pages 12 to 26 form an integral part of these financial statements.
Auditor's report is on pages 5 to 7.

LODHA DEVELOPERS INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. LEGAL FORM AND PRINCIPAL ACTIVITY

The Company was incorporated under the Mauritius Companies Act 2001 on 22 November 2013 as a private Company with liability limited by shares. The Company has been granted a Global Business Licence Category 1 by the Financial Services Commission on 25 November 2013 and is regulated by the Financial Services Act 2007. The Company's registered office is C/o First Island Trust Company Ltd, St James Court – Suite 308, St Denis Street, Port Louis, Republic of Mauritius.

The main business activity of the Company is to carry out real estate development and construction activity globally either directly or through its project subsidiaries. The primary focus of the company is to undertake projects in developed markets like the US, UK and the Asian continents.

The financial statements for the year ended 31 March 2020 were authorised for issue in accordance with a resolution of the directors on 19 May 2020.

2. BASIS OF PREPARATION

Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence.

Basis of accounting

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of its holding company. The directors are of the opinion that this support will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.

Foreign currencies

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which it operates (the "functional currency"). The financial statements of the Company are expressed in United States Dollars ("USD").

Management determines the functional currency of the Company to be USD. In making this judgement, management evaluates, among other factors, the regulatory and competitive environments and the fee and performance reporting structures of the Company and in particular, the economic environment of its investors.

Transactions and balances

Foreign currency transactions are translated into USD using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Changes in accounting policy

The Company applied IFRIC 23 for the first time as it became effective for accounting period beginning on or after 01 January 2019. The nature and effect of the changes as a result of adoption of this new interpretation and standard are described below. Several other amendments and interpretations apply for the first time in 2019, but did not have an impact on the financial statements of the Company. The Company has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

2. BASIS OF PREPARATION (CONTINUED)

Changes in accounting policy (Continued)

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment (Continued)

The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

Upon adoption of the Interpretation, the Company considered whether it has any uncertain tax positions and determined, based on its tax compliance, that the Interpretation did not have an impact on the financial statements of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial asset at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

LODHA DEVELOPERS INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (Continued)

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include loan receivable and cash and cash equivalents.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough 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 Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company 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 Company 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 Company could be required to repay.

Impairment

Non-derivative financial assets

Financial instruments

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

LODHA DEVELOPERS INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment (Continued)

Non-derivative financial assets (Continued)

Financial instruments (Continued)

Impairment provisions for loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, 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 Company's financial liabilities include borrowings and other payables.

Subsequent measurement

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

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 statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Other payables

Other payables are subsequently measured at amortised cost using the effective interest method.

LODHA DEVELOPERS INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (Continued)

Derecognition

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

Equity

Stated capital is determined using the nominal values of shares that have been issued.

Accumulated reserves include current and prior result as disclosed in the statement of profit or loss and other comprehensive income.

Expenses recognition

All expenses are accounted for in the statement of profit or loss and other comprehensive income on the accruals basis.

Current and deferred income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

The tax expense for the year comprises of current and prior income tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the reporting date. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Revenue recognition

Interest income is recognised on the accrual basis unless collectibility is in doubt.

Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

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4. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In the current year, the Company has adopted all of the new and revised standard and interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for this accounting year end. The adoption of these new and revised standards and interpretations has not resulted in any changes to the Company's accounting policies that would affect the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated below.

Standards	Interpretations	Date issued by IASB	Effective date periods beginning on or after
IFRS 17 Insurance Contracts	Original issue	May 2017	01 January 2021
IAS 1 Presentation of Financial Statements	Amendment to classification of liabilities as current or non-current	January 2020	01 January 2022

The directors anticipate that the adoption of these standards on the above effective dates in future years will have no material impact on the financial statements of the Company.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed in the next page:

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Measurement of the expected credit loss (ECL) allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers/debtors defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of debtor segment and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

When using the simplified approach for measurement of expected credit loss for trade receivables, the application of a provision matrix requires significant assumptions and judgements, such as:

- Determining the appropriate groupings of receivables into categories of shared credit risk characteristics;
- Determining the period over which historical loss rates are obtained to develop estimates of expected future loss rates;
- Determining the historical loss rates;
- Considering macro-economic factors and adjust historical loss rates to reflect relevant future economic conditions; and
- Calculating the expected credit losses.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in Note 2, the directors have considered those factors therein and have determined that the functional currency of the Company is the USD.

6. INCOME TAX EXPENSE

The Company was issued a Category 1 Global Business Licence from the Mauritius Financial Services Commission on 25 November 2013, deemed to be converted into a Global Business Licence effective 1 January 2019 for the purposes of the provisions of the Mauritius Financial Services Act 2007 (as amended by the Finance Act 2018). Pursuant to the enactment of the Finance Act 2018, the Company will be entitled as from June 2021 to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income. This is subject to the Company meeting necessary substance and company requirements under the Financial Services Act 2007 and the Income tax Act.

The Company monitors proposed and issued tax laws, regulations and cases to determine the impact on uncertain tax positions. At 31 March 2020, there are no potential subsequent events that would have a material impact on unrecognized income tax benefits within the next twelve months.

The Company being a holder of a valid GBC licence issued before 16 October 2017 will, up to 30 June 2021, continue to apply the deemed foreign tax credit system.

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6. INCOME TAX EXPENSE (CONTINUED)

A reconciliation between the accounting profit and the tax charge is as follows:

	2020 USD	2019 USD
(Loss) / profit before taxation	(1,752,414)	476,073
Expenses not allowable for tax purposes	43,772	44,598
Revenue that is exempt from taxation	(2,631,175)	(1,981,643)
Loss brought forward	(2,122,394)	(661,422)
Loss adjusted for tax purposes	(6,462,211)	(2,122,394)
Income tax expense calculated at 15%	(969,332)	(318,359)
<u>Effect of tax concessions:-</u>		
Foreign tax credit – 80%	775,465	254,687
Tax losses for which no deferred income tax asset was recognised	193,867	63,672
Income tax expense	-	-

7. FINANCIAL ASSETS AT AMORTISED COST

	2020 USD	2019 USD
Loans to related parties (Note 13)	<u>267,093,783</u>	<u>368,362,079</u>

The loan to related parties bears an interest rate of 12% per annum with a repayment terms of 5 to 7 years from the date the loan is disbursed. No allowance for expected credit loss has been provided as the directors believe that loans to related parties are collectible.

8. CASH AND CASH EQUIVALENTS

	2020 USD	2019 USD
Cash at bank	<u>10,975</u>	<u>32,312</u>

9. STATED CAPITAL

	2020 USD	2019 USD
10,102 ordinary shares of USD 1 each	<u>10,102</u>	<u>10,102</u>

10. BORROWINGS

	2020 USD	2019 USD
14 % Senior Notes Unsecured Bond	223,243,694	326,937,639
Loan and advances from related party (Note 13)	52,645,781	51,098,937
	<u>275,889,475</u>	<u>378,036,576</u>
Non-current liability	275,889,475	51,098,937
Current liability	-	326,937,639
	<u>275,889,475</u>	<u>378,036,576</u>

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10. BORROWINGS (CONTINUED)

12% Senior Notes due 2020 (Unsecured bonds)

The Company had issued USD 200,000,000 12% Senior Notes on the Singapore Stock Exchange on 13 March 2015. The Company issued an additional USD 125,000,000 12% Senior Notes on 29 November 2017 on the same terms and conditions as the initial bond issue.

14% Senior Notes due 2023 (Unsecured bonds)

The Company issued USD 225,000,000 14% Senior Notes on the Singapore Stock Exchange on 12 March 2020. The estimated net proceeds of the offering after deducting the underwriting discounts and commissions was approximately USD 223,650,000 which was used entirely to repay the 12% Senior Notes due 2020.

At 31 March 2020, the market value of the 14% Senior Notes was quoted at 90.699 on the Singapore Stock Exchange.

The details of the 14% Senior Notes are as follows:

a) Guarantors

The current guarantors of the payment of the principal, interest and all other amount payable under the 14% Senior Notes are Macrotech Developers Limited and Lodha Developers UK Limited.

b) Maturity date

The maturity date of the 14% Senior Notes is 12 March 2023.

c) Coupon rate

The coupon rate for the Senior Notes is 14%

d) Interest payment dates

12 March and 12 September

e) Listing

The Notes is listed on the Singapore Exchange Securities Trading Limited.

f) Ratings

The Notes have been provisionally rated "Caa1" by Moody's Investors Service.

Loan and advances from related party bears an interest rate of 8.25 % per annum with a repayment terms of 7 years from the date the loan is disbursed.

11. OTHER PAYABLES

	2020	2019
	USD	USD
Accruals	<u>1,429,051</u>	<u>6,298</u>

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12. DERIVATIVE FINANCIAL INSTRUMENT

	2020 USD	2019 USD
At start-derivative financial liability	1,187,129	1,079,261
Reversal of prior year MTM adjustment	(1,230,901)	(1,079,261)
Reversal of MTM adjustment	43,772	1,187,129
At end –derivative financial asset	<u>-</u>	<u>1,187,129</u>

During the year ended 31 March 2018, the Company entered into several foreign exchange, derivative and forward contract transactions with Kotak Mahindra Bank Limited for a total notional amount of USD 24,999,999 in exchange of a total notional amount of GBP 17,911,826.

During the year ended 31 March 2019, the Company cancelled a notional amount of GBP 3,000,000 of the initial derivative and forward contract transaction resulting in a decrease of the total notional amount to USD 20,848,299 in exchange of a total notional amount of GBP 14,911,826.

The forward exchange rate for the above transactions varies between USD 1.3839 to USD 1.4290 per GBP 1 and on the settlement date, the exchange rate was USD 1.3246 per GBP 1.

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

A description of the significant risk factors is given below together with the risk management policies applicable.

In its ordinary operations, the Company is exposed to various risks such as market risks, credit risks and liquidity risks.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Market risk

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

Interest rate risk

The Company has interest earning and interest bearing loans at fixed rate of interest and thus, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Consequently, the Company is exposed primarily to the risk that the exchange rate of United States Dollar ("USD") relative to Pound Sterling ("GBP") change in a manner that has a material effect on the reported values of the Company's liabilities that are denominated in Great Britain Pound ("GBP").

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 5% increase and decrease in the USD against the relevant foreign currency, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Company's equity (due to changes in the fair value of forward exchange contracts and net investment hedges).

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13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (Continued)

Foreign currency sensitivity analysis (Continued)

5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period-end for a 5% change in foreign currency rates.

A positive number below indicates an increase in profit and other equity where the USD strengthens 5% against the GBP. For a 5% weakening of the USD against the GBP, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

Foreign currency sensitivity analysis

Year	Increase /decrease in foreign exchange rate	Effect on profit before tax USD	Effect on equity USD
2020			
GBP	+5%	10,722,608	10,722,608
GBP	-5%	(10,722,608)	(10,722,608)
Year		USD	USD
2019			
GBP	+5%	15,863,393	15,863,393
GBP	-5%	(15,863,393)	(15,863,393)

Credit risk

Credit risk represents the potential loss that the Company would incur if counter parties fail to perform pursuant to the terms of their obligations to the Company. The Company limits its credit risk by carrying out transactions only with its related parties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Company's main credit risk concentration comprise of the loan receivable from its related company. At each reporting date, the credit risk of each loan is assessed in order to determine whether there has been a significant increase in credit risk since initial recognition.

The credit risk in the context of ECL have been assessed over the expected life of the loan taking into consideration historical credit experience for default in payment and also current forecasts which assume the most likely expected business and economic conditions of the related parties. Based on this analysis, no historical default in payment and future economic conditions is likely to influence the recoverability of the loan. As such, there is less or no influence on credit risk as at reporting date.

The bank balance is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities

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13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (Continued)

The table below illustrates the aged analysis of the Company's financial liabilities.

	Less than 1 year 2020 USD	More than 1 year 2020 USD	Total 2020 USD
Liabilities			
Borrowings (Note 10)	-	275,889,475	275,889,475
Other payables (Note 11)	1,429,051	-	1,429,051
Total liabilities	1,429,051	275,889,475	277,318,526

	Less than 1 year 2019 USD	More than 1 year 2019 USD	Total 2019 USD
Liabilities			
Borrowings (Note 10)	326,937,639	51,098,937	378,036,576
Other payables (Note 11)	6,298	-	6,298
Total liabilities	326,943,937	51,098,937	378,042,874

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial assets 2020 USD	Financial liabilities 2020 USD	Financial assets 2019 USD	Financial liabilities 2019 USD
Denominated in:				
Pound Sterling ("GBP")	267,097,940	52,645,781	368,366,800	51,098,937
United States Dollar ("USD")	6,818	224,672,745	1,214,720	326,943,937
	267,104,758	277,318,526	369,581,520	378,042,874

Capital risk management

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is financed by loan and equity.

Fair values of financial assets and liabilities

The carrying amounts of financial assets at amortised cost, derivative financial assets, cash and cash equivalents, borrowings and other payables approximate their fair values.

The Company presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities.

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13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair values of financial assets and liabilities (Continued)

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

Accounting classifications and fair values

The table below shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 20	Carrying amounts				Fair value		
	Amortised Cost	Financial assets at fair value through profit or loss	Other financial assets/liabilities	Total	Level 1	Level 2	Level 3
	USD	USD	USD	USD	USD	USD	USD
Financial assets not measured at fair value							
Financial assets at amortised cost	267,093,783	-	-	267,093,783	-	-	-
Cash and cash equivalent	10,975	-	-	10,975	-	-	-
	267,104,758	-	-	267,104,758	-	-	-
Financial liabilities not measured at fair value							
14% senior notes	223,243,694	-	-	223,243,694	223,243,694	-	-
Loan from related parties	52,645,781	-	-	52,645,781	-	-	-
Other payables	-	-	1,429,051	1,429,051	-	-	-
	275,889,475	-	1,429,051	277,318,526	223,243,694	-	-
31 March 19	Carrying amounts				Fair value		
	Amortised Cost	Financial assets at fair value through profit or loss	Other financial assets/liabilities	Total	Level 1	Level 2	Level 3
	USD	USD	USD	USD	USD	USD	USD
Financial assets not measured at fair value							
Financial assets at amortised cost	368,362,079	-	-	368,362,079	-	-	-
Cash and cash equivalent	32,312	-	-	32,312	-	-	-
	368,394,391	-	-	368,394,391	-	-	-
Financial assets measured at fair value							
Derivative financial instrument	-	1,187,129	-	1,187,129	1,187,129	-	-
Financial liabilities not measured at fair value							
12% senior notes	326,937,639	-	-	326,937,639	326,937,639	-	-
Loan from related parties	51,098,937	-	-	51,098,937	-	-	-
Other payables	-	-	6,298	6,298	-	-	-
	378,036,576	-	6,298	378,042,874	326,937,639	-	-

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14. RELATED PARTIES TRANSACTIONS

The following transactions were carried out with the related parties below on normal commercial terms and conditions and at market prices:

LOAN RECEIVABLES

Loan to related parties (companies having common parent):

	2020	2019
	USD	USD
(i) Lodha Developers UK Ltd		
At the beginning of the year	5,994,514	7,135,225
Loan granted during the year	-	587,160
Loan repaid during the year	-	(1,936,018)
Interest receivable	699,342	634,565
Unrealised foreign exchange loss	(356,414)	(426,418)
At 31 March	6,337,442	5,994,514
(ii) Lodha Developers International (Netherlands) B.V.		
At the beginning of the year	362,367,565	334,712,208
Loan granted during the year	-	302,849
Repayment during the year	(139,255,000)	(10,540,000)
Interest receivable	37,643,776	39,079,638
Unrealised foreign exchange loss	-	(1,187,129)
At 31 March	260,756,341	362,367,565
Total loan receivable as at 31 March (Note 7)	267,093,783	368,362,079

OTHER RECEIVABLES

Other receivable with related parties
(companies having common parent):

(i) PCL (Mauritius) Limited

At the beginning of the year	-	21,360
Write-off during the year	-	(21,360)
At 31 March	-	-
Total other receivable as at 31 March	-	-

BORROWINGS

Loan and advances from related parties (companies having common parent):

(i) Macrotech Developers Limited (previously "Lodha Developers Limited")

At the beginning of the year	51,098,937	20,900,371
Loan repaid during the year	(1,145,000)	(1,625,000)
Loan received during the year	740,000	30,287,160
Interest payable	4,939,648	2,820,746
Unrealised foreign exchange gain	(2,987,804)	(1,284,340)
At 31 March (Note 10)	52,645,781	51,098,937

15. HOLDING COMPANY

The directors regard Macrotech Developers Limited (previously "Lodha Developers Limited"), a company incorporated in India as the holding company.

LODHA DEVELOPERS INTERNATIONAL LIMITED
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16. BASIS OF PREPARING THE FINANCIAL STATEMENTS

As at 31 March 2020, the Company had a shareholder's deficit of USD 10,213,768.

These financial statements have been prepared on a going concern basis that assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends upon the continued support of the holding company.

The directors are of the opinion that this support will be forthcoming in the next twelve months. They therefore, believe that it is appropriate for the financial statements to be prepared on a going concern basis.

17. CONTINUING FINANCIAL SUPPORT

The holding company has confirmed its intention to provide continuing financial support to the Company so as to enable the Company to continue operating in the foreseeable future. Accordingly, the directors have prepared the financial statements on a going concern basis.

18. EVENTS AFTER THE REPORTING DATE

The outbreak of Coronavirus (COVID-19) pandemic globally forced to cease or limit business operations for a short period of time. Measures are being taken to contain the spread of COVID-19, including movement of transport vehicles, travel bans, social distancing and closure of non-essential services. This resulted in an economic slowdown, which will have impact on the business of the Company. At this point of time, it is not possible to estimate the duration and consequences of the COVID-19, as well as their impact on the financial position and business of the Company. However, the Company will continue to closely monitor the further economic development and its impact.