

# **LODHA DEVELOPERS INTERNATIONAL LIMITED**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**LODHA DEVELOPERS INTERNATIONAL LIMITED****CORPORATE INFORMATION**

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

**LODHA DEVELOPERS INTERNATIONAL LIMITED  
DIRECTORS' COMMENTARY  
FOR THE YEAR ENDED 31 MARCH 2019**

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The directors present their commentary, together with the audited financial statements of **Lodha Developers International Limited** (the 'Company') for the year ended 31 March 2019.

**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 (2018: Nil)

**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 2019, 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 **16 MAY 2019**

**SECRETARY'S CERTIFICATE  
FOR THE YEAR ENDED 31 MARCH 2019**

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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 2019.



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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: **16 MAY 2019**

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

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## **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 2019 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 30.

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 2019 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)**

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### **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)**

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**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: 16 MAY 2019

**LODHA DEVELOPERS INTERNATIONAL LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2019**

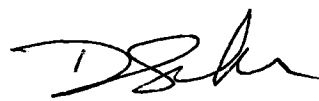
|                                                                 | Note | 2019<br>USD       | 2018<br>USD       |
|-----------------------------------------------------------------|------|-------------------|-------------------|
| <b>Revenue</b>                                                  |      |                   |                   |
| Interest income                                                 |      | 39,714,204        | 42,663,872        |
| Unrealised foreign exchange gain                                |      | 749,514           | 6,890,751         |
| Fair value gain on financial instrument through profit or loss  |      | 1,187,129         | -                 |
| Other income                                                    |      | 45,000            | -                 |
|                                                                 |      | <u>41,695,847</u> | <u>49,554,623</u> |
| <b>Expenses</b>                                                 |      |                   |                   |
| Bank charges                                                    |      | 1,541             | 4,534             |
| Audit fees                                                      |      | 4,370             | 3,800             |
| Licence fees                                                    |      | 2,110             | 2,110             |
| Legal and professional fees                                     |      | 258,093           | 767,136           |
| Tax filing fees                                                 |      | 500               | 500               |
| Administration fees                                             |      | 18,600            | 17,425            |
| Bond Issue processing fee                                       |      | -                 | 7,389             |
| Interest expense                                                |      | 38,676,372        | 40,394,420        |
| Amortisation of bond transaction cost                           |      | 2,213,590         | 1,967,198         |
| Fair value loss on financial instrument through profit or loss  |      | -                 | 1,079,261         |
| Other transaction costs                                         |      | -                 | 937,455           |
| Amount written off                                              |      | 44,598            | -                 |
|                                                                 |      | <u>41,219,774</u> | <u>45,181,228</u> |
| <b>Profit before taxation</b>                                   |      | <b>476,073</b>    | <b>4,373,395</b>  |
| Income tax expense                                              | 6    | -                 | -                 |
| <b>Profit for the year</b>                                      |      | <b>476,073</b>    | <b>4,373,395</b>  |
| <b>Other comprehensive income for the year, net of taxation</b> |      | <b>-</b>          | <b>-</b>          |
| <b>Total comprehensive income for the year, net of taxation</b> |      | <b>476,073</b>    | <b>4,373,395</b>  |

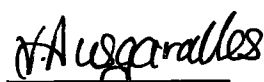
The notes on pages 12 to 30 form an integral part of these financial statements.  
Auditor's report is on pages 5 to 7.

**LODHA DEVELOPERS INTERNATIONAL LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019**

|                                                | Notes | 2019<br>USD        | 2018<br>USD        |
|------------------------------------------------|-------|--------------------|--------------------|
| <b>ASSETS</b>                                  |       |                    |                    |
| <b>Non-current assets</b>                      |       |                    |                    |
| Investment in subsidiaries                     | 7     | -                  | -                  |
| Financial assets at amortised cost             | 8     | 368,362,079        | 341,847,433        |
| Investment in Compulsory Convertible Debenture | 9     | -                  | -                  |
|                                                |       | <u>368,362,079</u> | <u>341,847,433</u> |
| <b>Current assets</b>                          |       |                    |                    |
| Derivative financial instrument                | 14(b) | 1,187,129          | -                  |
| Other receivables                              | 10    | -                  | 37,757             |
| Cash and cash equivalents                      | 11    | 32,312             | 21,737             |
|                                                |       | <u>1,219,441</u>   | <u>59,494</u>      |
| <b>Total assets</b>                            |       | <u>369,581,520</u> | <u>341,906,927</u> |
| <b>EQUITY AND LIABILITIES</b>                  |       |                    |                    |
| <b>Capital and reserves</b>                    |       |                    |                    |
| Stated capital                                 | 12    | 10,102             | 10,102             |
| Accumulated reserves                           |       | (8,471,456)        | (8,947,529)        |
| <b>Total equity</b>                            |       | <u>(8,461,354)</u> | <u>(8,937,427)</u> |
| <b>Non-current liability</b>                   |       |                    |                    |
| Borrowings                                     | 13    | 51,098,937         | 349,758,794        |
| <b>Current liabilities</b>                     |       |                    |                    |
| Borrowings                                     | 13    | 326,937,639        | -                  |
| Other payables                                 | 14(a) | 6,298              | 6,299              |
| Derivative financial instrument                | 14(b) | -                  | 1,079,261          |
| Current tax liabilities                        | 6     | -                  | -                  |
|                                                |       | <u>326,943,937</u> | <u>1,085,560</u>   |
| <b>Total liabilities</b>                       |       | <u>378,042,874</u> | <u>350,844,354</u> |
| <b>Total equity and liabilities</b>            |       | <u>369,581,520</u> | <u>341,906,927</u> |

Approved by the Board of Directors on... 16 MAY 2019 and signed on its behalf by:

  
 DIRECTOR

  
 DIRECTOR

**LODHA DEVELOPERS INTERNATIONAL LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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|                                    | <b>Stated<br/>capital<br/>USD</b> | <b>Accumulated<br/>reserves<br/>USD</b> | <b>Total<br/>equity<br/>USD</b> |
|------------------------------------|-----------------------------------|-----------------------------------------|---------------------------------|
| Balance as at 01 April 2017        | 10,102                            | 1,977,739                               | 1,987,841                       |
| Profit for the year                | -                                 | 4,373,395                               | 4,373,395                       |
| Effect of amalgamation             |                                   | (15,298,663)                            | (15,298,663)                    |
| Balance as at 31 March 2018        | <u>10,102</u>                     | <u>(8,947,529)</u>                      | <u>(8,937,427)</u>              |
| Profit for the year                | -                                 | 476,073                                 | 476,073                         |
| <b>Balance as at 31 March 2019</b> | <b><u>10,102</u></b>              | <b><u>(8,471,456)</u></b>               | <b><u>(8,461,354)</u></b>       |

The notes on pages 12 to 30 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 2019**

|                                                                        | 2019<br>USD         | 2018<br>USD         |
|------------------------------------------------------------------------|---------------------|---------------------|
| <b>OPERATING ACTIVITIES</b>                                            |                     |                     |
| Profit before taxation                                                 | 476,073             | 4,373,395           |
| <u>Adjustment for:</u>                                                 |                     |                     |
| Interest income                                                        | (39,714,204)        | (42,663,872)        |
| Interest expense                                                       | 38,676,372          | 40,394,420          |
| Amortisation of bond transaction cost                                  | 2,213,590           | 1,967,198           |
| Unrealised foreign exchange gain                                       | (749,514)           | (6,890,751)         |
| Fair value (gain)/ loss on financial instrument through profit or loss | (1,187,129)         | 1,079,261           |
| Profit on interest buyback                                             | (45,000)            | -                   |
| Amount written off                                                     | 44,598              | -                   |
| <u>Working capital adjustments:</u>                                    |                     |                     |
| (Increase) / decrease in other receivables                             | (6,839)             | 4,354               |
| Increase in derivative financial instrument                            | -                   | 1,079,261           |
| Decrease in other payables                                             | (1)                 | (8,051)             |
| <b>Net cash flows used in operating activities</b>                     | <b>(292,054)</b>    | <b>(664,785)</b>    |
| <b>INVESTING ACTIVITIES</b>                                            |                     |                     |
| Loan granted to related parties                                        | (890,009)           | (323,826,182)       |
| Loan repaid by related parties                                         | 12,476,018          | 105,855,796         |
| Proceed from disposal of investment in subsidiaries                    | -                   | 10,130              |
| Redemption of Compulsory convertible debenture                         | -                   | 242,186,300         |
| <b>Net cash flows generated from investing activities</b>              | <b>11,586,009</b>   | <b>24,226,044</b>   |
| <b>FINANCING ACTIVITIES</b>                                            |                     |                     |
| Proceeds from borrowings                                               | 30,287,160          | 171,838,635         |
| Repayment of loan                                                      | (2,580,000)         | (169,577,394)       |
| Interest paid on unsecured bond                                        | (38,990,000)        | (31,500,000)        |
| <b>Net cash flows used in financing activities</b>                     | <b>(11,282,840)</b> | <b>(29,238,759)</b> |
| <b>Net movement in cash and cash equivalents</b>                       | <b>11,115</b>       | <b>(5,677,500)</b>  |
| Effect of amalgamation                                                 | -                   | 5,693,676           |
| Exchange difference arising on cash and cash equivalents               | (540)               | (5,173)             |
| Cash and cash equivalents at the beginning of the year                 | 21,737              | 10,734              |
| <b>Cash and cash equivalents at the end of the year (Note 11)</b>      | <b>32,312</b>       | <b>21,737</b>       |

The notes on pages 12 to 30 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 2019**

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**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 2019 were authorised for issue in accordance with a resolution of the directors on ...~~1-6 MAY 2019~~..

**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 IFRS 9 for the first time. The nature and effect of the changes as a result of adoption of this accounting standard are described below. Several other amendments and interpretations apply for the first time in 2018, 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 which are not yet effective.

**Effective for  
accounting period  
beginning on or  
after**

IFRS 9 - Financial instruments

1 January 2018

**LODHA DEVELOPERS INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**2. BASIS OF PREPARATION (CONTINUED)**

**Changes in accounting policy (Continued)**

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company applied IFRS 9 prospectively, with an initial application date of 1 January 2018. The Company has not restated the comparative information, which continues to be reported under IAS 39.

**Classification and measurement**

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value through Other Comprehensive Income and Fair Value through Profit and Loss. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

The assessment of the Company's business model was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of IFRS 9 did not have a significant impact to the Company.

The Company has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Company's financial liabilities.

**Impairment**

The adoption of IFRS 9 on the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

Upon the adoption of IFRS 9, no impairment was recognized as at 01 January 2018.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial instruments as from 01 April 2018**

**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

**LODHA DEVELOPERS INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial instruments as from 01 April 2018 (Continued)**

**Financial assets (Continued)**

Subsequent measurement (Continued)

**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.

**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.

**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 2019**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial instruments as from 01 April 2018 (Continued)**

**Financial assets (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.

**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.

**LODHA DEVELOPERS INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial instruments prior to 1 April 2018**

Financial instruments carried on the statement of financial position include cash and cash equivalent, amount due /from to related parties , 12% senior notes unsecured bond and derivative financial instrument.

The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

*Non-derivative financial assets*

The Company initially recognises loan and receivables on the date they are originated. The financial assets at fair value through profit or loss are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability in the statement of financial position.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Loan receivables**

Loan receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. The Company's loan receivables comprise of loan given to related parties. Loan receivables are initially recognised at cost, which is the fair value of the cash given to originate the loan, including any transaction costs.

**Cash and cash equivalents**

Cash comprises of demand deposit. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts and which are subject to an insignificant risk of change in value. Cash and cash equivalents are measured at amortised cost which is equivalent to their fair value.

**Investment in Compulsory Convertible Debentures**

The Compulsory Convertible Debentures acquired by the Company are classified as investment in accordance with the substance of the contractual arrangements and the definitions of an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity instruments is an investment.

The conversion option classified as investment is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in investment, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as investment will remain in investment until the conversion option is exercised.

*Non-derivative financial liabilities*

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Effective interest rate is the same as market interest rate. Other financial liabilities comprises of borrowings and other payables.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

When an existing 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

**LODHA DEVELOPERS INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial instruments prior to 1 April 2018 (Continued)**

**Derivative financial instruments**

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks through foreign exchange forward contracts.

Derivatives are initially recognised at its fair value at the date the derivative contracts are entered into and are subsequently remeasured to their value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

**Impairment**

*Non-derivative financial assets*

Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers in the Company; or
- observable data indicating that there is measurable decrease in expected cash flows from a Company of financial assets.

*Financial assets measured at amortised cost*

The Company considers evidence of impairment for financial assets measured at amortised cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

*Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

**LODHA DEVELOPERS INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial instruments prior to 1 April 2018 (Continued)**

**Impairment (Continued)**

*Non-financial assets (Continued)*

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**Investment in subsidiaries**

A subsidiary is an entity in which the Company has the power to exercise control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Investment in subsidiaries are shown at cost and provision is only made where, in the opinion of the directors, there is a permanent diminution or impairment in value. Where there has been a permanent diminution or impairment in value of an investment, it is recognised as an expense in the year in which the diminution is identified.

On disposal of an investment in subsidiary, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss and other comprehensive income.

**Other receivables**

Other receivables are stated at their nominal value.

**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**

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.

**Other payables**

Other payables are stated at their nominal value.

**LODHA DEVELOPERS INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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.

| <b>Standards</b>                                  | <b>Interpretations</b>                                                                                           | <b>Date issued by IASB</b> | <b>Effective date periods beginning on or after</b> |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------------------|
| IFRS 9 Financial Instruments                      | Prepayment Features with Negative Compensation                                                                   | October 2017               | 01 January 2019                                     |
| IFRS 16 Leases                                    | Original issue                                                                                                   | January 2016               | 01 January 2019                                     |
| IFRS 17 Insurance Contracts                       | Original issue                                                                                                   | May 2017                   | 01 January 2021                                     |
| IFRIC 23 Uncertainty over Income Tax treatments   | Original issue                                                                                                   | June 2017                  | 01 January 2019                                     |
| IAS 19 Employee Benefits                          | Plan Amendment, Curtailment or Settlement                                                                        | February 2018              | 01 January 2019                                     |
| IAS 28 Interests in Associates and Joint Ventures | Amendment to IAS 28                                                                                              | October 2017               | 01 January 2019                                     |
| Conceptual Framework                              | Amendments to references                                                                                         | March 2018                 | 01 January 2020                                     |
| <u>Annual Improvements 2015-2017:</u>             |                                                                                                                  |                            |                                                     |
| IFRS 3 Business Combinations                      | Re-measurement of previously held interests in a business when an entity obtains control of a joint operation    | December 2017              | 01 January 2019                                     |
| IFRS 11 Joint Arrangements                        | No re-measurement of previously held interests in a business when an entity obtains control of a joint operation | December 2017              | 01 January 2019                                     |
| IAS 12 Income Taxes                               | Amendments to clarify the recognition of all income tax consequence of dividends in profit and loss              | December 2017              | 01 January 2019                                     |
| IAS 23 Borrowing costs                            | Amendments to clarify the capitalization rate on general borrowings costs                                        | December 2017              | 01 January 2019                                     |

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.

**LODHA DEVELOPERS INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**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.

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.

**LODHA DEVELOPERS INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**6. INCOME TAX EXPENSE**

The Company being the holder of a Category 1, Global Business Licence, is liable to income tax in Mauritius on its chargeable income at the rate of 15%. It is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of the Mauritian tax chargeable on its foreign source income.

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

|                                                                  | 2019<br>USD        | 2018<br>USD      |
|------------------------------------------------------------------|--------------------|------------------|
| Profit before taxation                                           | 476,073            | 4,373,395        |
| Expenses not allowable for tax purposes                          | 44,598             | 8,391,405        |
| Revenue that is exempt from taxation                             | (1,981,643)        | (11,966,139)     |
| Loss brought forward                                             | (661,422)          | (1,460,083)      |
| <b>Loss adjusted for tax purposes</b>                            | <b>(2,122,394)</b> | <b>(661,422)</b> |
| Income tax expense calculated at 15%                             | (318,359)          | (99,213)         |
| <u>Effect of tax concessions:-</u>                               |                    |                  |
| Foreign tax credit – 80%                                         | 254,687            | 79,370           |
| Tax losses for which no deferred income tax asset was recognised | 63,672             | 19,843           |
| <b>Income tax expense</b>                                        | <b>-</b>           | <b>-</b>         |

**7. INVESTMENT IN SUBSIDIARIES**

|                                                             | 2019<br>USD                             | 2018<br>USD      |                      |                      |                      |
|-------------------------------------------------------------|-----------------------------------------|------------------|----------------------|----------------------|----------------------|
| <b><u>Cost:-</u></b>                                        |                                         |                  |                      |                      |                      |
| At beginning of the year                                    | -                                       | 10,130           |                      |                      |                      |
| Disposal during the year                                    | -                                       | (10,130)         |                      |                      |                      |
| <b>At 31 March</b>                                          | -                                       | -                |                      |                      |                      |
| Details of investments in subsidiaries are disclosed below: |                                         |                  |                      |                      |                      |
| <b>Name of companies</b>                                    | <b>Number of shares &amp; par value</b> | <b>% Holding</b> | <b>Main business</b> | <b>Cost 2019 USD</b> | <b>Cost 2018 USD</b> |
|                                                             | 2018                                    | 2019 2018        |                      |                      |                      |
| <b>Unquoted:</b>                                            |                                         |                  |                      |                      |                      |

|                                                 |                             |   |   |                                                                                                    |   |   |
|-------------------------------------------------|-----------------------------|---|---|----------------------------------------------------------------------------------------------------|---|---|
| Lodha Developers UK Ltd                         | 4,750 shares of GBP 1 each  | - | - | Support the developments of Lodha Companies by providing technical expertise through its employees | - | - |
| Lodha Developers International (Jersey III) Ltd | 10,000 shares of GBP 1 each | - | - | Provide construction services to Lodha Group projects in the UK                                    | - | - |

During the year ended 31 March 2018, the Company has transferred all the shares of Lodha Developers International (Jersey III) Ltd to its related companies namely Lodha Developers UK Ltd and Palava Dwellers Private Limited, and also transferred all the shares of Lodha Developers UK Ltd to its related companies namely Bellissimo Properties Development Private Limited, Shreeniwas Cotton Mills Limited and Palava Dwellers Private Limited.

**8. FINANCIAL ASSETS AT AMORTISED COST**

|                                    | 2019<br>USD | 2018<br>USD |
|------------------------------------|-------------|-------------|
| Loans to related parties (Note 16) | 368,362,079 | 341,847,433 |

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.

**LODHA DEVELOPERS INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. INVESTMENT IN COMPULSORY CONVERTIBLE DEBENTURE**

|                                                    | <b>2019</b> | <b>2018</b> |
|----------------------------------------------------|-------------|-------------|
|                                                    | <b>USD</b>  | <b>USD</b>  |
| <u>Compulsory Convertible Debenture issued by:</u> |             |             |
| Lodha Developers International Holdings Limited    | -           | -           |
|                                                    | <u>-</u>    | <u>-</u>    |

Lodha Developers International Limited (the buyer) had subscribed to US\$ 188,000,000 principal amount of Zero Coupon Compulsory Convertible Debenture from Lodha Developers International Holdings Limited (the issuer) as per the agreement dated 13 March 2015. The terms and conditions of the original agreement was amended as per an agreement dated 18 May 2016.

During the year ended 31 March 2018, the Company has amalgamated with Lodha Developers International Holdings Limited in accordance with section 245 and 246 of the Companies Acts 2001 such that the Company continues to exist as the amalgamated company. Consequently the Compulsory Convertible Debenture in the books of the Company was eliminated on amalgamation.

**10. OTHER RECEIVABLES**

|                                         | <b>2019</b> | <b>2018</b>   |
|-----------------------------------------|-------------|---------------|
|                                         | <b>USD</b>  | <b>USD</b>    |
| Receivable with related party (Note 16) | -           | 21,360        |
| Receivable with third parties           | -           | 16,397        |
|                                         | <u>-</u>    | <u>37,757</u> |

The receivable from related party comprise of re-imbursement of expenses on behalf of PCL (Mauritius) Limited amounting to USD Nil (2018: USD 21,360). The receivable from related party was interest free and repayable on demand.

The receivable from third parties was interest free and repayable on demand.

**11. CASH AND CASH EQUIVALENTS**

|              | <b>2019</b>   | <b>2018</b>   |
|--------------|---------------|---------------|
|              | <b>USD</b>    | <b>USD</b>    |
| Cash at bank | <u>32,312</u> | <u>21,737</u> |

**12. STATED CAPITAL**

|                                      | <b>2019</b>   | <b>2018</b>   |
|--------------------------------------|---------------|---------------|
|                                      | <b>USD</b>    | <b>USD</b>    |
| 10,102 ordinary shares of USD 1 each | <u>10,102</u> | <u>10,102</u> |

**13. BORROWINGS**

|                                                  | <b>2019</b>               | <b>2018</b>        |
|--------------------------------------------------|---------------------------|--------------------|
|                                                  | <b>USD</b>                | <b>USD</b>         |
| 12 % Senior Notes Unsecured Bond                 | <b>326,937,639</b>        | 328,858,423        |
| Loan and advances from related parties (Note 16) | <b>51,098,937</b>         | 20,900,371         |
|                                                  | <u><b>378,036,576</b></u> | <u>349,758,794</u> |
| Non-current liability                            | <b>51,098,937</b>         | 349,758,794        |
| Current liability                                | <b>326,937,639</b>        | -                  |
|                                                  | <u><b>378,036,576</b></u> | <u>349,758,794</u> |

**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. In the previous year, 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. The estimated net proceeds of the additional offering after deducting the underwriting discounts, commissions and other estimated fees and expenses was approximately USD 135,000,000 out of which, approximately USD 120,000,000 was used to repay loans provided to the Company by Palava Dwellers Private Ltd and Lodha Impression Real Estate Private Ltd and USD 13,500,000 was advanced to Lodha Developers International (Netherlands) B.V.

**LODHA DEVELOPERS INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. BORROWINGS (CONTINUED)**

**12% Senior Notes due 2020 (Unsecured bonds)**

At 31 March 2019, the market value of the 12% Senior Notes was quoted at 97.523 on the Singapore Stock Exchange.

The details of the 12% Senior Notes are as follows:

a) Guarantors

The current guarantors of the payment of the principal, interest and all other amount payable under the 12% Senior Notes are Lodha Developers Limited (previously known as "Lodha Developers Private Limited") and Shreeniwas Cotton Mills Limited. Since April 2017, erstwhile guarantors Palava Dwellers Private Limited, Bellissimo Crown Buildmart Private Limited (previously known as "Lodha Crown Buildmart Private Limited"), Bellissimo Developers Thane Private Limited (also merged with Lodha Developers Limited), Jawala Real Estate Private Limited and Bellissimo Hi-Rise Builders Private Limited merged into Lodha Developers Limited and Lodha Developers International Holdings Limited merged into Lodha Developers International Limited.

b) Maturity date

The maturity date of the 12 % Senior Notes is 13 March 2020.

c) Coupon rate

The coupon rate for the Senior Notes is 12%

d) Interest payment dates

13 March and 13 September

e) Listing

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

f) Ratings

The Notes have been provisionally rated "B2" by Moody's Investors Service and "B" by Fitch Ratings.

**14(a). OTHER PAYABLES**

|          | 2019<br>USD  | 2018<br>USD  |
|----------|--------------|--------------|
| Accruals | <u>6,298</u> | <u>6,299</u> |

**14(b). DERIVATIVE FINANCIAL INSTRUMENT**

|                                              | 2019<br>USD      | 2018<br>USD      |
|----------------------------------------------|------------------|------------------|
| At start-derivative financial liability      | 1,079,261        | -                |
| Reversal of prior year MTM adjustment        | (1,079,261)      | -                |
| Provision for MTM adjustment                 | 1,187,129        | 1,079,261        |
| At end –derivative financial asset/liability | <u>1,187,129</u> | <u>1,079,261</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 with settlement date on 13<sup>th</sup> March 2020.

The exchange rate of USD to GBP was 1.3080 at the reporting date which resulted in fair value gain of exchange rate of USD 1,187,129.

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**15. 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").

During the year ended 31 March 2018, the Company entered into three foreign exchange and derivative transaction including forward contracts with Kotak Mahindra Bank Limited to mitigate its foreign currency risk exposure.

**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).

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<br>/decrease in<br>foreign exchange<br>rate | Effect on<br>profit<br>before tax<br>USD | Effect on<br>equity<br>USD |
|------|------------------------------------------------------|------------------------------------------|----------------------------|
| 2018 |                                                      |                                          |                            |
| GBP  | +5%                                                  | 15,863,393                               | 15,863,393                 |
| GBP  | -5%                                                  | (15,863,393)                             | (15,863,393)               |

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**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

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

|                                              | <b>Less than<br/>1 year<br/>2019<br/>USD</b> | <b>More than<br/>1 year<br/>2019<br/>USD</b> | <b>Total<br/>2019<br/>USD</b> |
|----------------------------------------------|----------------------------------------------|----------------------------------------------|-------------------------------|
| <b>Liabilities</b>                           |                                              |                                              |                               |
| Borrowings (Note 13)                         | 326,937,639                                  | 51,098,937                                   | <b>378,036,576</b>            |
| Other payables (Note 14(a))                  | 6,298                                        | -                                            | <b>6,298</b>                  |
| <b>Total liabilities</b>                     | <b>326,943,937</b>                           | <b>51,098,937</b>                            | <b>378,042,874</b>            |
|                                              | <b>Less than<br/>1 year<br/>2018<br/>USD</b> | <b>More than<br/>1 year<br/>2018<br/>USD</b> | <b>Total<br/>2018<br/>USD</b> |
| <b>Liabilities</b>                           |                                              |                                              |                               |
| Borrowings (Note 13)                         | -                                            | 349,758,794                                  | 349,758,794                   |
| Other payables (Note 14(a))                  | 6,299                                        | -                                            | 6,299                         |
| Derivative financial instrument (Note 14(b)) | 1,079,261                                    |                                              | 1,079,261                     |
| <b>Total liabilities</b>                     | <b>1,085,560</b>                             | <b>349,758,794</b>                           | <b>350,844,354</b>            |

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**15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**Currency profile**

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

|                              | <b>Financial<br/>assets<br/>2019<br/>USD</b> | <b>Financial<br/>liabilities<br/>2019<br/>USD</b> | <b>Financial<br/>assets<br/>2018<br/>USD</b> | <b>Financial<br/>liabilities<br/>2018<br/>USD</b> |
|------------------------------|----------------------------------------------|---------------------------------------------------|----------------------------------------------|---------------------------------------------------|
| <u>Denominated in:</u>       |                                              |                                                   |                                              |                                                   |
| Pound Sterling ("GBP")       | <b>368,366,800</b>                           | <b>51,098,937</b>                                 | 341,864,794                                  | 20,900,371                                        |
| United States Dollar ("USD") | <b>1,214,720</b>                             | <b>326,943,937</b>                                | 42,133                                       | 329,943,983                                       |
|                              | <b><u>369,581,520</u></b>                    | <b><u>378,042,874</u></b>                         | <b><u>341,906,927</u></b>                    | <b><u>350,844,354</u></b>                         |

**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, other receivables, 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.

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 in the next page 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 as the carrying amount is a reasonable approximation of fair value.

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**15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**Fair values of financial assets and liabilities (Continued)**

| 31 Mar 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     |
| <b>Financial assets not measured at fair value</b>      |                  |                                                       |                                    |             |            |         |         |
| Financial assets at amortised cost                      | 368,362,079      | -                                                     | -                                  | 368,362,079 | -          | -       | -       |
| Cash and cash equivalent                                | -                | -                                                     | 32,312                             | 32,312      | -          | -       | -       |
|                                                         | 368,362,079      | -                                                     | 32,312                             | 368,394,391 | -          | -       | -       |
| <b>Financial assets measured at fair value</b>          |                  |                                                       |                                    |             |            |         |         |
| Derivative financial instrument                         | -                | 1,187,129                                             | -                                  | 1,187,129   | 1,187,129  | -       | -       |
| <b>Financial liabilities not measured at fair value</b> |                  |                                                       |                                    |             |            |         |         |
| 12% senior notes                                        | 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 | -          | -       | -       |
| 31 Mar 18                                               | 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     |
| <b>Financial assets not measured at fair value</b>      |                  |                                                       |                                    |             |            |         |         |
| Financial assets at amortised cost                      | 341,847,433      | -                                                     | -                                  | 341,847,433 | -          | -       | -       |
| Other receivable                                        | 37,757           | -                                                     | -                                  | 37,757      | -          | -       | -       |
| Cash and cash equivalent                                | 21,737           | -                                                     | -                                  | 21,737      | -          | -       | -       |
|                                                         | 341,906,927      | -                                                     | -                                  | 341,906,927 | -          | -       | -       |
| <b>Financial liabilities not measured at fair value</b> |                  |                                                       |                                    |             |            |         |         |
| 12% senior notes                                        | 328,858,423      | -                                                     | -                                  | 328,858,423 | -          | -       | -       |
| Loan from related parties                               | 20,900,371       | -                                                     | -                                  | 20,900,371  | -          | -       | -       |
| Other payables                                          | -                | -                                                     | 6,299                              | 6,299       | -          | -       | -       |
|                                                         | 349,758,794      | -                                                     | 6,299                              | 349,765,093 | -          | -       | -       |
| <b>Financial liabilities measured at fair value</b>     |                  |                                                       |                                    |             |            |         |         |
| Derivative financial instrument                         | -                | 1,079,261                                             | -                                  | 1,079,261   | 1,079,261  | -       | -       |

**LODHA DEVELOPERS INTERNATIONAL LIMITED**  
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**16. 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):**

|                                                             | <b>2019</b>        | <b>2018</b>  |
|-------------------------------------------------------------|--------------------|--------------|
|                                                             | <b>USD</b>         | <b>USD</b>   |
| <b>(i) Lodha Developers UK Ltd</b>                          |                    |              |
| At the beginning of the year                                | <b>7,135,225</b>   | 39,377,056   |
| Loan granted during the year                                | <b>587,160</b>     | 16,292,124   |
| Loan repaid during the year                                 | <b>(1,936,018)</b> | (50,646,577) |
| Interest receivable                                         | <b>634,565</b>     | 529,553      |
| Unrealised foreign exchange (loss)/gain                     | <b>(426,418)</b>   | 1,583,069    |
| At 31 March                                                 | <b>5,994,514</b>   | 7,135,225    |
| <b>(ii) Lodha Developers International (Jersey) III Ltd</b> |                    |              |
| At the beginning of the year                                | -                  | 37,983,257   |
| Loan repaid during the year                                 | -                  | (46,580,143) |
| Interest receivable                                         | -                  | 4,182,797    |
| Unrealised foreign exchange gain                            | -                  | 4,414,089    |
| At 31 March                                                 | -                  | -            |
| <b>(iii) Lodha Developers Dorset Close Ltd</b>              |                    |              |
| At the beginning of the year                                | -                  | 1,150,029    |
| Loan repaid during the year                                 | -                  | (1,295,229)  |
| Interest receivable                                         | -                  | 84,952       |
| Unrealised foreign exchange gain                            | -                  | 60,248       |
| At 31 March                                                 | -                  | -            |
| <b>(iv) Lodha Developers Jersey I Holding Ltd</b>           |                    |              |
| At the beginning of the year                                | -                  | 8,731,833    |
| Interest receivable                                         | -                  | 1,167,491    |
| Loan repaid during the year                                 | -                  | (10,899,080) |
| Unrealised foreign exchange gain                            | -                  | 999,756      |
| At 31 March                                                 | -                  | -            |
| <b>(v) Lodha Developers International Holdings Limited</b>  |                    |              |
| At the beginning of the year                                | -                  | 8,172,464    |
| Loan granted during the year                                | -                  | 2,194,128    |
| Loan repaid during the year                                 | -                  | (12,109,462) |
| Interest receivable                                         | -                  | 722,683      |
| Net-off during amalgamation                                 | -                  | 1,020,187    |
| At 31 March                                                 | -                  | -            |
| <b><u>Balance c/f</u></b>                                   | <b>5,994,514</b>   | 7,135,225    |

**LODHA DEVELOPERS INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. RELATED PARTIES TRANSACTIONS (CONTINUED)**

**LOAN RECEIVABLES (Continued)**

**Loan to related parties (companies having common parent):**

|                                                               | 2019<br>USD               | 2018<br>USD               |
|---------------------------------------------------------------|---------------------------|---------------------------|
| <b><u>Balance b/f</u></b>                                     | <b><u>5,994,514</u></b>   | <b><u>7,135,225</u></b>   |
| <b>(vi) Lodha Developers International (Netherlands) B.V.</b> |                           |                           |
| At the beginning of the year                                  | 334,712,208               | -                         |
| Loan granted during the year                                  | 302,849                   | 320,714,625               |
| Repayment during the year                                     | (10,540,000)              | -                         |
| Interest receivable                                           | 39,079,638                | 13,997,583                |
| Unrealised foreign exchange loss                              | (1,187,129)               | -                         |
| At 31 March                                                   | <b><u>362,367,565</u></b> | <b><u>334,712,208</u></b> |
| <b>Total loan receivable as at 31 March (Note 8)</b>          | <b><u>368,362,079</u></b> | <b><u>341,847,433</u></b> |

**OTHER RECEIVABLES**

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

**(i) Tropical Adventures Limited**

|                              |                 |                 |
|------------------------------|-----------------|-----------------|
| At the beginning of the year | -               | 16,110          |
| Refund of expense            | -               | (16,110)        |
| At 31 March                  | <b><u>-</u></b> | <b><u>-</u></b> |

**(ii) PCL (Mauritius) Limited**

|                                                        |                 |                      |
|--------------------------------------------------------|-----------------|----------------------|
| At the beginning of the year                           | 21,360          | 9,605                |
| Expenses paid on their behalf                          | -               | 11,755               |
| Write-off during the year                              | (21,360)        | -                    |
| At 31 March                                            | <b><u>-</u></b> | <b><u>21,360</u></b> |
| <b>Total other receivable as at 31 March (Note 10)</b> | <b><u>-</u></b> | <b><u>21,360</u></b> |

**BORROWINGS**

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

**(i) Lodha Developers Limited (Previously Lodha Developers Private Limited)**

|                              |                 |                 |
|------------------------------|-----------------|-----------------|
| At the beginning of the year | -               | 8,425,404       |
| Loan repaid during the year  | -               | (9,722,890)     |
| Interest payable             | -               | 730,189         |
| Unrealised exchange loss     | -               | 567,297         |
| At 31 March                  | <b><u>-</u></b> | <b><u>-</u></b> |
| <b><u>Balance c/f</u></b>    | <b><u>-</u></b> | <b><u>-</u></b> |

**LODHA DEVELOPERS INTERNATIONAL LIMITED**  
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**16. RELATED PARTIES TRANSACTIONS (CONTINUED)**

**BORROWINGS (CONTINUED)**

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

|                                                                                           | 2019<br>USD       | 2018<br>USD       |
|-------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b><u>Balance b/f</u></b>                                                                 | -                 | -                 |
| <b>(ii) Lodha Impression Real Estate Private Ltd</b>                                      |                   |                   |
| At the beginning of the year                                                              | -                 | 560,597           |
| Loan repaid during the year                                                               | -                 | (654,341)         |
| Interest payable                                                                          | -                 | 55,998            |
| Unrealised foreign exchange loss                                                          | -                 | 37,746            |
| At 31 March                                                                               | -                 | -                 |
| <b>(iii) Palava Dwellers Private Ltd (Presently merged with Lodha Developers Limited)</b> |                   |                   |
| At the beginning of the year                                                              | 20,900,371        | 126,647,381       |
| Loan repaid during the year                                                               | (1,625,000)       | (154,189,754)     |
| Loan received during the year                                                             | 30,287,160        | 37,023,632        |
| Interest payable                                                                          | 2,820,746         | 11,633,285        |
| Unrealised foreign exchange gain                                                          | (1,284,340)       | (214,173)         |
| At 31 March                                                                               | 51,098,937        | 20,900,371        |
| <b>(iv) Pangea Holdings Ltd</b>                                                           |                   |                   |
| At the beginning of the year                                                              | -                 | 4,108,947         |
| Loan repaid during the year                                                               | -                 | (5,010,409)       |
| Interest payable                                                                          | -                 | 347,677           |
| Unrealised foreign exchange loss                                                          | -                 | 553,785           |
| At 31 March                                                                               | -                 | -                 |
| <b>Total loan payable as at 31 March (Note 13)</b>                                        | <b>51,098,937</b> | <b>20,900,371</b> |

**17. HOLDING COMPANY**

The directors regard Lodha Developers Limited, a company incorporated in India as the holding company.

**18. BASIS OF PREPARING THE FINANCIAL STATEMENTS**

As at 31 March 2019, the Company had a shareholder's deficit of USD 8,461,354.

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.

**19. 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.

**20. EVENTS AFTER THE REPORTING DATE**

There has been no post material reporting events which would require disclosure or adjustment to the 31 March 2019 financial statements.