



**LOKHANDWALA KATARIA CONSTRUCTION PVT LTD**

306A and 306B, Ceejay House,  
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Worli, Mumbai - 400018 (India).  
Tel: +91 - 22 - 40805555 / 24926317  
E-mail : admin@lokhandwalainfrastructure.com  
Website : www.lokhandwalainfrastructure.com  
CIN NO. : U45200MH1998PTC117468

29<sup>th</sup> September, 2022

To,  
The Manager,  
Listing Department (Debt Segment),  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001

**Sub: Disclosure pursuant to Regulation 53(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Ref: ISINs – INE999H07033, INE999H07058, INE999H07074**

Dear Sir/ Madam,

Pursuant to Regulation 53(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the annual report of the Company alongwith balance sheet, profit & loss account statement, statement on impact of audit qualifications and cash flow statement for year ended on 31<sup>st</sup> March 2022.

This is for your information and record.

Thanking you,

Yours faithfully,

**For LOKHANDWALA KATARIA CONSTRUCTION PVT. LTD.**

**SONAL TEJAS KAMDAR**  
*Company Secretary*

**Encl.: As above.**



## **INDEPENDENT AUDITOR'S REPORT**

### **The Members of Lokhandwala Kataria Construction Private Limited Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the standalone financial statements of **Lokhandwala Kataria Construction Private Limited** ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required, except for the matters described in the paragraph "Basis for Opinion" give a true and fair view in conformity with the Indian Accounting Principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, its Losses for the year and its cash flows for the year ended on that date unless otherwise specifically mentioned in the Report.

#### **Disclaimer of Opinion**

*During the financial year 2020-21, the Company issued Non-convertible Debentures on private placement basis which are listed in a Stock Exchange. Notification dated 16<sup>th</sup> February 2015 issued by the Ministry of Corporate Affairs (MCA) in respect of the applicability of Companies Indian Accounting Rule, 2015. The Company need to have implemented Ind AS during the accounting year 31<sup>st</sup> March 2021. The definition of Listed Company amended vide Notification dated 19<sup>th</sup> February 2021 by the MCA and as per the said Notification the Company is not a Listed Company under the definition of Listed Company as per Section 2(52) of the Companies Act, 2013 with effect from 1<sup>st</sup> April 2021. The management has the opinion that as on the date of publishing the Financial Statement, the Company is not a listed company as per the definition of Section 2(52) of the Companies Act, 2013, which is the overriding section and hence the implementation of Ind AS is not applicable to the Company. The financial statement of the Company is prepared without considering the applicability of Ind AS. The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules and other relevant provisions of the Companies Act,*



*2013, to the extent applicable. Our report on the accounts of the Company is subject to above. We do not express any opinion on the accompanying financial statements of the company on the applicability of Ind AS.*

### **Emphasis of Matters**

*The Company is having the negative Cash flow from its operating activities during the current year and also in the preceding previous years. Due to the continues negative cash flow of the company from the operating activities, there was major delays/defaults in payment of principal and interest on borrowings, payment of statutory liabilities, payment of salaries to the employees, payment to the creditors and other dues of the Company. The management of the Company is of the opinion that no adverse impact is anticipated on future operations of the Company, due to the negative Cash flow from its operating activities during the current year and in the preceding previous years*

### **Key Audit Matters**

- i. Various legal cases are filed against the Company including applications by various Financial Creditors before the National Company Law Tribunal (NCLT). In one of the case, the NCLT has admitted the application of one of the Financial Creditor Dalmia Group Holding on 8<sup>th</sup> August 2019 and the Insolvency Resolution Professional (IRP) was appointed by the NCLT. Subsequently the company entered into the deed of settlement with Dalmia Group Holding which was filed and approved by the NCLT and the IRP was withdrawn. As per the deed of settlement the net settled amount payable by the company to Dalmia Group Holding became the liability of Lokhandwala Infrastructure Private Limited and the outstanding amount in the books of the company is transferred to Lokhandwala Infrastructure Private Limited during the Financial Year 2019-20. Further against this loan the Company has given the Security by way of entering sale agreement of 5 (five) units having 9,524 (Nine thousand five hundred twenty four) square feet carpet area which are registered as sale agreement. The units given to Dalmia Group Holding are not considered as sale in the books of the Company.*
- ii. The company availed various Term Loans from Indiabulls Housing Finance Limited (IBHFL). The supporting documents regarding the updated terms and conditions of the said Term Loans from IBHFL including the loan repayment schedule, rate of interest, penal interest, other charges etc. are not available with the company. The Term Loans from IBHFL was fully repaid by the Company during the financial year 2020-21 as per the final demand raised by the IBHFL. **In absence of adequate information, we reserve our opinion to all the disclosure and the impact in the Financial Statements of the matter related to the said Term Loans from IBHFL.***
- iii. Attention invited regarding the Non-convertible Debentures issued to Shapoorji Pallonji Development Managers Private Limited by the Company regarding the redemption premium payable by the Company. As there is no certainty/agreed amount regarding the redemption premium payable by the Company, no provisions regarding Debenture Redemption Premium is provided in the books of the Company.*



- iv. *The Company is irregular in payment of various statutory dues and filing of the statutory returns, including the payment of Tax Deduction at Sources (TDS), payment of Provident Fund (PF), Maharashtra Value Added Tax and filing of the returns. No provision has made by the company in its books of account towards interest and penalty if any, on account of the delay in filing and payment of various statutory dues. In absence of adequate information, we reserve our opinion of the impact of the same on the financial statements.*
- v. *Various cases / litigations are filed against / by the Company in various forums. In absence of adequate information, we reserve our opinion of the impact of the same on the financial statements.*
- vi. *No provision made in the Books for Debenture Redemption Premium Reserve in absence of adequate profit during the year.*
- vii. *The premium/interest on debenture accrued but not due of the debentures issued to Real Estate Credit Opportunities Funds are subject to confirmation from the Debenture Trustee / Debenture Holders.*
- viii. *No interest paid or provided by the Company regarding delay in payment made to Micro, Small and Medium Enterprises. In absence of adequate information, the same is not ascertainable.*
- ix. *The company has given advances to various parties in relation to its business. Out of the said advances an amount of Rs.11.37 Crores which is outstanding for a long period. No information is available with the company as regard to the present status of the said advance. In absence of adequate information, we reserve our opinion of the impact of the same on the financial statements.*
- x. *As per the Debentures Trust Deed (DTD) executed between the Company and Real Estate Credit Opportunities Funds, no interest is due till 30th September 2022 and the Company shall pay the interest on the said NCD starting from 1st October 2022 on monthly basis. The first interest is due and payable by the Company is on 31st October 2022. The Redemption Premium is payable on the final maturities of the NCD, i.e. on 26/10/2026. In the event, the Company redeemed the NCD before the maturity date, the Company need to pay the Interest being equal to 16.07% IRR per annum from the Deemed Date of Allotment to that Redemption Date. For the FY 2020-21, the company erroneously debited Rs.67.76 Crores to the Construction Work in Progress Accounts as interest payable on NCD, instead to the Profit and Loss Accounts as Redemption Premium / Interest on NCD. The same was rectified during the current year and reversed from the Construction Work in Progress Accounts. The Redemption Premium / Interest payable on the NCD till 31st March 2022, which is being equal to 16.07% IRR per annum and works out to be Rs. 258.48 Crores was debited to the Profit and Loss Account during the FY 2021-22.*
- xi. *Rs.9.16 Crores appearing in the Traces site as amount payable for default in TDS. The Company has not filled any appeal against TDS demand and also no amount provided in the books of the Company.*
- xii. *The amount appears in the Financial Statements are subject to confirmation from the respective parties.*



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

### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises of the Director's Report, Management Discussion and Analysis Report and Corporate Governance Report. These reports are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the standalone financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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



Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### **Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements to the extent the Company is having the information about the same, *except as mentioned in this report* to the standalone financial statements;
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



**For Hare K. Panda & Co.**  
**Chartered Accountants**  
**Firm Registration No. 143768W**

HARE KRUSHNA PANDA  
PANDA

Digitally signed by HARE  
KRUSHNA PANDA  
Date: 2022.05.30 16:49:21  
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**H. K. Panda**  
**Proprietor**  
**Membership No. 105641**  
**UDIN: 22105641AJVXJT5882**  
**Mumbai, 30<sup>th</sup> May 2022**

# Lokhandwala Kataria Construction Private Limited

## “Annexure A” to the Independent Auditors’ Report – 31 March 2022

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of the Independent Auditor’s Report of even date to the members of Lokhandwala Kataria Construction Private Limited on the stand alone financial statements as at and for the year ended 31 March 2022)

(i)	<p>Maintaining records of Property, Plant, Equipment and intangible assets</p> <p>(a) (A) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;</p> <p>(B) whether the company is maintaining proper records showing full particulars of intangible assets;</p>	<p>The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.</p> <p>The Company do not have any intangible assets except of certain Computer Software for which the company maintained the particulars.</p>
	(b) whether these Property, Plant and Equipment have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account	The Property, Plant and Equipment were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment at reasonable intervals. According to information and explanations given to us, no material discrepancies were noticed on such verification
	(c) whether the title deeds of all the immovable properties. (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.	The Company do not own any immovable property.
	(d) whether the Company has revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered Valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets;	<p>No revaluation was done by the company during the previous year.</p> <p>The Company owns certain fixed assets such as Motor Car, Furniture &amp; Fixture, Computer, Computer Software etc., which only ancillary to the business of the company. The value of these assets are not material to the size of the company.</p>



	(e) whether any proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder; if so, whether the Company has appropriately disclosed the details in its financial statements;	As per the information given by the Management, no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder
(ii)	Physical verification of inventories  (a) whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account;	In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification
	(b) whether during any point of time of the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets; whether the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company. If not, give details.	The Company has not been sanctioned working capital limits in excess of Rs. 5 Crores, in aggregate, from banks or financial institutions on the basis of security of current assets.
(iii)	Repayment of investments, guarantee, security and loans granted by the Company  Whether during the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. If so,	During the financial year 2021-22, the company has not made investments in, not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties.



	<p>(a) whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity, if so, indicate-</p> <p>A. the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates.</p> <p>B. the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates.</p>	<p>Nil during the year.</p> <p>Loan or advances in the nature of loan given to associates companies in the earlier years and outstanding at the end of the year is Rs.127.16 Crores.</p> <p>Corporate Guarantee given in the earlier years on behalf of associates company Rs.72.54 Crores and applicable interest thereon.</p> <p>Nil</p>
	<p>(b) whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;</p>	<p>In absence of inadequate information regarding repayment schedule of the loans and advances, the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided, we are unable to comment whether they are prejudicial to the company's interest or not.</p>
	<p>(c) in respect of loans and advances in the nature of loans whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;</p>	<p>The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.</p>
	<p>(d) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;</p>	<p>There is no overdue amount remaining outstanding as at the balance sheet date.</p>
	<p>(e) whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties; If so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the</p>	<p>No such cases.</p>



	total loans or advances in the nature of loans granted during the year.	
	(f) whether the Company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment; if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.	Total Loan Rs.127.16 Crores to the associates company, which is 100% of the loan granted by the Company.
(iv)	<p>Compliance of Section 185 &amp; 186</p> <p>In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.</p>	In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities. Further the provisions of Section 186 of the Act is not applicable to the Company, as it is engaged in the Real Estate Development (infrastructure activities).
(v)	<p>Acceptance of deposits</p> <p>in respect of deposits accepted by the Company or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?</p>	No such cases.
(vi)	<p>Cost records</p> <p>whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act and whether such accounts</p>	The maintenance of cost records has been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and rules framed there under. However at present the Company does not fall under the criteria of which such records are required to



	and records have been so made and maintained	be maintained. Hence the said rules are not applicable to the Company.
(vii)	<p>Statutory dues</p> <p>(a) whether the company is regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;</p>	<p>The company is not regular depositing with the appropriate authorities of the undisputed statutory dues. There have been significant delays in deposit of the undisputed statutory dues in respect of Tax deducted at Source, Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax (GST), Cess and other material statutory dues applicable to it to the appropriate authorities.</p> <p>The undisputed amount payable in respect of statutory dues in the books of the Company, which are outstanding as on the end of the financial year for a period more than six months from the date they became payable are as under:</p> <ol style="list-style-type: none"> <li>Property Tax – 2.29 Crores</li> <li>GST / Service Tax Payable – 0.09 Crores</li> </ol> <p>As there have been significant delays in deposit of the undisputed statutory dues in respect of Tax deducted at Source, Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax (GST), Cess and other material statutory dues applicable to it to the appropriate authorities, the Company may liable to pay the interest, penalty etc. No amount is provided in the books of the company of the interest, penalty etc. that may payable if any due to the delay in payments. <b><i>In absence of adequate information, we are unable to quantify the same.</i></b></p>
	<p>(b) Whether statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).</p>	<p>Income Tax, AY 2019-20, CIT (A) - Rs. 1.14 Crores</p> <p>Income Tax, AY 2018-19, CIT (A) - Rs. 0.91 Crores</p> <p>Sales Tax, FY 2017-18, JCST (A) - Rs. 8.10 Crores</p> <p>Apart from above, Rs.9.16 Crores appearing in the Traces site as amount payable for default in</p>



		TDS. The Company has not filled any appeal against TDS demand and also no amount provided in the books of the Company.
(viii)	<p>Disclosure of transactions not recorded in the books:</p> <p>Whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961; if so, whether the previously unrecorded income has been properly recorded in the books of account during the year?</p>	No such cases.
(ix)	<p>Default in repayment of loans or other borrowings</p> <p>(a) whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender? If yes, the period and the amount of default to be reported as per the format below:</p>	The Company has defaulted in payment with respect to loan from financial institutions, ECL Finance Ltd. for the entire financial year and also the previous years (the monthly EMI of the said loan is Rs30,03,088). The Company has entered a One Time Settlement with ECL Finance Ltd. during the financial year. The Company has paid the entire settlement amount during the financial year and loan from ECL Finance Ltd. is being closed.
	(b) Whether the company is a declared wilful defaulter by any bank or financial institution or other lender?	No such cases in our knowledge
	(c) Whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported	The Company is not availed any term loan during the year.
	(d) whether funds raised on short term basis have been utilised for long term purposes? If yes, the nature and amount to be indicated	No Such Cases
	(e) whether the Company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures? If so, details thereof with	No such Cases



	nature of such transactions and the amount in each case	
	(f) whether the Company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies? If so, give details thereof and also report if the company has defaulted in repayment of such loans raised.	No such Cases
(x)	Moneys raised by IPO, FPO & preferential allotment/ private placement of shares or convertible debentures  (a) whether moneys raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	The Company issued Non-Convertible Debentures (NCD) through private placement during the financial year 2020-21. No NCD issued by the Company during the FY 2021-22. The proceeds from the issue of NCD during the FY 2020-21 were utilized by the Company towards its project Minerva only after duly approved by the NCD representatives.
	(b) whether the Company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised. If not, provide details in respect of amount involved and nature of non-compliance	The Company issued NCD through private placement during the financial year 2020-21. No NCD issued by the Company during the FY 2021-22. The requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with and the proceeds from the issue of NCD during the FY 2020-21 were utilized by the Company towards its project Minerva only after duly approved by the NCD representatives.
(xi)	Fraud reporting  (a) whether any fraud by the company or any fraud on the Company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.



	(b) whether any report under sub-Section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government?	No
	(c) whether the auditor has considered whistle-blower complaints, if any, received during the year by the Company?	The Company do not have any system of whistle-blower complain, hence no comments
(xii)	Compliances by Nidhi Company	
	(a) whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability	The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable
	(b) whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	NA
	(c) whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof	NA
(xiii)	Compliance with section 177 and 188 whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in financial statements etc. as required by applicable accounting standard.
(xiv)	Internal audit system	
	(a) whether the company has an internal audit system commensurate with the size and nature of its business?	The Company has an internal audit commensurate with the size of its business. However the internal audit may be conducted in quarterly or monthly interval instead at the end of the year.
	(b) Whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor?	The reports of the Internal Auditors for the period under audit were considered for the purpose of Audit
(xv)	Non-cash transactions with directors	



	whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act have been complied with;	In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable
(xvi)	Registration with Reserve Bank of India  (a) whether the company is required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.
	(b) whether the Company has conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934	No such cases noticed.
	(c) whether the Company is a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India? If so, whether it continues to fulfil the criteria of a CIC and In case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria	No
	(d) Whether the Group has more than one CIC as part of the Group, If yes, indicate the number of CICs which are part of the Group.	No
(xvii)	Cash losses  Whether the Company has incurred cash losses in the Financial Year and in the immediately preceding Financial year? If so, state the amount of cash losses.	Yes. The Company continuously incurring the cash losses in the preceding years and also during financial year. During the financial year 2021-22, the Company incurred the Cash Loss of Rs.392.95 Crores (Net loss in P&L A/c Add Depreciation during the year)
(xviii)	Resignation of the statutory auditors whether there has been any resignation of the statutory auditors during the year? If so,	



	whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors?	No. NA.
(xix)	Capability of company of meeting its liabilities existing at the date of balance sheet, on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.	The Company continuously incurring the cash losses in the preceding years and also during financial year. In view of the continuously cash losses incurred by the Company and looking to the past defaults made by the Company of its payments, we reserve our opinion whether the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
(xx)	Transfer of amount remaining unspent under sub-section (5) of section 135 to Fund specified in Schedule VII (a) whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.	No such cases
	(b) whether any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of subsection (6) of section 135 of the said Act;	No such cases
(xxi)	Reasons to be stated for unfavourable or qualified answers whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements? If yes, indicate the details of the companies and the paragraph	Not Applicable



	numbers of the CARO report containing the qualifications or adverse remarks	
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**For Hare K. Panda & Co.**  
**Chartered Accountants**  
**Firm Registration No: 143768W**

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**H. K. Panda**  
**Proprietor**  
**Membership No. 105641**  
**UDIN: 22105641AJVXJT5882**  
**Mumbai, 30<sup>th</sup> May 2022**

**Lokhandwala Kataria Construction Private Limited**

**“Annexure – B” to the Independent Auditors’ Report – 31 March 2022**

(Referred to in our report of even date)

**Report on the Internal Financial Controls under Section 143(3)(i) of the Act**

We were engaged to audit the internal financial controls over financial reporting of Lokhandwala Kataria Construction Private Limited (“the Company”) as at 31 March 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing to the extent applicable to an audit of internal financial controls, both issued by the ICAI.

*Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.*

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

**Meaning of Internal Financial Controls over Financial Reporting (continued)**

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Disclaimer of Opinion**

*According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31 March 2022.*

*We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.*



**For Hare K. Panda & Co.**  
**Chartered Accountants**  
**Firm Registration No: 143768W**

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**H. K. Panda**  
**Proprietor**  
**Membership No. 105641**  
**UDIN: 22105641AJVXJT5882**  
**Mumbai, 30<sup>th</sup> May 2022**

# Lokhandwala Kataria Construction Private Limited

## Balance Sheet as at 31 March 2022

(Currency: Indian Rupees in Lakhs)

	Note	31 March 2022	31 March 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share capital	3.1	2,521.31	2,521.31
Reserves and surplus	3.2	(47,205.45)	(7,886.43)
		(44,684.13)	(5,365.11)
<b>Non-current liabilities</b>			
Long-term borrowings	3.3	1,43,209.06	1,28,080.88
Long-term provision	3.4	165.67	135.57
		1,43,374.73	1,28,216.45
<b>Current liabilities</b>			
Short-term borrowings	3.5	207.47	134.28
Trade payables	3.6		
- Due to other than micro and small enterprises & Retention		8,415.05	5,565.79
Other current liabilities	3.7	37,019.35	30,039.31
Short-term provision	3.8	28.31	20.80
		45,670.18	35,760.18
<b>TOTAL</b>		<b>1,44,360.78</b>	<b>1,58,611.52</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
(i) Tangible assets	3.9	97.07	94.94
(ii) Intangible assets	3.9	7.19	0.97
		104.26	95.91
Deferred tax assets, net	3.25		
Long-term loans and advances	3.10	306.63	231.27
Investment in Shares	3.11	4,579.44	4,579.44
<b>Current assets</b>			
Inventories	3.12	1,16,038.83	1,16,381.20
Trade receivables	3.13	2,963.05	7,160.22
Cash and bank balances	3.14	644.61	8,946.56
Short-term loans and advances	3.15	16,690.04	18,257.12
Other current assets	3.16	3,033.92	2,959.80
		1,39,370.45	1,53,704.91
<b>TOTAL</b>		<b>1,44,360.78</b>	<b>1,58,611.52</b>

### Notes to the financial statements

3.1 to 3.54

The notes referred to above form an integral part of of the financial statement.

As per our report of even date attached.

For Hare K Panda & Co.  
Chartered Accountants  
Firm's Registration No: 143768W

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H. K. Panda  
Proprietor  
Membership No: 105641  
UDIN: 22105641AJVXJT5882

For and on behalf of the Board of Directors of  
Lokhandwala Kataria Construction Private Limited  
CIN: U45200MH1998PTC117468

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M.A. Lokhandwala  
Director  
DIN: 00219108

A.M. Lokhandwala  
Director  
DIN: 00219135

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Sonal Kamdar  
Company Secretary  
Membership no: A26519  
Mumbai  
Date: 30th May 2022



# Lokhandwala Kataria Construction Private Limited

## Statement of Profit and Loss

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

	Note	31 March 2022	31 March 2021
<b>Income</b>			
Revenue from operations	3.17	1,436.19	25,273.16
Other income	3.18	365.99	236.84
		<u>1,802.18</u>	<u>25,510.00</u>
<b>Expenses</b>			
Cost of materials consumed	3.19	14,115.87	27,685.56
Employee benefits expense	3.20	231.02	123.96
Finance costs / Redemption Premium / Interest on NCD	3.21	25,848.00	-
Depreciation and amortisation	3.22	24.01	35.14
Other expenses	3.23	902.30	410.05
		<u>41,121.20</u>	<u>28,254.72</u>
<b>Profit / (loss) before tax</b>		<b>(39,319.02)</b>	<b>(2,744.72)</b>
Tax expenses			
- Current tax		-	-
- Deferred tax		-	-
		<u>-</u>	<u>-</u>
<b>Profit / (loss) after tax</b>		<b>(39,319.02)</b>	<b>(2,744.72)</b>
Basic and diluted earnings per share (Rs)	3.23	<u>(1,440.77)</u>	<u>(1,074.91)</u>
(Face value of Rs 10 each)			

### Significant accounting policies

### Notes to the financial statements

2

3.1 to 3.54

The notes referred to above form an integral part of the financial statement.

As per our report of even date attached.

For **Hare K Panda & Co.**

Chartered Accountants

Firm's Registration No: 143768W

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**H. K. Panda**

Proprietor

Membership No: 105641

UDIN: 22105641AJVXJT5882



For and on behalf of the Board of Directors of

**Lokhandwala Kataria Construction Private Limited**

CIN: U45200MH1998PTC117468

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**M.A. Lokhandwala**

Director

DIN: 00219108

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**A.M. Lokhandwala**

Director

DIN: 00219135

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**Sonal Kamdar**

Company Secretary

Membership no: A26519

Mumbai

Date: 30th May 2022

Mumbai

Date: 30th May 2022

# Lokhandwala Kataria Construction Private Limited

## Cash flow statement

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

	31 March 2022	31 March 2021
<b>Cash flow from operating activities :</b>		
<b>Net (loss) before tax</b>	<b>(39,319.02)</b>	<b>(2,744.72)</b>
<i>Adjusted for :</i>		
Depreciation	24.01	35.14
Depreciation adjustment due to change in accounting policy (refer note 10)		
Interest expenses	25,848.00	-
Loss/(Profit) on sale of fixed asset	(172.93)	(150.78)
Interest income on intercorporate deposit	(52.38)	(61.89)
Interest income from fixed deposit	25,647.00	(178.00)
<b>Operating (loss) before working capital changes</b>	<b>(13,672.02)</b>	<b>(2,922.72)</b>
<b>Changes in working capital</b>		
(Increase) in inventories	(6,114.08)	15,584.64
Decrease in loans and advances	1,567.08	(595.12)
Increase / (decrease) in trade payables	2,849.26	(2,089.21)
(Increase) / decrease in trade receivables	4,197.17	(3,548.08)
Increase in other current liabilities	8,298.52	(25,547.41)
Increase in provisions	37.61	4.38
	<b>10,835.56</b>	<b>(16,190.81)</b>
<b>Cash (used in) / generated from operations</b>	<b>(2,836.46)</b>	<b>(19,113.53)</b>
Income tax (paid )	(75.37)	246.73
<b>Net cash (used in)/ generated from operating activities</b>	<b>(2,911.83)</b>	<b>(18,866.80)</b>
<b>Cash flow from investing activities :</b>		
Purchase of fixed assets	(32.36)	(9.34)
Proceeds from sale of fixed assets		-
Purchase of Shares		-
Interest income	151.19	24.70
<b>Net cash generated from investing activities</b>	<b>119.00</b>	<b>15.00</b>
<b>Cash flow from financing activities :</b>		
Proceeds from borrowings	14,560.44	45,539.47
Repayment of borrowings	-	(3,744.36)
Interest paid	(20,069.56)	(14,213.73)
<b>Net cash generated from financing activities</b>	<b>(5,509.13)</b>	<b>27,581.38</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(8,301.95)</b>	<b>8,729.57</b>
Cash and cash equivalents at the beginning of the year	8,946.56	216.98
<b>Cash and cash equivalents at the end of the year (see below)</b>	<b>644.61</b>	<b>8,946.56</b>



# Lokhandwala Kataria Construction Private Limited

## Cash flow statement (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### Notes :

- The Cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 ('AS 3') on Cash Flow Statement prescribed in Companies (Accounting Standard) Rules, 2006.
- Components of cash and cash equivalents

Cash in hand	23.39	8.78
With scheduled banks		
- in current account	471.30	1,312.87
- Fixed deposits (deposits having original maturity of less than 3 months)	60.00	7,535.00
Other bank balances	89.92	89.92
- Fixed deposits with maturity less than 12 months		
	<b>644.61</b>	<b>8,946.56</b>

As per our report of even date attached.

For Hare K Panda & Co.

Chartered Accountants

Firm's Registration No: 143768W

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H. K. Panda

Proprietor

Membership No: 105641

UDIN: 22105641AJVXJT5882

Mumbai

Date: 30th May 2022

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M.A. Lokhandwala

Director

DIN: 00219108

A.M. Lokhandwala

Director

DIN: 00219135

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Sonal Kamdar

Company Secretary

Membership no: A26519

Mumbai

Date: 30th May 2022

# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees)

### 1 Background

Lokhandwala Kataria Construction Private Limited ('the Company') was incorporated on 15 December 1998 under the Companies Act 1956. The address of the company's registered office is 72 Gandhi Nagar, Dainik Sivner Marg, Worli, Mumbai. The company is engaged in the business of real estate development and construction. The Company is currently developing and constructing "*Minerva*", a project sanctioned under Slum rehabilitation scheme.

### 2 Summary of significant accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013 ('the Act') read with rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013, to the extent applicable. The financial statements are presented in Indian rupees.

#### 2.2 Going Concern

As at 31 March 2022, the Company's paid up capital was Rs 2,521.31 lakhs and correspondingly, the Company's accumulated losses aggregated to Rs.51,913.60 lakhs Revenue recognition is recognized for the first time in Financial Year 2017-18 compliance with the 'Guidance Note on Accounting for Real Estate Transactions (Revised 2012)' issued by the Institute of Chartered Accountants of India. Based on the support letters received from the directors and business plan adopted by the Board of Directors, the Company's management believes that the Company will continue to operate as a going concern and meet all its liabilities as they fall due for payment and consequently will be in a position to continue in operation for the foreseeable future, to realise its assets and to discharge its liabilities in the normal course of business.

Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities.

#### 2.3 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Management believes that the assumptions used in these estimates are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees)

## 2 Summary of significant accounting policies (*Continued*)

### 2.4 Current / Non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either Current or Non-current.

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within eighty two months after the balance sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least eighty two months after the balance sheet date.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

#### *Operating Cycle:*

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

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 148 months. The expected time for completion at the inception of the project was 82 months which was revised to 106 months and then revised to 148 months and the current expected completion of the project is December 2022.



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees)

## 2 Significant accounting policies (*Continued*)

### 2.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income from real estate sales is recognized on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However if, at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognized on proportionate basis as the acts are performed, i.e. on the percentage of completion basis.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project/activity and the foreseeable losses to completion. The estimates of cost are periodically reviewed by the Management and the effect of changes in estimates is recognised in the period such changes are recognised. When the total project cost is estimated to exceed total revenues from the project, the loss is recognised immediately.

Interest income is recognised on time proportion basis.

### 2.6 Employee benefits

#### (a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period.

#### (b) Long term employee benefits

##### (i) Defined contribution plans:

The Company's approved provident scheme is a defined contribution plan. The Company's contribution paid / payable under the schemes is recognised as expense in the statement of profit and loss during the year in which the employee renders the related service. The Company makes specified monthly contributions towards employee provident fund. The interest rate payable is being notified by the Government. There are no other obligations other than the contribution payable to the respective fund.



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees)

## 2 Significant accounting policies (*Continued*)

### 2.6 Employee benefits (*Continued*)

#### (b) Long term employee benefits (*Continued*)

##### (ii) Defined benefit plans:

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

#### (c) Other long term employee benefits

The Company's net obligation in respect of long-term employment benefits, other than gratuity, is the amount of future benefit towards leave that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rates used for determining the present value of the obligation under other long term employee benefits, are based on the market yields on Government securities as at the balance sheet date.



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees)

## 2 Significant accounting policies (*Continued*)

### 2.7 Fixed assets and depreciation

Tangible fixed assets:

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises of purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use.

Depreciation on fixed assets has been provided using the straight line method in the manner and at the rates prescribed by Schedule II of the Act. Depreciation on addition/deletion of fixed asset made during the year is provided on pro-rata basis from / up to the date of each addition / deletion. The useful lives used are those specified in Schedule II of the Act as under

Assets	Life in no.of years
Office equipment's	5 Years
Computers (including servers)	3 Years to 6 Years
Vehicles	8 Years
Furniture and fixtures	10 Years

During the previous year, the Company had revised the method of depreciation from the Written down value (WDV) method to Straight line method (SLM) with effect from 1 April 2014. The retrospective impact on depreciation due to the change in method aggregating Rs 51.40 lakhs (reversal) was been credited to the Statement of profit and loss in that year.

Pursuant to the Companies Act, 2013 being effective from 1 April 2014, the Company had aligned the useful life of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act.

Intangible fixed assets:

Intangible fixed assets represent software license purchased by the company and are amortized over an expected benefit period of five years using straight line method.

### 2.8 Inventories and project work in progress

Direct expenses like site labour cost, material used for project construction, project management consultancy, costs for moving the plant and machinery to the site and general expenses incurred specifically for the respective project like insurance, design and technical assistance and construction overheads are taken as the cost of construction work-in-progress.

Inventories are valued as lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees)

### 2. Significant accounting policies (*Continued*)

#### 2.9 Foreign currency transactions

Foreign exchange transactions are recorded at the spot rates on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the statement of profit and loss.

#### 2.10 Taxation

Income tax expense comprises current income tax (i.e. amount of tax for the period determined in accordance with the income tax law), fringe benefits tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised. No deferred tax assets are created for the current financial year and immediate previous financial year.

#### 2.11 Earnings per share (EPS)

The Basic EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

#### 2.12 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees)

### 2. Significant accounting policies (*Continued*)

#### 2.13 *Borrowing costs*

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed beyond reasonable time due to other than temporary interruption. All other borrowing costs are charged to the statement of profit and loss as incurred

#### 2.14 *Redemption Premium/Interest on Non-Convertible Debentures (NCD)*

Interest/Redemption Premium on the NCD is calculated being equal to 16.07% (sixteen point zero seven per cent) per annum from the Deemed Date of Allotment to that Redemption Date as calculated using the Excel Spreadsheet "XIRR" function and taking into account the principal amount and the amount of Coupon Payments, in each case, already paid in respect of that Debenture on or prior to that redemption date. The said amount is debited to the Profit and Loss Accounts. Further while considering the expected cost for completion of the Project "Minerva", the Interest/Redemption Premium on the NCD is not considered.

#### 2.15 *Operating lease*

Lease rentals in respect of assets acquired on operating leases are recognised in the statement of profit and loss on straight line basis over the lease term.

#### 2.16 *Provisions and contingent liabilities*

The Company creates a provision where there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 3.1 Share capital

#### Authorised capital

	31 March 2022	31 March 2021
150,000 (2015: 150,000) Equity shares (Class A) of Rs 10 each	15.00	15.00
100,000 (2015: 100,000) Equity shares (Class B) of Rs 10 each	10.00	10.00
750,000 (2015: 750,000) Equity shares (Class C) of Rs 10 each	75.00	75.00
25,250,000 (2015: 25,250,000) Preference shares of Rs 10 each	2,525.00	2,525.00

**2,625.00 2,625.00**

#### Issued, subscribed and fully paid-up

143,137 (2015: 143,137) Equity shares (Class A) of Rs 10 each, fully paid up	14.31	14.31
10,000 (2015: 10,000) Equity shares (Class B) of Rs 10 each, fully paid up	1.00	1.00
25,060,000 (2015: 25,060,000) 12% Optionally convertible cumulative redeemable preference shares of Rs 10 each, fully paid up.	2,506.00	2,506.00

**2,521.31 2,521.31**

#### A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

	31 March 2022		31 March 2021	
Equity shares	Number	Value	Number	Value
Shares outstanding at the beginning and end of the year -Class A	1.43	14.31	1.43	14.31
Shares outstanding at the beginning and end of the year -Class B	0.10	1.00	0.10	1.00

	31 March 2022		31 March 2021	
12% Optionally convertible cumulative redeemable preference shares Rs 10/-	Number	Value	Number	Value
Shares outstanding at the beginning and end of the year	250.60	2,506.00	250.60	2,506.00

#### B Terms / rights attached to shares

##### Equity shares

The Company has only three class of equity shares having a par value of Rs 10 per share. Class "A" shareholders have voting rights, Class "B" Shareholders have profit sharing rights and class "C" shares have been authorized but have not yet been issued. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of the Interim dividend.

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

25,060,000 optionally convertible cumulative preference shares of Rs 10 each.

The Company has one class of preference shares having a par value of Rs 10 per share. The preference shares do not carry any voting rights, even if dividend has remained unpaid for any year or dividend has not been declared by the Company for any year. Preference shares shall, subject to availability of profits during any financial year, be entitled to nominal dividend of 12% per year.

In the event of liquidation of the Company before conversion of the preference shares, the holders of convertible preference shares will have priority over equity shares in the payment of dividend and repayment of capital.



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 3.1 Share capital (Continued)

C Details of shareholder holding more than 5% shares as at 31 March 2022 is as set out below.

Name of shareholder	31 March 2022		31 March 2021	
<b>Class A</b>				
Moiz Lokhandwala (Deceased)	29,675	20.73%	29,675	20.73%
Mr. Aliasgar Lokhandwala	29,675	20.73%	29,675	20.73%
Mr. Mohammed A Lokhandwala	13,650	9.54%	13,650	9.54%
Lokhandwala Infrastructure Pvt Ltd	70,137	49.00%	70,137	49.00%
<b>Class B</b>				
Mr. Mohammed A Lokhandwala	2,000	20.00%	2,000	20.00%
Moiz Lokhandwala (Deceased)	4,000	40.00%	4,000	40.00%
Mr. Aliasgar Lokhandwala	4,000	40.00%	4,000	40.00%
<b>Preference shares</b>				
Lokhandwala Infrastructure Pvt Ltd	250.60	100.00%	250.60	100.00%

The 12% Optionally convertible cumulative redeemable preference shares carry an option to convert all or any of the preference shares at any time prior to redemption into 'Class C' equity shares in the ratio of 1:1 at the option of the shareholders.

#### Disclosure of Shareholding of Promoters

Promoter Name	Shares Held by promoters at the end of the year		% Change during the year
	No. of Shares	% of Total shares	
<b>Class A</b>			
Moiz Lokhandwala (Deceased)	29,675	20.73%	NIL
Mr. Aliasgar Lokhandwala	29,675	20.73%	NIL
Mr. Mohammed A Lokhandwala	13,650	9.54%	NIL
Lokhandwala Infrastructure Pvt Ltd	70,137	49.00%	NIL
<b>TOTAL</b>	1,43,137	100.00%	NIL
<b>Class B</b>			
Mr. Mohammed A Lokhandwala	2,000	20.00%	NIL
Moiz Lokhandwala (Deceased)	4,000	40.00%	NIL
Mr. Aliasgar Lokhandwala	4,000	40.00%	NIL
<b>TOTAL</b>	10,000	100.00%	NIL

Note: One of the promotor Late Moiz Lokhandwala expired on 27.09.2021. As no transfer forms received from legal heir, the shares are still in the name of Late Moiz Lokhandwala

### 3.2 Reserves and surplus

	31 March 2022	31 March 2021
Securities premium reserve at the commencement and end of the year	4,705.72	4,705.72
General reserves at the commencement and end of the year	2.44	2.44
<b>(Deficit) as per statement of profit and loss</b>		
At the commencement of the year	(12,594.58)	(9,849.86)
Add: Profit / (loss) for the year	(39,319.02)	(2,744.72)
	(51,913.60)	(12,594.58)
<b>Total reserves and surplus</b>	<b>(47,205.45)</b>	<b>(7,886.43)</b>

### 3.3 Long-term borrowings

	31 March 2022	31 March 2021
<b>Secured loans</b>		
<b>From Debentures</b>		
- Non convertible debentures from Shapoorji Pallonji Development Managers Pvt Ltd.	10,438.00	10,438.00
- Non convertible debentures from Real Estate Credit Opportunities Fund III - Listed	19,900.00	19,900.00
- Non convertible debentures from Real Estate Credit Opportunities Fund III - Unlisted	90,300.00	90,300.00
Redemption Premium and/or Interest on NCD	22,571.06	6,776.08
<b>From others</b>		
Term loan from ECL Finance Limited	-	666.80
	<b>1,43,209.06</b>	<b>1,28,080.88</b>



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (Continued) as at 31 March 2022

<p>(a) the Project Land together with all rights, interest, benefits, claims and demands whatsoever of the Company in relation to the Project Land including all development rights of the Company in relation to the Project Land under the Development Agreement or otherwise;</p> <p>(b) the Unsold Units together with all rights, title, interest, benefits, claims and demands whatsoever of the Company in the Unsold Units and all development rights of the Company pertaining to the Unsold Units;</p> <p>(c) all Sold Units in relation to which the sale agreements are cancelled, revoked or terminated together with all rights, title, interest, benefits, claims and demands whatsoever of the Company in such units including development rights of the Company pertaining to such units;</p> <p>(d) all rights, title, interest, benefits, claims and demands whatsoever of the Company in, to, under and in respect of the Project Accounts;</p> <p>(e) all rights, title, interest, benefits, claims and demands whatsoever of the Company in, to, under and in respect of the Receivables together with all present and future, operating cash flows, receivables, moneys, securities, instruments, investments and other properties deposited in, credited to or required to be credited or required to be deposited or lying to the credit of the Project Accounts or liable to be credited to the Project Accounts (subject to the provisions of RERA);</p> <p>(f) all present and future moveable and current assets of the Company in relation to the Project and all other buildings, erections, constructions, furniture, fixtures and fittings of every description in relation to the Project on the Project Land and all rights, title, interest, benefits, claims and demands whatsoever of the Company in, to, under and in respect of such assets;</p> <p>(g) all Insurance Policies and Insurance Proceeds in relation to the Project; and</p> <p>(h) all permitted investments in accordance with and pursuant to the terms of the escrow agreement including all investment income and investment proceeds.</p> <p>(i) Pledging of entire Equity i.e Class A and Class B shares of Lokhandwala Kataria Construction Pvt. Ltd. held by Lokhandwala Infrastructure Private Limited., Mr. Mohammed A Lokhandwala, Mr. Moiz M Lokhandwala and Mr. Aliasgar Lokhandwala.</p> <p>(j) Post-dated Cheques issued by the Company in respect of Coupon, Redemption Premiums and Principal Redemption amount of the Debentures.</p>	<p>The redemption dates of the Debentures are as under:</p> <p>i. 25% (Twenty Five Percent) – 26<sup>th</sup> October 2023</p> <p>ii. 25% (Twenty Five Percent) – 26<sup>th</sup> October 2024</p> <p>iii. 25% (Twenty Five Percent) – 26<sup>th</sup> October 2025</p> <p>iv. 25% (Twenty Five Percent) – 26<sup>th</sup> October 2026</p>
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# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (Continued) as at 31 March 2022

<u>Details of Security on Loans and Debentures:</u>	<u>Terms and condition for repayment:</u>
<p><b>A. Term Loan - ECL Finance Limited:</b> Loan from ECL Finance Limited has been secured against Duplex Flat No.2901/2902 &amp; 3001/3002 in Zahra tower Co-operative housing society limited, in Worli which are owned by one of the Director of the company.</p>	<p>Loan carries interest rate @ 18% per annum (variable) and is repayable in 120 equal instalments of Rs 3,003,688 from March, 2015 at monthly instalments.</p> <p>The entire loan of ECL Finance Limited are settled and closed through One Time Settlement (OTS) during the FY 2021-22</p>
<p><b>B. Non-Convertible Debentures issued to Shapoorji Pallonji Development Managers Private Limited</b> As per the supplementary deed of the Debenture Trust Deed, the Debenture issued to SHAPOORJI PALLONJI DEVELOPMENT MANAGERS PRIVATE LIMITED is secured by way of 15 (Fifteen) (Previous Year 12) identified units admeasuring in aggregate to 27,483 (Previous Year 21,192) square feet Carpet Area (collectively referred to as the "Units") forming part of the residential project known as "Minerva" (the "Project") constructed / being constructed on all that piece and parcel of land bearing C.S No.1(pt.) and 2(pt) of Lower Patel Division situated at J.R Boricha Marg, Mahalaxmi, Mumbai, admeasuring around 28,328.79 square meters or there about. As the tenure of the debenture may exceeds more than one year as per the option of the Management, the same is considered as Long term borrowings in the financial statements. In the event the debenture is paid/payable within the period of one year the same may be considered as under the head Other Current liabilities.</p>	<p>The redemption premium payable on the redemption of the Debentures is not ascertainable as the same is based on the future sale price of the units mortgaged to the Debenture Holder. However the aggregate redemption premium shall not exceeds 16% (sixteen percent) Internal Rate of Return in any event. Therefore no provision for Redemption Premium is provided in the Books of Account for the year.</p> <p>The final redemption date is before 30<sup>th</sup> September 2024 or such extended period after 30<sup>th</sup> September as may be determined by the Debenture Holders which in any event shall not exceed an additional period of 1 (one) years thereof.</p>
<p><b>C. Non-Convertible Debentures issued to Real Estate Credit Opportunities Fund – III</b> The Non-Convertible Debentures issued to Real Estate Credit Opportunities Fund – III both listed and un-listed has been secured against "All that pieces or parcels of land/properties as under together with all the present and/or future structure, buildings, furniture, fixtures, fittings, standing and/or plant and machinery installed and /or constructed/to be constructed thereon and all the present and future rights, title and/or interests of M/S Lokhandwala Kataria Constructions Pvt. Ltd. therein: C.S. No. 1(pt) &amp; 2(pt) of Lower Parel Division situated at J.R. Boricha Marg, Mahalaxmi, Mumbai, admeasuring around 28328.79 square meters owned by Municipal Corporation of Greater Mumbai and also and the Corporate Guarantee of Lokhandwala Infrastructure Private Limited, and Personal Guarantee of Mr. Mohammed A Lokhandwala, Mr. Moiz M. Lokhandwala and Mr. Aliasgar Lokhandwala. The Security further more described as under:</p>	<p>Both the listed and un-listed secured Non-convertible Debentures carries internal rate of return on the nominal value of the Debentures being equal to 16.07% (sixteen point zero seven per cent) per annum from the Deemed Date of Allotment to that Redemption Date as calculated using the Excel Spreadsheet "XIRR" function and taking into account the principal amount and the amount of Coupon Payments, in each case, already paid in respect of that Debenture on or prior to that redemption date.</p>



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 3.4 Long-term provisions

#### Provision for employee benefits:

- Gratuity (refer note 3.25)
- Compensated absences (refer note 3.25)

31 March 2022	31 March 2021
107.75	87.17
57.92	48.40
<b>165.67</b>	<b>135.57</b>

### 3.5 Short-term borrowings

#### Unsecured loans

From director

(Company has taken an interest free unsecured loan from Mr.M A Lokhandwala, which is repayable on demand)

From others

31 March 2022	31 March 2021
107.47	34.28
100.00	100.00
<b>207.47</b>	<b>134.28</b>

### 3.6 Trade payables

Trade payables towards goods purchased and services received

- Due to Micro, Small and Medium Enterprises (refer note 3.32)
- Due to others

Retention money payable

31 March 2022	31 March 2021
78.30	309.58
6,990.58	4,367.95
1,346.17	888.27
<b>8,415.05</b>	<b>5,565.79</b>

Note: Trade Payables ageing schedule - Ref Note No.3.44

### 3.7 Other current liabilities

Current maturity of long-term debt

Interest accrued and due on borrowings

Redemption Premium and/or Interest on NCD

Accruals for expenses

Advance from customers

Payable to customers towards cancellation of flats

Other payables

- Employee's payable

- Statutory dues payable

Tax deduction at source payable

Value added tax payable

Professional tax payable

Provident fund payable

GST / Service Tax payable

31 March 2022	31 March 2021
-	640.47
-	678.02
3,276.94	-
5,637.44	5,757.36
25,842.95	20,459.55
1,544.54	1,731.79
95.21	80.52
90.44	44.39
459.42	499.61
1.70	1.97
7.63	10.46
63.07	135.18
<b>37,019.35</b>	<b>30,039.31</b>

### 3.8 Short-term provision

#### Employees benefits

Gratuity (refer note 3.27)

Compensated absences (refer note 3.27)

31 March 2022	31 March 2021
20.57	14.88
7.75	5.93
<b>28.31</b>	<b>20.80</b>

### 3.10 Long-term loans and advances

(Unsecured, considered good)

Advance tax and tax deducted at source

31 March 2022	31 March 2021
306.63	231.27
<b>306.63</b>	<b>231.27</b>



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (Continued) as at 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 3.9 Fixed assets

Description of assets	Gross block			Accumulated depreciation / amortisation			Net block		
	As at 1 April 2021	Additions	Deductions / adjustments	As at 31 March 2022	As at 1 April 2021	Adjustments (refer note (a) below)	Charge for the year (refer note (b) below)	As at 31 March 2022	As at 31 March 2022
<b>Intangible assets</b>									
Computer software	10.90	7.08	-	17.98	9.93	-	0.86	10.79	7.19
	10.90	-	-	10.90	9.74	-	0.02	9.76	1.14
<b>Total intangible assets (A)</b>	<b>10.90</b>	<b>7.08</b>	<b>-</b>	<b>17.98</b>	<b>9.93</b>	<b>-</b>	<b>0.86</b>	<b>10.79</b>	<b>7.19</b>
	10.90	-	-	10.90	9.74	-	0.02	9.76	1.14
<b>Tangible assets</b>									
Computers	40.59	16.93	-	57.52	23.10	-	7.49	30.58	26.94
	33.52	7.07	-	40.59	19.42	-	3.68	23.10	17.49
Furniture and fixtures	31.67	-	-	31.67	7.95	-	2.32	10.27	21.40
	31.67	-	-	31.67	5.38	-	2.57	7.95	23.72
Office equipment	26.51	8.35	-	34.86	11.55	-	3.03	14.58	20.28
	24.25	2.26	-	26.51	9.52	-	2.03	11.55	14.96
Vehicles	300.99	-	7.84	293.15	262.22	-	10.32	264.70	28.45
	300.99	-	-	300.99	235.56	-	26.67	262.22	38.77
<b>Total tangible assets (B)</b>	<b>399.76</b>	<b>25.28</b>	<b>7.84</b>	<b>417.19</b>	<b>304.82</b>	<b>-</b>	<b>23.15</b>	<b>320.13</b>	<b>97.07</b>
	390.42	9.34	-	399.76	269.87	-	34.95	304.82	94.94
<b>Total (A) + (B)</b>	<b>410.66</b>	<b>32.36</b>	<b>7.84</b>	<b>435.17</b>	<b>314.75</b>	<b>-</b>	<b>24.01</b>	<b>330.92</b>	<b>104.26</b>
	401.32	9.34	-	410.66	279.61	-	34.97	314.58	96.08

### Notes

- a. The transactions for the previous year are indicated in italics.



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (Continued)

as at 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 3.11 Investment in Shares

Ratan Infrastructure Private Limited - 1,31,99,937 (P.Y. 1,31,99,937) (Fully paid) Equity shares of Rs.10/- each.  
Ratan Real Estate Services Private Limited - 1,93,94,478 (P.Y. 1,93,94,478) (Fully paid) Equity shares of Rs.10/- each.  
Solo Commodities Private Limited - 1,31,99,937 (P.Y. 1,31,99,937) (Fully paid) Equity shares of Rs.10/- each.

31 March 2022 31 March 2021

1,319.99 1,319.99  
1,939.45 1,939.45  
1,319.99 1,319.99

4,579.44 4,579.44

### 3.12 Inventories

#### Work in progress

Construction work in progress (Refer note 3.19)

31 March 2022 31 March 2021

1,16,038.83 1,16,381.20

1,16,038.83 1,16,381.20

### 3.13 Trade receivables

(Unsecured, considered good)

Outstanding for a period exceeding 6 months from the date they are due for payment  
Other debts

31 March 2022 31 March 2021

2,963.05 7,160.22

2,963.05 7,160.22

Note: Trade Receivables ageing schedule - Ref Note No.3.45

### 3.14 Cash and bank balances

#### Cash and cash equivalents

Cash on hand

31 March 2022 31 March 2021

23.39 8.78

#### Bank balances with scheduled banks

- In current accounts

471.30 1,312.87

- Fixed deposits (less than 3 months from the original maturity from deposit date)

60.00 7,535.00

554.69 8,856.64

#### Other bank balances

- In deposit accounts with maturity more than 3 months but less than 12 months

89.92 89.92

644.61 8,946.56

#### Details of Bank deposits:

Bank deposits with original maturity of 3 months or less included under 'Cash and cash equivalents' (Given against various

60.00 7,535.00

Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'

89.92 89.92

Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets.'

149.92 7,624.92

### 3.15 Short-term loans and advances

(Unsecured, considered good)

#### To parties other than related parties

Advances to contractors and suppliers

31 March 2022 31 March 2021

2,943.40 4,455.69

Loans and advance to others

493.80 508.78

Loans and advance to employees

2.23 6.59

Deposit given

36.12 46.12

GST credit receivable (Net)

492.11 511.76

Prepaid expenses

6.20 11.99

#### To related parties

Expenses recoverable \*

39.47 39.47

Inter-corporate deposits repayable on demand \*\*

12,676.73 12,676.73

16,690.04 18,257.12

\* Expenses recoverable from Group Companies in which all the directors of Company are director.

\*\* Inter-corporate deposit given to Lokhandwala Infrastructure Private Limited in which all the directors of Company are director. The maximum amount outstanding during the year is Rs.12,676.72

Note: Loans or Advances in the nature of loans - additional disclosures - Ref Note No.3.46

### 3.16 Other current assets

#### From related parties

Interest accrued but not due on inter-corporate deposits

31 March 2022 31 March 2021

2,958.95 2,853.84

#### From other than related parties

Interest receivable on fixed deposit

74.97 105.96

3,033.92 2,959.80

Interest accrued but not due on inter-corporate deposit given to Lokhandwala Infrastructure Private Limited in which all

\*\* Dividend receivable pertains to amount receivables from directors and their relatives.



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 3.17 Revenue from operations

	31 March 2022	31 March 2021
Sale of flats (On Percentage Completion)	1,436.19	25,273.16
	<u>1,436.19</u>	<u>25,273.16</u>

### 3.18 Other income

	31 March 2022	31 March 2021
Interest income from		
- Inter-corporate deposits	172.93	150.78
- Fixed deposits with banks	52.38	61.89
- Statutory Refunds	-	23.34
Miscellaneous income	140.68	0.83
	<u>365.99</u>	<u>236.84</u>

### 3.19 Cost of materials consumed

#### Expenditure incurred during the year:

Opening project work in progress	1,16,381.20	1,17,214.49
<i>Additions during the year</i>		
Constructions and contractual payments	14,231.96	7,718.12
Rate and taxes	456.49	459.76
Professional fees and technical expenses	2,879.52	933.67
Tenants' compensations	876.79	2,131.49
Finance cost (refer note 3.21)	(6,456.45)	14,751.84
Other overheads	1,785.20	857.39
Total project expenditure	<u>1,30,154.70</u>	<u>1,44,066.76</u>
Less: transferred to construction work in progress (refer note 3.11)	<u>(1,16,038.83)</u>	<u>(1,16,381.20)</u>
Cost of Material Consumed	<u>14,115.87</u>	<u>27,685.56</u>

### 3.20 Employee benefits expense

	31 March 2022	31 March 2021
Salaries, wages and bonuses	172.69	98.20
Contribution to provident and other funds (refer note 3.27)	58.33	25.77
	<u>231.02</u>	<u>123.96</u>



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 3.21 Finance costs / Redemption Premium/Interest on NCD

	31 March 2022	31 March 2021
Interest		
-On term loans	319.63	7,975.76
Redemption Premium /Interest on NCD	25,848.00	-
Premium on Debenture of F.Y. - 2020 - 2021	(6,776.08)	6,776.08
	<u>19,391.55</u>	<u>14,751.84</u>
Less: finance cost transferred to construction work in progress	6,456.45	(14,751.84)
	<u>25,848.00</u>	<u>-</u>

### 3.23 Other expenses

	31 March 2022	31 March 2021
Insurance	0.76	0.73
Travelling and conveyance	32.29	30.56
Rates and taxes	87.71	36.43
Legal, professional and other fees	133.42	190.07
Payment to auditors (refer note (a) below)	15.00	15.00
Advertisement and selling cost	280.82	17.52
Bank charges and commission	1.77	0.87
Printing and stationery	6.63	5.97
Recruitment expenses	5.90	-
Donation	-	1.11
Prior Period Expenses	19.81	20.06
Miscellaneous expenses	318.19	91.73
	<u>902.30</u>	<u>410.05</u>

#### (a) Payment to auditors

As auditor		
Statutory Audit Fees	15.00	15.00
	<u>15.00</u>	<u>15.00</u>

### 3.24 Segment reporting

The Company is engaged in the business of development of real estate in India which is the primary business segment. The Company has only one reportable business and geographical segment. Accordingly, these financial statements are reflective of the information required by the Accounting Standard 17, for the property development segment.

### 3.25 Deferred tax asset, net

As per the Accounting Standard 22, "Accounting for taxes on income", the Company would have a net deferred tax asset, primarily on account of unabsorbed depreciation and unabsorbed loss. Deferred tax assets are recognised only to the extent they are considered to be virtually certain of realisation. The deferred tax assets that may arise due to unabsorbed carried forward losses and depreciation are not recognized as it is not considered to be virtually certain of realisation. The Company does not foresee any adjustment of the current losses and carry forward losses in near future and hence no deferred tax assets created.



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 3.26 Earnings per share

	31 March 2022	31 March 2021
Net profit /(loss) attributable to equity shareholders (A)	(39,319)	(2,745)
Less : Preference dividend (Notional)	(1,54,977)	(1,38,351)
Dividend distribution tax (Notional)	(26,338)	(23,513)
Net (loss) attributable to equity shareholders	(2,20,635)	(1,64,609)
Number of equity shares at the beginning and end of the year	153	153
Basic and diluted earnings per equity share (Face value of Re 1 per share) (A / B)	(1,440.77)	(1,074.91)

Potential equity shares in form of 12% optionally convertible cumulative redeemable preference shares are ignored in the calculation of diluted earnings per share, as on their conversion to equity shares, the results on the earnings per share from continuing ordinary activities would be anti-dilutive. Also refer schedule 3.30 (a).

### 3.27 Disclosure pursuant to Accounting standard 15 - 'Employee benefits'

*Short-term employee benefits:*

#### a) Provident fund:

Retirement benefits in the form of provident fund are defined contribution schemes and the contributions are charged to the statement of profit and loss in the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund. The amount debited to the statement of profit and loss for the year ended 31 March 2022 is Rs.45.05 (2021: 25.76)

*Post-employment benefits:*

#### a) Compensated absences:

The leave wages are payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement on attaining superannuation age. The liability towards compensated absences for the year ended 31 March 2022 based on actuarial valuation using the projected accrued benefit method amounting to Rs 12.40 (2021: Rs.13.78) has been recognized in the profit and loss account.

#### b) Gratuity:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. Amount of Rs 31.14 (2021: Rs.10.00) has been recognised in the statement of profit and loss on account of provision for gratuity.

### 3.28 Related party transactions (Continued)



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 3.28 Related party transactions

Parties where control exist :

A. Shareholders with substantial interest in voting power	Late Moiz Lokhandwala Mr. Aliasgar Lokhandwala
---	---

Other related parties with whom transactions have taken place during the year :

B. Enterprises over which persons covered in (A) exercise significant influence	Lokhandwala Infrastructure Private Limited Lokhandwala Shelters India Private Limited Vista Homes Private Limited. Saikrupa Builders & Developers Pvt. Ltd. Ratan Infrastructure Pvt. Ltd. Ratan Real Estate Services Pvt. Ltd. Solo Commodities Pvt. Ltd. Ratan Builders & Developers Pvt. Ltd. Lokhandwala Housing & Infrastructure Pvt. Ltd. A. Rajabali
C. Relatives of persons mentioned in (A) above	Late Moiz Lokhandwala Mr. Aliasgar Lokhandwala Mr. Mohammed A Lokhandwala



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 3.28 Related party transactions (Continued)

Disclosure of transactions between the Company and related parties and the status of outstanding balances as at 31 March 2022

Details of transactions	Late Moiz Lokhandwala	Aliaagar Lokhandwala	Mohammed A Lokhandwala	Lokhandwala Infrastructure	Lokhandwala Shelters India	Saikrupa Builders & developers Pvt	Ratan Infrastructure Pvt	Ratan Real Estate Services Pvt Ltd	Sole Commodities Pvt Ltd.	Vista Homes Pvt Ltd	Ratan Builders & developers	Lokhandwala Housing &	Others	Total
Project management fees (WIP)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advertisement and selling cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan received from director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend receivable recovered from director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan taken	-	-	37.47	1,740.75	-	-	-	-	-	-	-	-	-	1,778.21
Rent Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium for buyback of flats	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advance/paid for Purchase of shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advance/paid for Purchase of Material	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Receivables</b>	-	-	-	-	38.50	-	-	-	-	0.77	-	-	172.45	211.72
Inter corporate deposits	-	-	-	12,676.73	-	-	-	-	-	-	-	-	-	12,676.73
Interest accrued and not due on deposits	-	-	-	2,958.95	-	-	-	-	-	-	-	-	-	2,958.95
<b>Payables</b>	-	-	107.47	1,788.40	-	50.00	659.69	1,263.01	659.69	-	0.25	0.25	-	4,528.77

### Corporate guarantee given on behalf of company against term loans (refer note 3.3)

- Lokhandwala Infrastructure Private Limited

### Guarantee given on behalf of company against term loans (refer note 3.3)

- Late Moiz M Lokhandwala
- Mr. Aliaagar M Lokhandwala
- Mr. Mohammed A Lokhandwala



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees)

### 3.28 Related party transactions (Continued)

Disclosure of transactions between the Company and related parties and the status of outstanding balances as at 31 March 2021

Details of transactions	Motiz Lokhandwala	Aliasgar Lokhandwala	Mohammed A Lokhandwala	Lokhandwala Infrastructure	Lokhandwala Shelters India	Salkrupa Builders & developers Pvt	Ratan Infrastructure Pvt	Ratan Real Estate Services Pvt Ltd	Solo Commodities Pvt Ltd.	Vista Homes Pvt Ltd	Ratan Builders & developers	Lokhandwala Housing &	Others	Total
Project management fees (WIP)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advertisement and selling cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	150.78	-	-	-	-	-	-	-	-	-	150.78
Reimbursement of expenses paid	-	-	5.72	-	-	-	-	-	-	-	-	-	-	5.72
Reimbursement of expenses received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan received from director	-	-	40.00	-	-	-	-	-	-	-	-	-	-	40.00
Dividend receivable recovered from director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	-	426.72	-	-	-	-	-	-	-	-	-	426.72
Premium for buyback of flats	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advance/paid for Purchase of shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Flat	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	38.50	-	-	-	-	0.77	-	-	-	39.27
Inter corporate deposits	-	-	-	12,676.73	-	-	-	-	-	-	-	-	-	12,676.73
Interest accrued and not due on deposits	-	-	-	2,853.84	-	-	-	-	-	-	-	-	-	2,853.84
Payables	-	-	34.28	79.59	-	50.00	659.69	1,263.01	659.69	-	0.03	0.25	-	2,746.54

Corporate guarantee given on behalf of company against term loans (refer note 3.3)

- Lokhandwala Infrastructure Private Limited

Guarantee given on behalf of company against term loans (refer note 3.3)

- Mr. Motiz M Lokhandwala

- Mr. Aliasgar M Lokhandwala

- Mr. Mohammed A Lokhandwala



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 3.29 Commitment

	31 March 2022	31 March 2021
a) Estimated amount of contracts remaining to be executed and not provided for (net of advances)	29,018.35	34,743.83
b) The Company is required to provide constructed accommodation free of costs to the original slum dwellers as per the Slum Rehabilitation Authority (SRA) scheme.		

### 3.30 Expenditure incurred in foreign currency (on payment basis)

	31 March 2022	31 March 2021
	Amount in INR	Amount in INR
Purchase of Material	127.94	-
Consultancy Services	39.18	-
<b>Total</b>	<b>167.11</b>	

### 3.31 Unhedged foreign currency exposure

The un-hedged foreign currency exposure as on 31 December 2021 is given below:

	31 March 2022	31 March 2021
Details	Amount in INR	Amount in INR
<b>Payables</b>		NIL
	-	

### 3.32 Due to Micro, Small and Medium enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available the management, **there are no information available regarding the dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.**

	31 March 2022	31 March 2021
Principal amount remaining unpaid to any supplier as at the year end	78.30	309.58
Interest due thereon		-
Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.		-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED		-
Amount of interest accrued and remaining unpaid at the end of the accounting year		-
Further Interest remaining due & payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.		-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditor. No interest is paid or provided regarding delay in payments of principal made or to be made.



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 3.33 Contingent liabilities

- a) In absence of profit for the year, the Company has not provided for the dividend on Cumulative preference shares of Rs 1,549.77 (2021: Rs.1,383.51) and tax on such dividend of Rs 263.38 (2021: Rs 235.12). The unpaid cumulative preference dividend and tax on such dividend payable as at 31 March 2022 is Rs. 11,958.55 (2021: Rs 10,408.78).
- b) Bank guarantees given to Maharashtra Pollution Control Board of Rs. 25.00 (2021: Rs 20.00 )
- c) Amount that may payable for delay in completion of the project - Amount not ascertainable
- d) Amount that may payable for delay in payment of Statutory Dues - Amount not ascertainable
- e) Amount that may payable for the corporate guarantee given - Amount not ascertainable
- f) Amount that may payable due to various legal cases/ Suits filed against the Company - Amount not ascertainable
- g) Amount that may payable and / or not receivable from the flat buyers due to delay in completion of project

### 3.34 Domestic transfer pricing

The Company's domestic transactions with associated enterprises are at arm's length for the year ended 31 March 2022. Management believes that the Company's domestic transactions with associated enterprises post 31 March 2022 continue to be at arm's length and transfer pricing legislation will not have an impact on the financial statements particularly on the amount of tax expense for the year and the amount of provision for tax at the year end.

- 3.35** The rebate given to various customer for GST, delay in project, deficiency/cancellation of amenities etc. amounting to Rs 517.83 (2021:Rs.318.20)is debited to Work in Progress Account as in the view management this expenses/rebate are directly related to the project

- 3.36** The company following the Percentage Completion Method while recognising the revenue from the sale of flats.During the year, the company has complied with the requirements as prescribed and started Recognition of Revenue in compliance with the Guidance Notes on Accounting for Real Estate Transactions (Revised 2012 ) issued by the Institute of Chartered Accountants of India.

- 3.37** The company has availed Financial Assistance (Term Loan) from Indiabulls Housing Finance Limited (IHFL), which was closed during the F.Y. 2020 - 2021. As per the documents executed between the company and IHFL the rate of interest on the said loan is 17% p.a. (Revised to 18% p.a.) payable monthly. However, there is material variation on the interest debited by IHFL in the loan statement. The company has provided the interest equal to the interest debited by IHFL in the loan statement. No information is available with the company regarding the working of interest as debited by IHFL in the loan statement.

### 3.38 Disclosure under Section 186 of the Companies Act 2013

The operations of the Company are classified as 'infrastructure facilities ' as defined under Schedule VI to the Act. Accordingly, the disclosure requirements specified in sub-section (4) of Section 186 of the Act in respect of loans given, investment made or guarantee given or security provided and the related disclosures on purposes/ utilization by recipient companies, are not applicable to the Company.

### 3.39 Inter Corporate Deposite (ICD)

The company has given ICD to one of its group concern to Lokhandwala Infrastructure Pvt Ltd totaling to Rs 12,676.72 as on 31st March, 2022 (2021: 12,676.72). Out of the said amount Rs 10,750.00 was given by the company to purchase its own shares as part of the business strategy.

### 3.40 Matter related to NCLT - Dalmia Group Holdings

One of the Financial Creditor Dalmia group Holdings filed a legal case against the company before the NCLT. The NCLT admitted the application of Dalmia Group Holdings and appointed Insolvency Resolution Professional (IRP).Subsequently the company entered into a deed of settlement with Dalmia Group Holdings which was filed and accepted by the NCLT and the IRP was withdrawn. As per the deed of settlement the net amount payable the Company to Dalmia Group Holdings is become the liability of Lokhandwala Infrastructure Private Limited and the outstanding amount in the books of the Company is transferred to Lokhandwala Infrastructure Private Limited.Further the Company has given 5 Flats of Minerva as security against the amount payable by Lokhandwala Infrastructure Private Limited.



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 3.41 Investment in Shares

The Company invested a sum of Rs.4,579.43 to acquire the shares of Ratan Infrastructure Private Limited, Ratan Real Estate Services Private Limited and Solo commodities Private Limited from Lokhandwala Infrastructure Private Limited. These three companies where the Company acquired the shares, are in possession of three properties in the project Omkar 1973. All these three properties are used as security against the loan availed by the Company from Indiabulls Housing Finance Limited. Being the securities of these three companies used for the purpose of loan of the Company, as a strategic decision the Company acquire the shares of these three companies.

### 3.42 Loan from ECL Finance Limited

The Company has not paid the installment of ECL Finance Limited for the entire year. The ECL Finance Limited declared the loan as Non Performing Asset (NPA) and started the recovery proceedings including the process for taking the possession of the security. The said loan was closed by the company by way of One Time Settlement during the F.Y. 2021 - 2022.

### 3.43 Debenture Redemption Reserve

The Company issued various debentures as on the date of this Balance Sheet. In absence of adequate profit by the Company during the year and also no debenture is matured/ to be redeemed during the next financial year, no Debenture Redemption Reserve is created for the year.

### 3.44 Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) MSME	40.08	11.01	1.28	25.93	78.30
(ii) Others	4,492.31	288.64	439.03	3,116.77	8,336.75
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

### 3.45 Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade Receivables-considered good	2,309.98	-	-	54.63	598.43	2,963.04
(ii) Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-

### 3.46 Loans or Advances in the nature of loans - Additional disclosures

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans & Advances in the nature of Loans
Promoters (Lokhandwala Infrastructure Private Limited)	12,676.73	99.69%
Directors	-	-
KMPs	-	-
Related Parties	39.47	0.31%
<b>Total</b>	<b>12,716.19</b>	<b>100%</b>



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

### 3.47 Relationship with struck off Companies

Nature of transactions with struck off company	Name of the struck off company	Balance Outstanding	Relationship with the struck off company, if any, to be disclosed
Investment in Securities	NIL	NIL	NIL
Receivables			
Payables			
Shares held by struck off company	NIL	NIL	NIL
Other outstanding balances (to be specified)			

3.48	Analytical Ratios	2021 - 2022	2020 - 2021
1	Current Ratio = Current Assets / Current Liabilities	3.05	4.30
2	Debt Equity Ratio = Total Debt / Shareholders equity	Not applicable due to negative capital	Not applicable due to negative capital
3	Debt service Coverage Ratio	Not applicable due to loss	Not applicable due to loss
4	Return of Equity = Net Profit after Tax / Average Shareholders Equity	Nil due to loss	Nil due to loss
5	Inventory Turnover Ratio = Cost of goods sold / Average Inventory	NA	NA
6	Trade Receivable Turnover Ratio = Net Credit sales / Average Account Receivable	NA	NA
7	Trade Payable Turnover Ratio = Net Credit Purchase / Average Trade Payable	3.02	2.86
8	Net Capital Turnover Ratio = Net Sales / Working Capital	0.02	0.21
9	Net Profit Ratio = Net Profit after Tax / Net Sales	Nil due to loss	Nil due to loss
10	Return on Capital Employed = Earning before interest & Tax / Capital Employed	Nil due to loss	Nil due to loss
11	Return on Investment = Net Return on Investment / Cost of Investment x 100	Nil due to loss	Nil due to loss

**3.49** The estimated total projected cost of the project of the company was increased from Rs.2,64,434.00 as on 31.03.2021 to Rs.3,05,500.00 as on 31.03.2022 due to delay in completion of the project, increase in input cost etc. Due to the same the percentage completion of the project has reduced from 81.26% as on 31.03.2021 to 74.84% as on 31.03.2022.

**3.50** During the F.Y. 2020-2021, the Redemption Premium / Interest payable on the NCD till 31.03.2021 calculated @16.07% p.a IRR amounting to Rs.6,776.00 debited erroneously to the project work in progress instead of to the Profit & Loss account, the same was rectified during the year by crediting to the project work in progress account and debiting to the Profit & Loss account. The Redemption Premium / Interest on the NCD for the F.Y. 2021 -2022 was debited to the Profit & Loss account.



# Lokhandwala Kataria Construction Private Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in Lakhs)

**3.51** The amount receivable / payable from the flat buyers are accounted as per the percentage completion method followed by the Company in the books of accounts.

**3.52** The GST liability is accounted on the actual amount received from the flat buyers instead of the demand raised to the flat buyers as per the individual sale agreement with the flat buyers.

### 3.53 Other matters

Information with regard to other matters specified in Schedule III of the Act, is either nil or not applicable to the Company for the year.

### 3.54 Previous year comparatives

Previous year's figures have been regrouped / reclassified where ever applicable.

As per our report of even date attached.

For **Hare K Panda & Co.**

Chartered Accountants

Firm's Registration No: 143768W

HARE KRUSHNA PANDA  
Digitally signed by HARE KRUSHNA PANDA  
Date: 2022.05.30 16:54:48 +05'30'

**H. K. Panda**

Proprietor

Membership No: 105641

UDIN: 22105641AJVXJT5882



MOHAMMED ABDULHUSAIN LOKHANDWALA  
Digitally signed by MOHAMMED ABDULHUSAIN LOKHANDWALA  
Date: 2022.05.30 16:05:30 +05'30'

**M.A. Lokhandwala**

Director

DIN: 00219108

SONAL TEJAS KAMDAR  
Digitally signed by SONAL TEJAS KAMDAR  
Date: 2022.05.30 16:28:17 +05'30'

**Sonal Kamdar**

Company Secretary

Membership no: A26519

Date: 30th May 2022

ALIASGAR MOHAMMED LOKHANDWALA  
Digitally signed by ALIASGAR MOHAMMED LOKHANDWALA  
Date: 2022.05.30 16:14:34 +05'30'

**A.M. Lokhandwala**

Director

DIN: 00219135

Mumbai

Date: 30th May 2022



## Lokhandwala Kataria Construction Private Limited

CIN No: U45200MH1998PTC117468

Regd. Off: 306A and 306B, Ceejay House, Dr. Annie Besant Road,

F Block, Shiv Sagar Estate, Worli, Mumbai- 400018

Tel. No. 022 40805555/24988243/24926268

### NOTICE

**NOTICE** is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of **Lokhandwala Kataria Construction Private Limited** will be held on Friday, 30<sup>th</sup> September 2022 at 5 pm at the Registered Office of the Company at 306A and 306B, Ceejay House, Dr. Annie Besant Road, F Block, Shiv Sagar Estate, Worli, Mumbai- 400018 to transact the following business:

#### **Ordinary Business:**

- 1) To receive, consider, approve and adopt the Audited Standalone and Consolidated Balance Sheet as at 31<sup>st</sup> March, 2022 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
- 2) To re-appoint the Statutory Auditor and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to provision of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, Hare K Panda & Co., Chartered Accountants, Mumbai (Registration No. 143768W), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for a further term of 5 years from the conclusion of this 24<sup>th</sup> Annual General Meeting until the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors of the Company.”

By order of the Board of Directors

For **Lokhandwala Kataria Construction Private Limited**

**Date:** 29.09.2022

Aliasgar M Lokhandwala

Director

DIN: 00219135

**Place:** Mumbai

#### **Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Corporate members intending to send their Authorised Representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf.

2. The instrument appointing the proxy, in order to be effective, should be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of Directors and their shareholding, maintained under section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
4. The Register of Contract or Arrangement in which Directors are interested, maintained under section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
5. In terms of the requirements of the Secretarial Standards 2 on “General Meetings” issued by the Institute of the Company Secretaries of India and approved & notified by the Central Government, Route Map for the location of the aforesaid meeting is enclosed.

**Lokhandwala Kataria Construction Private Limited**

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E-mail id: [aml@lokhandwalainfrastructure.com](mailto:aml@lokhandwalainfrastructure.com); Website: [www.lokhandwalainfrastructure.com](http://www.lokhandwalainfrastructure.com)**BOARDS' REPORT****To****The Members,**

Lokhandwala Kataria Construction Private Limited

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2022.

**1. FINANCIAL STATEMENTS & RESULTS:****i. FINANCIAL RESULTS:**

The Company's performance during the year ended 31<sup>st</sup> March, 2022 as compared to the previous financial year, is summarized below:

(Amount in Rs.)

Particulars	Standalone		Consolidated	
	For the financial year ended 31 <sup>st</sup> March, 2022	For the financial year ended 31 <sup>st</sup> March, 2021	For the financial year ended 31 <sup>st</sup> March, 2022	For the financial year ended 31 <sup>st</sup> March, 2021
Income	14,36,19,348	2,527,315,527	14,36,19,348	2,52,73,15,527
Other Income	3,65,98,819	23,683,998	3,66,45,357	2,38,39,115
<b>Total Income</b>	<b>18,02,18,167</b>	<b>2,550,999,525</b>	<b>18,02,64,705</b>	<b>2,55,11,54,642</b>
Less: Expenses	4,11,21,20,302	2,825,471,704	4,11,22,10,333	2,82,55,76,150
Profit/ (Loss) before tax	(3,93,19,02,135)	(274,472,179)	(3,93,19,45,628)	(27,44,21,508)
Less: Provision for tax	-	-	-	-
Income Tax of earlier years w/off	-	-	-	-
Exception Income	-	-	-	-
Exception expenditure	-	-	-	-
Profit/ (Loss) after Tax	(3,93,19,02,135)	(274,472,179)	(3,93,19,45,628)	(27,44,21,508)

**APPROPRIATION**

Interim Dividend	-	-	-	-
Final Dividend	-	-	-	-
Tax on distribution of dividend	-	-	-	-
Transfer of General Reserve	-	-	-	-
Balance carried to Balance sheet	(3,93,19,02,135)	(274,472,179)	(3,93,19,45,628)	(27,44,21,508)

**ii. BUSINESS OPERATIONS & OUTLOOK:**



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The year 2021-22 was a challenging year for the industry due to number of factors mainly Covid-19 pandemic, macroeconomic factors, slow income growth, high labor and material cost, high cost of capital and inflation. A policy reform in real estate sector is needed to revive the long term growth.

During the year under review, the Gross Income stood at Rs. 18,02,18,167/- as compared to Rs. 2,550,999,525/- for the previous year; Loss after tax stood at Rs. 3,93,19,02,135/- as compared to loss of Rs. 274,472,179/- for the previous year.

**iii. STATE OF COMPANY'S AFFAIRS:**

The Company continues to be engaged in the activities pertaining to Real Estate Development.

There are no changes in the nature of business during the financial year.

**iv. SHARE CAPITAL:**

The Authorised Share Capital of the Company as on 31<sup>st</sup> March, 2022 was Rs 26,25,00,000/- .comprising of 1,50,000 equity shares of Class A of Rs. 10/- each, 1,00,000 equity shares of Class B of Rs. 10/- each, 7,50,000 equity shares of Class C of Rs. 10/- each and 25,250,000 preference shares of Rs. 10/- each. The Issued and Paid-up Capital of the Company as on 31<sup>st</sup> March, 2022 was Rs. 25,21,31,000/- comprising of 1,43,137 equity shares of Class A of Rs. 10/- each, 10,000 equity shares of Class B of Rs. 10/- each and 25,060,000 preference shares of Rs. 10/- each.

**2. COMPANIES WHO HAVE BECOME / CEASED TO BE SUBSIDIARIES, JV OR ASSOCIATE:**

During the year under review, there were no companies who have become or ceased to be subsidiaries, Joint Venture or associate Company. However, as on 31<sup>st</sup> March, 2022, there were three subsidiary companies i.e. Solo Commodities Private Limited, Ratan Infrastructure Private Limited and Ratan Real Estates Services Private Limited.

**3. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

The Company has three Subsidiaries Companies during the financial year 2021-22 namely Solo Commodities Private Limited, Ratan Infrastructure Private Limited and Ratan Real Estates Services Private Limited. The details of the performance of the subsidiaries are enclosed in Annexure I.

**4. DIVIDEND:**

Considering the loss incurred in the current financial year, your Directors have thought it prudent not to recommend any dividend for the financial year under review.

**5. TRANSFER TO RESERVES:**

In view of loss incurred during the year under review, the Board of Directors has not recommended transfer of any amount of profit to reserves during the year under review.

**6. DEBENTURE:**

During the financial year under review, the Company has not issued any debentures. The details of outstanding debentures as on the date of this report are as under:



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- i) 9030 secured, unlisted, unrated, non- convertible debentures having face value of Rs. 10,00,000/- each aggregating to Rs. 903,00,00,000/- only at a coupon rate of 7% per annum;
- ii) 2740 secured, listed, rated, non- convertible debentures having face value of Rs. 10,00,000/- each aggregating to Rs. 274,00,00,000/- only at a coupon rate of 7% p.a;

2740 debentures are listed on BSE, Limited.

Further, 10,438 secured, unlisted, unrated, non- convertible debentures having face value of Rs. 1,00,000/- each aggregating to Rs. 104,38,00,000/- only which were issued by the Company has maturity upto 30<sup>th</sup> September 2024.

**7. REVISION OF FINANCIAL STATEMENT:**

There was no revision of the financial statements for the year under review.

**8. DEPOSITS:**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

**9. MATERIAL CHANGES & COMMITMENTS:**

During the financial year under review, there were no material changes and commitments which could affect the Company's financial position of the Company.

**10. SIGNIFICANT AND MATERIAL ORDERS:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

**11. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:**

During the year under review, the Company has not entered into contracts / arrangements within the purview of Section 188 (1) of the Companies Act, 2013 with any related party. Accordingly, the disclosure in Form AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014) is not applicable. The details of transactions with the related parties are provided in the financial statements.

**12. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:**

The particulars of loans, guarantees, investments and securities provided have been disclosed in the Notes to the financial statements forming part of Annual Report.

**13. DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:**

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**14. DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013:**

The Company has not issued any sweat equity shares during the year under review and hence no



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information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**15. DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**16. DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:**

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

**17. DECLARATION OF INDEPENDENT DIRECTORS:**

The company is not required to appoint Independent Directors and hence no such declaration is required.

**18. CORPORATE SOCIAL RESPONSIBILITY:**

The provisions of Section 135 of the Companies Act, 2013 and rules framed thereunder with respect to Corporate Social Responsibility are not applicable to the Company.

**19. CODE OF CONDUCT:**

The Company is a debt listed and private Company and hence the SEBI regulation pertaining to the Code of Conduct are not applicable to the Company.

**20. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:**

The Company is not required to frame policy on director's appointment and remuneration as Section 178(3) of the Companies Act, 2013 is not applicable.

**21. MAINTENANCE OF COST RECORDS:**

Maintenance of cost records as specified by the Central Govt. under section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records And Audit) Rules 2014 as amended is not applicable and hence the Company is not required to maintain such accounts and records.

**22. COMPLIANCE WITH PROVISIONS RELATING TO THE CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013:**

Pursuant to the provisions under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder, your company has constituted an Internal Complaints Committee and have appointed Mr. Aliasgar M Lokhandwala in place of Mr. Moiez M Lokhanddwala for reporting of any complaints of any sexual harassment of women at workplace.

During the year FY 2021-22, the Company has not received any complaint on sexual harassment.

**23. FORMAL EVALUATION BY THE BOARD:**

**Lokhandwala Kataria Construction Private Limited**

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The Company is not required to carry out formal annual evaluation of the Board of its own performance and that of its committees and individual directors, as Rule 8(4) of the Companies (Accounts) Rules, 2014 is not applicable.

**24. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. Moiez M Lokhandwala ceased to be Director of the Company due to his death w.e.f. 27<sup>th</sup> September, 2021.

Other than that there was a change in Directorship during the year under review.

The constitution of the Board of Directors as on 31<sup>st</sup> March, 2022:

Sr. No.	Name of Directors & KMP	Designation
1	Mr. Mohammed A Lokhandwala	Director
2	Mr. Aliasgar M Lokhandwala	Director
3	Ms. Sonal Kamdar	Company Secretary

Based on the confirmations received, none of the Directors are disqualified for appointment under Section 164 of the Companies Act, 2013.

**25. DISCLOSURES RELATED TO BOARD:****a. BOARD MEETINGS:**

The Board of Directors met 11 times during the financial year ended 31<sup>st</sup> March, 2022 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

Details of the Board Meetings are as below:

Sr. No.	Date of the Board Meetings	Board Strength	No. of Directors Present
1	30.06.2021	3	3
2	01.07.2021	3	3
3	22.07.2021	3	3
4	13.08.2021	3	3
5	20.09.2021	3	3
6	04.10.2021	2	2
7	14.11.2021	2	2
8	15.11.2021	2	2
9	05.01.2022	2	2
10	24.02.2022	2	2
11	22.03.2022	2	2

**b. DISCLOSURES RELATING TO BOARD COMMITTEES:**

The Company is not required to constitute an Audit Committee as the provisions of Section 177 are not applicable. Further, the Company is also not required to constitute Nomination & Remuneration Committee as the provisions of Section 178 are not applicable. The Company is also not required to constitute CSR Committee as the provisions of Section 135 are not applicable.



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**c. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 (5) of the Companies Act, 2013 your Directors, based on the information and documents made available to them, confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed;
2. The Board of Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company for the year ended 31<sup>st</sup> March, 2022 and of the loss of the Company for that period;
3. The Board of Directors have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. The Board of Directors have prepared the annual accounts on a going concern basis;
5. The Board of Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**26. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:**

The Board of Directors of the Company has, pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to Mr. Aliasgar M Lokhandwala.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

**27. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT**

The Company has laid down a risk management framework commensurate with its size and nature of business, which acts as an enabler for growth for the Company by helping its business to identify the inherent risks, assess, evaluate and monitor these risks and undertake effective steps to manage these risks.

**28. INTERNAL FINANCIAL CONTROL SYSTEMS:**

Adequate internal financial control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place. The Company has established its internal financial control over financial reporting on criteria based on or considering components of internal control stated in the Guidance Note on Audit of Internal Financial



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Controls over Financial Reporting issued by the ICAI.

**29. MATERIAL CHANGES & COMMITMENTS:**

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company except as disclosed elsewhere in this Report.

**30. AUDITORS AND REPORTS**

The matters related to Auditors and their Reports are as under:

**a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS (STANDALONE & CONSOLIDATED) FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022:**

The auditors have commented on various points of the financial statements as under:

- i. *During the financial year 2020-21, the Company issued Non-convertible Debentures on private placement basis which are listed in a Stock Exchange. Notification dated 16<sup>th</sup> February 2015 issued by the Ministry of Corporate Affairs (MCA) in respect of the applicability of Companies Indian Accounting Rule, 2015. The Company need to have implemented Ind AS during the accounting year 31<sup>st</sup> March 2021. The definition of Listed Company amended vide Notification dated 19<sup>th</sup> February 2021 by the MCA and as per the said Notification the Company is not a Listed Company under the definition of Listed Company as per Section 2(52) of the Companies Act, 2013 with effect from 1<sup>st</sup> April 2021. The management has the opinion that as on the date of publishing the Financial Statement, the Company is not a listed company as per the definition of Section 2(52) of the Companies Act, 2013, which is the overriding section and hence the implementation of Ind AS is not applicable to the Company. The financial statement of the Company is prepared without considering the applicability of Ind AS. The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules and other relevant provisions of the Companies Act, 2013, to the extent applicable. Our report on the accounts of the Company is subject to above. We do not express any opinion on the accompanying financial statements of the company on the applicability of Ind AS.*
- ii. *The Company is having the negative Cash flow from its operating activities during the current year and also in the preceding previous years. Due to the continues negative cash flow of the company from the operating activities, there have been major delays/default in payment of principal and interest on borrowings, payment of statutory liabilities, payment of salaries to the employees, payment to the creditors and other dues of the Company. The management of the Company is of the opinion that no adverse impact is anticipated on future operations of the Company, due to the negative Cash flow from its operating activities during the current year and in the preceding previous years.*
- iii. *Various legal cases are filed against the Company including applications by various Financial Creditors before the National Company Law Tribunal (NCLT). In one of the case,*



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*the NCLT has admitted the application of one of the Financial Creditor Dalmia Group Holding on 8th August 2019 and the Insolvency Resolution Professional (IRP) was appointed by the NCLT. Subsequently the company entered into the deed of settlement with Dalmia Group Holding which was filed and approved by the NCLT and the IRP was withdrawn. As per the deed of settlement the net settled amount payable by the company to Dalmia Group Holding became the liability of Lokhandwala Infrastructure Private Limited and the outstanding amount in the books of the company is transferred to Lokhandwala Infrastructure Private Limited during the Financial Year 2019-20. Further against this loan the Company has given the Security by way of entering sale agreement of 5 (five) units having 9,524 (Nine thousand five hundred twenty four) square feet carpet area which are registered as sale agreement. The units given to Dalmia Group Holding are not considered as sale in the books of the Company.*

- iv. The company availed various Term Loans from Indiabulls Housing Finance Limited (IBHFL). The supporting documents regarding the updated terms and conditions of the said Term Loans from IBHFL including the loan repayment schedule, rate of interest, penal interest, other charges etc. are not available with the company. The Term Loans from IBHFL was fully repaid by the Company during the year as per the final demand raised by the IBHFL. In absence of adequate information, we reserve our opinion to all the disclosure and the impact in the Financial Statements of the matter related to the said Term Loans from IBHFL.*
- v. Attention invited regarding the Non-convertible Debentures issued to Shapoorji Pallonji Development Managers Private Limited by the Company regarding the redemption premium payable by the Company. As there is no certainty/agreed amount regarding the redemption premium payable by the Company, no provisions regarding Debenture Redemption Premium is provided in the books of the Company.*
- vi. The Company is irregular in payment of various statutory dues and filing of the statutory returns, including the payment of Tax Deduction at Sources (TDS), payment of Provident Fund (PF), Maharashtra Value Added Tax and filing of the returns. No provision has made by the company in its books of account towards interest and penalty if any, on account of the delay in filing and payment of various statutory dues. In absence of adequate information, we reserve our opinion of the impact of the same on the financial statements.*
- vii. Various cases / litigations are filed against / by the Company in various forums. In absence of adequate information, we reserve our opinion of the impact of the same on the financial statements.*
- viii. No provision made in the Books for Debenture Redemption Premium Reserve in absence of adequate profit during the year.*
- ix. The premium/interest on debenture accrued but not due on the debentures issued to Real Estate Credit Opportunities Funds are subject to confirmation from the Debenture Trustee / Debenture Holders.*
- x. No interest paid or provided by the Company regarding delay in payment made to Micro, Small and Medium Enterprises. In absence of adequate information, the same is not ascertainable.*



**Lokhandwala Kataria Construction Private Limited**

CIN No: U45200MH1998PTC117468

Regd. Off: 306A and 306B, Ceejay House, Dr. Annie Besant Road,  
F Block, Shiv Sagar Estate, Worli, Mumbai- 400018

Tel. No. 022 40805555/24988243/24926268

E-mail id: [aml@lokhandwalainfrastructure.com](mailto:aml@lokhandwalainfrastructure.com); Website: [www.lokhandwalainfrastructure.com](http://www.lokhandwalainfrastructure.com)

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- xi. The company has given advances to various parties in relation to its business. Out of the said advances an amount of Rs.11.37 Crores which is outstanding for a long period. No information is available with the company as regard to the present status of the said advance. In absence of adequate information, we reserve our opinion of the impact of the same on the financial statements.*
- xii. As per the Debentures Trust Deed (DTD) executed between the Company and Real Estate Credit Opportunities Funds, no interest is due till 30th September 2022 and the Company shall pay the interest on the said NCD starting from 1st October 2022 on monthly basis. The first interest is due and payable by the Company is on 31st October 2022. The Redemption Premium is payable on the final maturities of the NCD, i.e. on 26/10/2026. In the event, the Company redeemed the NCD before the maturity date, the Company need to pay the Interest being equal to 16.07% IRR per annum from the Deemed Date of Allotment to that Redemption Date. For the FY 2020-21, the company erroneously debited Rs.67.76 Crores to the Construction Work in Progress Accounts as interest payable on NCD, instead to the Profit and Loss Accounts as Redemption Premium / Interest on NCD. The same was rectified during the current year and reversed from the Construction Work in Progress Accounts. The Redemption Premium / Interest payable on the NCD till 31st March 2022, which is being equal to 16.07% IRR per annum and works out to be Rs. 258.48 Crores was debited to the Profit and Loss Account during the FY 2021-22.*
- xiii. Rs.9.16 Crores appearing in the Traces site as amount payable for default in TDS. The Company has not filled any appeal against TDS demand and also no amount provided in the books of the Company.*
- xiv. The amount appears in the Financial Statements are subject to confirmation from the respective parties.*
- xv. Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.*

**Accordingly, the Directors have commented on the auditor's qualification as under:**

- 1) Due to the amendment in the definition of Listed Company Ind AS is not applicable to the Company.
- 2) Due to the current market situation and the ongoing pandemic the Company is facing cash crunch which will be overcome very soon.
- 3) The flats are registered in name of Dalmia Group as security towards the loan. Once the Company will repay the loan, the flats will be transferred to the Company. Hence, they are not shown as sold flats in the books of account.
- 4) Due to the pandemic, the Company could not obtain any statements from Indiabulls Housing Finance Limited. The Company will receive the same soon from Indiabulls Housing Finance Limited.



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- 5) The redemption premium amount will be ascertainable once the secured flats will be sold and the debentures are redeemed and hence the Company has not made any provision in the books of account.
- 6) Due to the uncertainty regarding the time required to pay the statutory dues, the Company could not do provision towards the amount of interest and penalty.
- 7) The cases filed against the Company in various forums will not have any impact on the operations/revenue of the Company since many of the cases are being settled with the parties.
- 8) The Company is of the view that the Company will have profits soon and accordingly it can create the debenture redemption reserve when required as per law.
- 9) Since the debentures are not due for redemption, the Company has not received any confirmation regarding the interest/premium on the same from the debentureholders.
- 10) The Company is taking all efforts to repay all the dues to the micro, small and medium enterprises within the specified timelines and hence no provision is made for the interest on the dues.
- 11) The Company is taking all the necessary steps to recover the amount and/or obtain the invoices of the service rendered.
- 12) This is only for the information and since it is rectified, management does not need to take further steps.
- 13) The Company is taking necessary steps to apply to the appropriate authority for waiving of the interest and late filing fees.
- 14) The Company will obtain confirmation from the parties soon.
- 15) The management hopes that soon the Company will have the internal control system in place.

**b. APPOINTMENT OF STATUTORY AUDITORS:**

Pursuant to provision of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, Hare K Panda & Co., Chartered Accountants, Mumbai (Registration No. 143768W), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for a further term of 5 years from the conclusion of this 24th Annual General Meeting until the conclusion of the 29th Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors of the Company."

Hare K Panda & Co., Chartered Accountants, Mumbai, has given the certificate to effect that, if appointed, their appointment will be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified from being



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appointed as the Statutory Auditor of the Company.

**c. REPORTING OF FRAUDS:**

During the year under review, there have been no frauds reported by the Statutory Auditors of the Company under Section 143(12) of the Act.

**d. SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s DNG & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2021-22 forms part as "Annexure- II" to this Report.

**e. SECRETARIAL AUDITOR OBSERVATION:**

The qualification, reservation or adverse opinion of the Secretarial Auditor are as under:

- i) *During the aforesaid financial year, the Company did not comply with the requirements under the provisions of section 185 of the Act and the rules made there under.*
- ii) *No interest paid or provided by the Company regarding delay in payment made to Micro, Small and Medium Enterprises pursuant to MSME Act, 2006.*
- iii) *Various legal cases are filed against the Company including applications by various Financial Creditors before the National Company Law Tribunal (NCLT).*

***Accordingly, the Directors have commented on the secretarial auditor's qualification as under:***

- i) *The Company had given loan to related party during previous years. Accordingly, the provisions of Section 185 were not complied during previous year. However, the same loan is outstanding as on March 31, 2022;*
- ii) *The Company is taking all efforts to repay all the dues to the micro, small and medium enterprises within the specified timelines and hence no provision is made for the interest on the dues.*
- iii) *The cases filed against the Company in various forums will not have any impact on the operations/revenue of the Company since many of the cases are being settled with the parties.*

**31. OTHER DISCLOSURES:**

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

**a. EXTRACT OF ANNUAL RETURN:**

Pursuant to Section 92(3) of the Act read with Companies (Management and Administration) Amendment Rules, 2021, the annual return of the Company for Financial Year 2021-22 can be accessed on the website of the Company at [www.lokhandwalainfrastructure.com](http://www.lokhandwalainfrastructure.com)

**b. SECRETARIAL STANDARDS:**

The Directors state that applicable Secretarial Standards, i.e. SS-1 relating to 'Meetings of the Board of Directors' and SS-2, relating to 'General Meetings', have been duly followed by the Company during the year under review.



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**c. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

As the Company has not done any manufacturing activity no details of energy consumption and conservation is provided in the report.

The Company had not adopted any technology during the year.

There were no Foreign Exchange Earnings and Foreign Expenditures during the year.

**d. CORPORATE GOVERNANCE:**

The Company is a private and debt listed Company and hence the provisions relation to Corporate Governance are not applicable.

**e. PARTICULARS OF EMPLOYEES:**

The Statement of particulars of employees under Section 197(12) read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is not provided with, as during the financial year under review, no employee of the Company was in receipt of remuneration in excess of the limits set out in the said rules.

**f. INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016):**

During the year under review, the Company has not made any application under the Insolvency and Bankruptcy Code, 2016.

g. The Company has no Managing Director / Whole-time Directors who have received any remuneration or commission from any of its subsidiaries.

**32. ACKNOWLEDGEMENTS AND APPRECIATION:**

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

**For and on behalf of the Board of Lokhandwala Kataria Construction Private Limited**

**Mohammed. A. Lokhandwala**

Director

DIN: 00219108

**Aliasgar M Lokhandwala**

Director

DIN: 00219135

Date: 29.09.2022

Place: Mumbai

**Registered Office:**

306A and 306B, Ceejay House,  
Dr. Annie Besant Road, F Block, Shivsagar Estate,  
Worli, Mumbai – 400 018

## **ANNEXURE I**

### **PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

(Information in respect of each subsidiary/ Associate Companies/ Joint Venture Companies to be presented with amounts in Rs)

1	Name of the subsidiary/Joint Venture/Associate Companies	Solo Commodities Private Limited-Subsidiary	Ratan Infrastructure Private Limited-Subsidiary	Ratan Real Estates Services Private Limited- Subsidiary
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2022	31.03.2022	31.03.2022
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	INR	INR	INR
4	Share capital	14,59,99,370	13,38,99,370	28,62,82,000
5	Reserves and Surplus	(11,25,60,672)	(10, 17,10,133)	(15,28,09,884)
6	Total Assets	6,63,50,928	7,22,55,236	13,35,51,450
7	Total Liabilities	6,63,50,928	7,22,55,236	13,35,51,450
8	Investments	-	-	-
9	Turnover	-	-	-
10	Profit/Loss before taxation	(31,992)	21,780	24,608
11	Provision for taxation	-	-	-
12	Profit/loss after taxation	(31,992)	21,780	24,608
13	Proposed Dividend	-	-	-
14	% of shareholding	90.41	98.58	67.75

**Notes:** The following information shall be furnished at the end of the statement:

- 1) Names of subsidiaries which are yet to commence operations- NIL;
- 2) Name of Associate Company which ceased to be an associate at the end of the year: NIL;
- 3) Name of subsidiary company which ceased to be a subsidiary at the end of the year: NIL
- 4) Name of Company which became associate/subsidiary company : Solo Commodities Private Limited, Ratan Infrastructure Private Limited and Ratan Real Estates Services Private Limited

**For and on behalf of the Board of Lokhandwala Kataria Construction Private Limited**

**Mohammed A Lokhandwala**  
Director  
DIN: 00219108

**Aliasgar M Lokhandwala**  
Director  
DIN: 00219135

Date: 29.09.2022  
Place: Mumbai

**ANNEXURE I**

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Audited Financial Results for year ended and quarter ended on 31<sup>st</sup> March 2022 and Year-to-date financial results - *(Standalone)*

		Statement on Impact of Audit Qualifications for the year ended and quarter ended on 31 <sup>st</sup> March 2022 and Year-to-date financial results (See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]			
I.	Sr. No.	Particulars	Audited Figures for period ended on 31.03.2022 (as reported before adjusting for qualifications)	Unaudited Figures for period ended on 31.12.2021 (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total Income	180,218,000	224,17,99,533	Not ascertainable
	2.	Total Expenditure	4,112,120,000	2,490,729,115	
	3.	Net Profit / (Loss)	(393,19,02,000)	(248,929,582)	
	4.	Earnings Per Share	(1440.77)	(1941.01)	
	5.	Total Assets	14,436,078,000	16,701,415,078	
	6.	Total Liabilities	14,436,078,000	16,701,415,078	
	7.	Net Worth	(4,468,413,000)	(785,440,888)	
	8.	Any other financial item(s) (as felt appropriate by the management)	NA		NA
		Audit Qualification (Each qualification separately)			
I	a.	During the financial year 2020-21, the Company issued Non-convertible Debentures on private placement basis which are listed in a Stock Exchange. Notification dated 16 <sup>th</sup> February 2015 issued by the Ministry of Corporate Affairs (MCA) in respect of the applicability of Companies Indian Accounting Rule, 2015. The Company need to have implemented Ind AS during the accounting year 31 <sup>st</sup> March 2021. The definition of Listed Company amended vide Notification dated 19 <sup>th</sup> February 2021 by the MCA and as per the said Notification the Company is not a Listed Company under the definition of Listed Company as per Section 2(52) of the Companies Act, 2013 with effect from 1 <sup>st</sup> April 2021. The management has the opinion that as on the date of publishing the Financial Statement, the Company is not a listed company as per the definition of Section 2(52) of the Companies Act, 2013, which is the overriding section and hence the implementation of Ind AS is not applicable to the Company. The financial statement of the Company is prepared without considering the applicability of Ind AS. The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules and other relevant provisions of the Companies Act, 2013, to the extent applicable. Our report on the accounts of the Company is subject to above. We do not express any opinion on the accompanying financial statements of the company on the applicability of Ind AS.			
	b.	Type of Audit Qualification : Disclaimer Opinion			
	c.	Frequency of qualification: Repeated			
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA			

	e.		For Audit Qualification(s) where the impact is not quantified by the auditor:
		(i)	Management's estimation on the impact of audit qualification: Due to the amendment in the definition of Listed Company Ind. AS is not applicable to the Company.
		(ii)	If management is unable to estimate the impact, reasons for the same: N.A
		(iii)	Auditors' Comments on (i) or (ii) above: Included in the Auditor's Report
II	a.		Various legal cases are filed against the Company including applications by various Financial Creditors before the National Company Law Tribunal (NCLT). In one of the case, the NCLT has admitted the application of one of the Financial Creditor Dalmia Group Holding on 8 <sup>th</sup> August 2019 and the Insolvency Resolution Professional (IRP) was appointed by the NCLT. Subsequently the company entered into the deed of settlement with Dalmia Group Holding which was filed and approved by the NCLT and the IRP was withdrawn. As per the deed of settlement the net settled amount payable by the company to Dalmia Group Holding became the liability of Lokhandwala Infrastructure Private Limited and the outstanding amount in the books of the company is transferred to Lokhandwala Infrastructure Private Limited during the Financial Year 2019-20. Further against this loan the Company has given the Security by way of entering sale agreement of 5 (five) units having 9,524 (Nine thousand five hundred twenty four) square feet carpet area which are registered as sale agreement. The units given to Dalmia Group Holding are not considered as sale in the books of the Company.
	b.		Type of Audit Qualification : Qualified Opinion
	c.		Frequency of qualification: Repeated
	d.		For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
	e.		For Audit Qualification(s) where the impact is not quantified by the auditor:
		(i)	Management's estimation on the impact of audit qualification: The cases filed against the Company in various forums will not have any impact on the operations/revenue of the Company since many of the cases are being settled with the parties.
		(ii)	(i) If management is unable to estimate the impact, reasons for the same: N.A
		(iii)	Auditors' Comments on (i) or (ii) above: Included in the Auditor's Report
III	a.		The company availed various Term Loans from Indiabulls Housing Finance Limited (IBHFL). The supporting documents regarding the updated terms and conditions of the said Term Loans from IBHFL including the loan repayment schedule, rate of interest, penal interest, other charges etc. are not available with the company. The Term Loans from IBHFL was fully repaid by the Company during the financial year 2020-21 as per the final demand raised by the IBHFL. In absence of adequate information, we reserve our opinion to all the disclosure and the impact in the Financial Statements of the matter related to the said Term Loans from IBHFL.
	b.		Type of Audit Qualification : Qualified Opinion
	c.		Frequency of qualification: Repeated
	d.		For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
	e.		For Audit Qualification(s) where the impact is not quantified by the auditor:
			(i) Management's estimation on the impact of audit qualification: Company did not receive proper documentation/statements from IndiaBulls. In absence of same, it

			could not be provided for audit.
			(ii) If management is unable to estimate the impact, reasons for the same: N.A
			(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditor's Report
IV	a.		Attention invited regarding the Non-convertible Debentures issued to Shapoorji Pallonji Development Managers Private Limited by the Company regarding the redemption premium payable by the Company. As there is no certainty/agreed amount regarding the redemption premium payable by the Company, no provisions regarding Debenture Redemption Premium is provided in the books of the Company.
	b.		Type of Audit Qualification : Qualified Opinion
	c.		Frequency of qualification: Repeated
	d.		For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
	e.		For Audit Qualification(s) where the impact is not quantified by the auditor:
		(i)	(i) Management's estimation on the impact of audit qualification: The redemption premium amount will be ascertainable once the secured flats will be sold and the debentures are redeemed and hence the Company has not made any provision in the books of account.
		(ii)	(ii) If management is unable to estimate the impact, reasons for the same: N.A
		(iii)	(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditor's Report
V	a.		The Company is irregular in payment of various statutory dues and filing of the statutory returns, including the payment of Tax Deduction at Sources (TDS), payment of Provident Fund (PF), Maharashtra Value Added Tax and filing of the returns. <b>No provision has made by the company in its books of account towards interest and penalty if any, on account of the delay in filing and payment of various statutory dues.</b> In absence of adequate information, we reserve our opinion of the impact of the same on the financial statements.
	b.		Type of Audit Qualification : Qualified Opinion
	c.		Frequency of qualification: Repeated
	d.		For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
	e.		For Audit Qualification(s) where the impact is not quantified by the auditor:
		(i)	(ii) Management's estimation on the impact of audit qualification: Due to the uncertainty regarding the time required to pay the statutory dues, the Company could not do provision towards the amount of interest and penalty.
		(ii)	(iii) If management is unable to estimate the impact, reasons for the same: N.A
		(iv)	(v) Auditors' Comments on (i) or (ii) above: Included in the Auditor's Report
VI	a.		Various cases / litigations are filed against / by the Company in various forums. In absence of adequate information, we reserve our opinion of the impact of the same on the financial statements.

	b.		Type of Audit Qualification : Qualified Opinion
	c.		Frequency of qualification: Repeated
	d.		For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
	e.		For Audit Qualification(s) where the impact is not quantified by the auditor:
			(i) Management's estimation on the impact of audit qualification: As per management's view, the cases filed against the Company will not have any impact on the operations of the Company.
			(ii) If management is unable to estimate the impact, reasons for the same: N.A
			(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditor's Report
VII	a.		No provision made in the Books for Debenture Redemption Premium Reserve in absence of adequate profit during the year.
	b.		Type of Audit Qualification : Qualified Opinion
	c.		Frequency of qualification: First time
	d.		For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
	e.		For Audit Qualification(s) where the impact is not quantified by the auditor:
			(i) Management's estimation on the impact of audit qualification: Due to absence of adequate profit, no provision could be made. Provision will be made once there is adequate profit.
			(ii) If management is unable to estimate the impact, reasons for the same: N.A
			(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditor's Report
VIII	a.		The premium/interest on debenture accrued but not due of the debentures issued to Real Estate Credit Opportunities Funds are subject to confirmation from the Debenture Trustee / Debenture Holders.
	b.		Type of Audit Qualification : Qualified Opinion
	c.		Frequency of qualification: Repeated
	d.		For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
	e.		For Audit Qualification(s) where the impact is not quantified by the auditor:
			(i) Management's estimation on the impact of audit qualification: Upon receiving confirmation from the debentureholders, the premium/interest will be confirmed.
			(ii) If management is unable to estimate the impact, reasons for the same: N.A
			(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditor's Report

IX	a.		No interest paid or provided by the Company regarding delay in payment made to Micro, Small and Medium Enterprises. In absence of adequate information, the same is not ascertainable.
	b.		Type of Audit Qualification : Qualified Opinion
	c.		Frequency of qualification: Repeated
	d.		For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
	e.		For Audit Qualification(s) where the impact is not quantified by the auditor:
			(i) Management's estimation on the impact of audit qualification: The management hopes that all the payments will be done within prescribed timelines in future and there will be no delay.
			(ii) If management is unable to estimate the impact, reasons for the same: N.A
			(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditor's Report
X	a.		The company has given advances to various parties in relation to its business. Out of the said advances an amount of Rs.11.37 Crores which is outstanding for a long period. No information is available with the company as regard to the present status of the said advance. In absence of adequate information, we reserve our opinion of the impact of the same on the financial statements.
	b.		Type of Audit Qualification : Informative statement
	c.		Frequency of qualification: NA
	d.		For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
	e.		For Audit Qualification(s) where the impact is not quantified by the auditor:
			Management's estimation on the impact of audit qualification: The Company is taking all the necessary steps to recover the amount/and/or obtain the invoices of the service rendered.
			(i) If management is unable to estimate the impact, reasons for the same: N.A
			(ii) Auditors' Comments on (i) or (ii) above: Included in the Auditor's Report
XI	a.		As per the Debentures Trust Deed (DTD) executed between the Company and Real Estate Credit Opportunities Funds, no interest is due till 30th September 2022 and the Company shall pay the interest on the said NCD starting from 1st October 2022 on monthly basis. The first interest is due and payable by the Company is on 31st October 2022. The Redemption Premium is payable on the final maturities of the NCD, i.e. on 26/10/2026. In the event, the Company redeemed the NCD before the maturity date, the Company need to pay the Interest being equal to 16.07% IRR per annum from the Deemed Date of Allotment to that Redemption Date. For the FY 2020-21, the company erroneously debited Rs.67.76 Crores to the Construction Work in Progress Accounts as interest payable on NCD, instead to the Profit and Loss Accounts as Redemption Premium / Interest on NCD. The same was rectified during the current year and reversed from the Construction Work in Progress Accounts. The Redemption Premium / Interest payable on the NCD till 31st March 2022, which is being equal to 16.07% IRR per annum and works out to be Rs. 258.48 Crores was debited to the Profit and Loss Account during the FY 2021-22.
	b.		Type of Audit Qualification : Qualified Opinion

	c.		Frequency of qualification: First time
	d.		For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
	e.		For Audit Qualification(s) where the impact is not quantified by the auditor:
			(i) Management's estimation on the impact of audit qualification: NA
			(ii) If management is unable to estimate the impact, reasons for the same: N.A
			(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditor's Report
XII	a.		Rs.9.16 Crores appearing in the Traces site as amount payable for default in TDS. The Company has not filled any appeal against TDS demand and also no amount provided in the books of the Company.
	b.		Type of Audit Qualification : Qualified Opinion
	c.		Frequency of qualification: First time
	d.		For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
	e.		For Audit Qualification(s) where the impact is not quantified by the auditor:
			(i) Management's estimation on the impact of audit qualification: The Company is taking necessary steps to apply to the appropriate authority for waiving of the interest and late filing fees
			(ii) If management is unable to estimate the impact, reasons for the same: N.A
			(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditor's Report
XIII	a.		The amount appears in the Financial Statements are subject to confirmation from the respective parties.
	b.		Type of Audit Qualification : Informative statement
	c.		Frequency of qualification: NA
	d.		For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
	e.		For Audit Qualification(s) where the impact is not quantified by the auditor:
			(i) Management's estimation on the impact of audit qualification: NA
			(ii) If management is unable to estimate the impact, reasons for the same: N.A
			(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditor's Report
XIV	a.		The Company is having the negative Cash flow from its operating activities during the current year and also in the preceding previous years. Due to the continues negative cash flow of the company from the operating activities, there was major delays/defaults in payment of principal and interest on borrowings, payment of statutory liabilities, payment of salaries to the employees, payment to the creditors and other dues of the Company. The management of the Company is of the opinion that no adverse impact is anticipated on future operations of the Company, due to the negative Cash flow from its operating activities during the current year and in the preceding previous years.

	b.		Type of Audit Qualification : Informative statement
	c.		Frequency of qualification: Repeated
	d.		For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
	e.		For Audit Qualification(s) where the impact is not quantified by the auditor:
			(i) Management's estimation on the impact of audit qualification:
			(ii) If management is unable to estimate the impact, reasons for the same: N.A
			(iii) Auditors' Comments on (i) or (ii) above: Included in the Auditor's Report

For and on behalf of the Board

As per our report of even date  
For Hare K Panda & Co  
Chartered Accountants

A M Lokhandwala  
Director

Mumbai

Dated: 30.05.2022

