

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these 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 Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Deloitte Haskins & Sells

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
 - (a) We have 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31 March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2014 from being appointed as a director in terms of section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117364W)



Ketan Vora
(Partner)

(Membership No. 100459)

MUMBAI, June 3, 2014

Deloitte Haskins & Sells

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED

(Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (i) Having regard to the nature of the Company's business/ activities/ result during the year, clause (vi), (viii), (x), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company for the year.
- (ii) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b) The fixed assets have been physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the assets at reasonable intervals. According to information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) There were no fixed assets disposed off during the year.
- (iii) In respect of its inventory:
 - a) As explained to us, the inventories (other than inventory lying with contractors in respect of which confirmation have been obtained) were physically verified during the year by the Management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the procedures of 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 reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.



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- (iv) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- a) The Company had taken loan from one party in the earlier year. At the year-end, the outstanding balance of such loan taken is Rs. 1,39,39,79,399/- and the maximum amount involved during the year was Rs. 1,43,02,37,069/-.
 - b) The rate of interest and other terms and conditions of such loans is, in our opinion, *prima facie* not prejudicial to the interest of the Company.
 - c) In the absence of stipulations, the regularity of the payments of principal amounts and interest has not been commented upon.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangement entered in the Register maintained in pursuant of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanation given to us:
- a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - b) Where each of such transaction (excluding loans reported under paragraph (iv) above) is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are, *prima facie* reasonable having regard to the prevailing market prices at the relevant time.



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- (vii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) According to the information and explanations given to us in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Income-tax, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
 - c) There are no dues of Income-tax, Sales Tax, Service Tax and Cess which have not been deposited as on March 31, 2014 on account of disputes.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to bank. The company does not have any dues to financial institutions and debenture holders.
- (x) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from bank and financial institutions.
- (xi) The Company has not availed any term loan during the year. Hence, clause (xvi) of paragraph 4 of the Order is not applicable to the company for the year.
- (xii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long term investment.



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- (xiii) 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 has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.117364W)



Ketan Vora
(Partner)

MUMBAI, June 3, 2014

(Membership No. 100459)

Lemon Tree Land & Developers Private Limited

Balance Sheet as at 31 March, 2014

(in Rs.)

Particulars		Note No	As at 31 March, 2014	As at 31 March, 2013
I	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	Share capital	3	2,50,000	2,50,000
	Reserves and surplus	4	63,03,35,624	(1,80,136)
			63,05,85,624	69,864
2	Non - current liabilities			
	Long-term borrowings	5	2,89,60,58,614	3,34,87,83,281
	Deferred tax liabilities (net)	6	-	7,517
	Other long-term liabilities	7	66,15,789	31,68,74,241
	Long-term provisions	8	13,50,093	21,979
			2,90,40,24,496	3,66,56,87,018
3	Current liabilities			
	Short-term borrowings	9	13,99,62,580	-
	Trade payables	10	26,84,62,676	20,14,53,523
	Other current liabilities	11	91,45,08,711	12,91,14,177
	Short term provisions	12	5,25,54,413	11,811
			1,37,54,88,380	33,05,79,511
	TOTAL		4,91,00,98,500	3,99,63,36,393
II	ASSETS			
1	Non-current assets			
	Fixed assets			
	Tangible assets	13	24,26,740	2,20,609
	Non-Current Investments	14	6,265	-
	Deferred Tax Assets (Net)	15	42,807	-
	Long term loans and advances	16	6,74,49,403	2,34,068
	Other non- current assets	17	2,60,69,065	3,97,35,263
			9,59,94,280	4,01,89,940
2	Current Assets			
	Inventories	18	3,86,46,84,717	3,91,00,76,776
	Trade Receivables	19	23,50,98,846	-
	Cash and cash equivalents	20	1,79,52,250	21,618
	Short term loans and advances	21	27,23,22,367	1,54,22,205
	Other current assets	22	42,40,46,040	3,06,25,854
			4,81,41,04,220	3,95,61,46,453
	TOTAL		4,91,00,98,500	3,99,63,36,393
See accompanying notes forming part of the financial statements				

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors



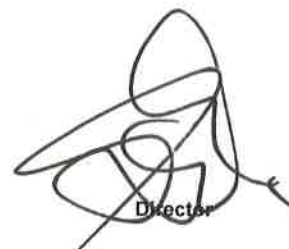
Ketan Vora

Partner

Mumbai



Director



Director

3 JUN 2014



Lemon Tree Land & Developers Private Limited

Statement of Profit and Loss for the year ended 31 March, 2014

(In Rs.)

Particulars	Note No	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
REVENUE			
Revenue from Operations	23	2,05,35,37,060	-
Other income	24	36,38,446	78,815
Total Revenue		2,05,71,75,506	78,815
EXPENSES			
Cost of Sales	25	98,10,69,276	-
Depreciation expenses	13	6,84,897	16,159
Other expenses	26	11,94,55,897	1,74,568
Total expenses		1,10,12,10,070	1,90,727
Profit/(Loss) before tax		95,59,65,436	(1,11,912)
Tax expense:			
Current tax		32,55,00,000	-
Deferred tax	6 & 15	(50,324)	7,517
		32,54,49,676	7,517
Profit/(Loss) for the year		63,05,15,760	(1,19,429)
Earnings Per Equity Share (of Rs.10/- each) - Basic and diluted earnings per share (In Rs.)	31	25,220.63	(5.10)
See accompanying notes forming part of the financial statements			


In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors


Ketan Vora

Partner


Director


Director

Mumbai
Date: 3 JUN 2014



Lemon Tree Land & Developers Private Limited
Cash Flow Statement for the year ended 31 March, 2014

(in Rs.)		
Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Cash Flow from Operating Activities		
Profit/(Loss) before tax	95,59,65,436	(1,11,912)
Adjustments for:-		
Depreciation expenses	6,84,897	16,159
Interest Income	(7,61,022)	-
Operating Profit/(loss) before Working Capital Changes	95,58,89,311	(95,753)
Adjustments for:-		
(Increase) in Trade Receivables (including unbilled revenue)	(23,50,98,846)	-
Decrease/(Increase) in Inventories	63,05,33,948	(3,55,84,60,505)
(Increase) in Loans and Advances	(70,30,81,056)	(7,83,00,772)
Increase/(Decrease) in Trade Payable and Other Current Liabilities	7,05,51,923	33,03,86,925
Cash used in from Operations	71,87,95,280	(3,30,64,70,105)
Direct Taxes Paid (net)	(27,33,18,993)	-
Net cash flow from / (used in) operating activities	44,54,76,287	(3,30,64,70,105)
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(28,91,028)	(1,01,018)
Purchase of Investments	(6,265)	-
Investment in long term Fixed deposits	(6,27,757)	(76,03,510)
Interest Received	6,00,350	-
Net cash flow from / (used in) investing activities	(29,24,700)	(77,04,528)
Cash Flow from Financing Activities		
Share Capital Issued	-	1,50,000
Proceeds from Borrowings	61,15,92,861	3,34,87,83,281
Repayment of Borrowings	(92,43,54,948)	-
Finance costs	(11,18,58,868)	(3,47,42,030)
Net cash flow from / (used in) financing activities	(42,46,20,955)	3,31,41,91,251
Net Increase in cash and cash equivalents	(A+B+C) 1,79,30,632	16,618
Cash and Cash Equivalents at the beginning of the year	21,618	5,000
Cash and Cash Equivalents at the end of the year	1,79,52,250	21,618

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

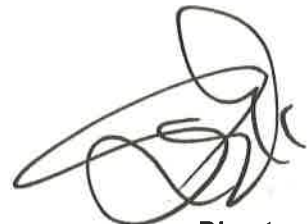


Ketan Vora
Partner





Director



Director

Mumbai
Date: **13 JUN 2014**

Note 1: CORPORATE INFORMATION

Lemon Tree Land & Developers Private Limited [CIN: U45202HR2011PTC044718] (LTLDPL) was incorporated on 30 December, 2011. It was promoted with the main objective of development of Real Estate in India. The Company is into real estate development and its key activities include identification of land, project conceptualizing and designing, development, management and marketing. Its Holding company is Tata Housing Development Company Limited (THDC), which is also into real estate development and key activities of THDC include identification of land, project conceptualizing and designing, development, management and marketing.

The company was owned by Satyapal Singh Chorasias (50%) and Dharam Chand Yadav (50%) as on 31 March, 2012. However, subsequently the shareholding of the company was changed and CSN Estates Private Limited with its nominees jointly held 100% of the shares of the company.

Further on 9 May, 2012 the company's shareholders joined hands with Tata Housing Development Company Ltd (THDC) and entered into a 'Share Subscription Cum Shareholders Agreement' and agreed that the revised shareholding of the company will be THDC (51%) and CSN Estates Private Limited (49%).

Note 2: BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.1 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

2.2 Revenue Recognition

In respect of projects which have already commenced but where revenue is being recognised for the first time on or after April 1, 2012, the Company has followed the Percentage of Completion method as per the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) for recognising revenue from projects, based on estimation of the outcome of the project when the following are completed:

- a. All critical approvals for commencement have been obtained;
- b. At least 25% of development/costs for the project have been incurred;
- c. At least 25% of the saleable project area is secured by contracts or agreements with buyers and;
- d. At least 10% of the total revenue as per the aforementioned sale agreements have been realised in respect of each such contract and it is expected that the parties will comply with the payment terms of the contracts.



2.3 Other Income

Interest income is recognised on an accrual basis on a time proportion basis.

2.4 Fixed Assets (Tangible Assets)

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

2.5 Depreciation

Depreciation on fixed assets is provided using Written down Value method at the rates specified in Schedule XIV of the Companies Act, 1956.

2.6 Inventories

Inventories are valued at lower of cost and net realisable value.

The cost of construction material is determined on a weighted average basis.

Construction Work-in-progress includes cost of development rights, construction and development cost and borrowing costs attributable to each project.

2.7 Impairment of Assets

The carrying amounts of assets / cash generating units are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised in the Statement of Profit and Loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Statement of Profit and Loss.

2.8 Borrowing Costs

Borrowing costs include interest; amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to qualifying construction projects are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing Costs attributable to qualifying construction projects in progress are added to Construction Work-in-progress till the conditions of Accounting Standard 16 - "Borrowing Cost" are met.



2.9 Employee Benefits

Employee benefits includes provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The Company's contributions to Provident fund, Superannuation Fund and employee's state insurance scheme are considered as defined contribution plans and are recognised as expenses in the Statement of Profit and Loss.

Defined benefit plans

The net present value of the Company's obligation towards gratuity to employees is actuarially determined at the end of each year based on the projected unit credit method. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

Other long term employee benefits comprising compensated absences, long service awards, and post-retirement medical benefits and ex-directors pension obligations are provided based on an actuarial valuation determined at the end of each year based on the projected unit credit method. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

2.10 Provision for Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income-Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax liabilities are recognised for all timing differences. Deferred tax asset is recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. In situations where the Company has unabsorbed depreciation or carried forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the same can be realised against future taxable profits.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period as per the provision of Income-tax Act, 1961. MAT credit is reviewed at each balance sheet date and the carrying amount of MAT credit is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income-Tax during such specified period.

2.11 Operating Leases

Lease payments in respect of commercial and residential premises taken on an operating lease are recognised as an expense in the Statement of Profit and Loss in accordance with the terms of the lease agreement/arrangement.

2.12 Transactions in Foreign Exchange

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

Monetary items denominated in foreign currency as at the balance sheet date are stated at the rates of exchange prevailing at the balance sheet date and the resultant gains/losses are immediately recognised in the Statement of Profit and Loss.



2.13 Accounting for Provisions, Contingent Liabilities and Contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.14 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.



Lemon Tree Land & Developers Private Limited

Note forming part of the financial statements for the year ended 31 March, 2014

Note 3: Share Capital

Particulars	(in Rs.)	
	As at 31 March, 2014	As at 31 March, 2013
Authorised 25,000 Equity shares of Rs. 10 each	2,50,000	2,50,000
Issued, Subscribed and fully Paid-up 25,000 Equity shares of Rs. 10 each	2,50,000	2,50,000

3.1 Reconciliation of number of Ordinary Shares and amount outstanding at the beginning and at the end of the Year:

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Equity Share Capital				
At the Beginning of the Year	25,000	2,50,000	10,000	1,00,000
Issued during the Year	-	-	15,000	1,50,000
Outstanding at the End of the Year	25,000	2,50,000	25,000	2,50,000

As per the "Share Subscription cum Shareholders Agreement" between the shareholders it has been agreed that neither of the shareholders shall transfer any of the equity shares held by it for a period of three years (lock in period) from the date of agreement or such other date as agreed between them. Also after the expiry of such lock in period the shareholders shall not transfer the shares without the prior written consent of the other shareholder.

3.2 The Ordinary Shares rank *pari-passu*, having voting rights and are subject to preferences and restrictions as per Companies Act.

3.3 Shares held by the Holding Company and its nominees

12,750 (Previous Year 12,750) equity shares of Rs. 10/- each are held by the holding Company - Tata Housing Development Company Limited and its nominees.

3.4 Details of Ordinary Shares held by Shareholders holding more than 5% of Ordinary Shares in the Company:

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number Of Shares	% Holding	Number Of Shares	% Holding
Tata Housing Development Company Limited	12,750	51%	12,750	51%
CSN Estate Private Limited	12,250	49%	12,250	49%



Lemon Tree Land & Developers Private Limited

Notes forming part of the financial statements for the year ended 31 March, 2014

Note 4: Reserves and Surplus

(In Rs.)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Surplus/(Deficit) In the Statement of Profit and Loss		
Opening Balance	(1,80,136)	(60,707)
Add: Profit/(Loss) for the year	63,05,15,760	(1,19,429)
Closing Balance	63,03,35,624	(1,80,136)

Note 5: Long Term Borrowings

(In Rs.)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Secured:		
Deferred payment liabilities (Refer note 5.1)	16,56,90,603	25,94,05,678
Unsecured:		
<u>Loans and Advances from related parties</u>		
Tata Housing Development Company Limited (Refer Note 5.2 and 34)	1,33,63,88,612	1,65,91,40,534
CSN Estates Private Limited (Refer Note 5.2 and 34)	1,39,39,79,399	1,43,02,37,069
	2,89,60,58,614	3,34,87,83,281

5.1 The company has opted for Deferred Payment Scheme for the payment of External Development Charges (EDC) to Haryana Urban Development Authority (HUDA). As per the scheme 10% of the total amount shall be payable within 30 days from the date of grant of licence and the balance 90% will be paid in nine equated six monthly installments along with interest at the rate of 12% per annum (simple interest) on the unpaid amount. In case of delay in payment of installment an additional interest of 3% is payable. Accordingly the amount payable after 31 March, 2015 is disclosed as non-current.

5.2 On May 09, 2012, the Company has entered into Share Subscription Cum Shareholders Agreement with its shareholders. The rate of interest is 18% p.a. or State Bank of India Base Rate + 5% which ever is higher compounded annually. As per clause no. 6.5 of the Agreement all surplus proceeds available with the Company shall be utilized in accordance with the provisions of this clause and shall be distributed in accordance with the following order of priority:

- Firstly, towards operation costs for development of the Project including any statutory payments;
- Secondly, towards payment towards PMC Fees and Marketing Fees;
- Thirdly, towards repayment of loan (other than Debt Capital) due, along with interest, taken by the Company for the purposes of construction and development of the Project from banks or external party(s), if any availed by the Company;
- Fourthly, towards repayment of any Debt Capital and interest thereon.

Note 6: Deferred tax liabilities (net)

Break up of deferred tax assets and liabilities and reconciliation of current year deferred tax charge

(In Rs.)

Particulars	As at 31 March, 2014	As at 31 March, 2013
<u>Tax effect of items constituting deferred tax liability</u>		
Difference between book balance and tax balance of fixed assets	-	7,517
Tax effect of items constituting deferred tax liability	-	7,517
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for employee benefits expenses	-	-
Tax effect of items constituting deferred tax assets	-	-
Deferred tax liability	-	7,517



Lemon Tree Land & Developers Private Limited
Notes forming part of the financial statements for the year ended 31 March, 2014
Note 7: Other Long-Term liabilities:
(In Rs.)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Trade Payable (others)		
- Retention money payable	58,59,789	-
Earnest money deposits	7,56,000	-
Interest accrued but not due on borrowings	-	31,68,74,241
	66,15,789	31,68,74,241

Note 8: Long-term Provisions
(In Rs.)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Provision for employee benefits		
- Gratuity	4,29,931	-
- Compensated absences	6,78,850	21,979
- Long service award	2,41,312	-
	13,50,093	21,979

Note 9: Short Term Borrowings
(In Rs.)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Loans repayable on demand: From Bank (Secured) (Refer Note 9.1)	13,99,62,580	-
	13,99,62,580	-

9.1 The overdraft facility is secured by Present and future goods, book-debts and all other movable assets of the Company. Immovable property situated at Village Bajghera, Tehsil and District Gurgaon, Haryana for creation of charge for term loan/overall limit dated October 05, 2013. It is repayable on demand.

Note 10: Trade Payables (refer note 35)
(In Rs.)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Other trade payables	26,84,62,676	20,14,53,523
	26,84,62,676	20,14,53,523

Note 11: Other Current Liabilities
(In Rs.)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Current maturities of long-term debts	9,82,35,995	8,84,01,833
Statutory remittances (Withholding tax, Service Tax and VAT, etc.)	2,60,69,129	4,05,57,864
Employees Contribution to Provident Fund & ESIC	46,325	18,730
Interest accrued but not due on borrowings	79,01,57,262	-
Payable on purchases of fixed assets	-	1,35,750
	91,45,08,711	12,91,14,177

Note 12: Short Term Provisions
(In Rs.)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Provision for tax (net of advance tax Rs. 27,33,18,993 (As at 31 March, 2013 Rs. Nil))	5,21,81,007	-
Provision for employee benefits		
- Gratuity	45,993	-
- Compensated absences	3,27,413	11,811
	5,25,54,413	11,811



Note forming part of the financial statements for the year ended 31 March, 2014

Note 13 : Fixed Assets

PARTICULARS	Gross Block			Depreciation			Net Block	
	As at 1 April, 2013	Additions	Deductions	As at 31 March, 2014	For the year	Deductions	As at 31 March, 2014	As at 31 March, 2013
<u>Tangible assets</u>								
Construction Equipments	1,35,750	12,59,750	-	13,95,500	1,07,957	-	12,85,940	1,34,146
Furnitures and Fixtures	-	9,51,766	-	9,51,766	4,33,194	-	5,18,572	-
Office Equipments	-	2,38,210	-	2,38,210	20,622	-	2,17,588	-
Computers	1,01,018	4,41,301	-	5,42,320	1,23,124	-	4,04,640	86,463
Total	2,36,768	28,91,028	-	31,27,796	6,84,897	-	24,26,740	2,20,609
Previous Year	-	2,36,768	-	2,36,768	16,159	-	2,20,609	-



Lemon Tree Land & Developers Private Limited

Notes forming part of the financial statements for the year ended 31 March, 2014

Note 14: Non-Current Investments

(in Rs.)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Other investments (at cost, unquoted)		
Silver Coins	6,265	-
	6,265	-

Note 15: Deferred tax assets (net)

Break up of deferred tax assets and liabilities and reconciliation of current year deferred tax charge

(in Rs.)

Particulars	As at 31 March, 2014	As at 31 March, 2013
<u>Tax effect of items constituting deferred tax liability</u>	-	-
Tax effect of items constituting deferred tax liability	-	-
<u>Tax effect of items constituting deferred tax assets</u>		
Difference between book balance and tax balance of fixed assets	42,807	-
Tax effect of items constituting deferred tax assets	42,807	-
Deferred tax assets	42,807	-

Note 16: Long Term Loans and Advances (Unsecured, considered good)

(in Rs.)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Security deposits		
With government authorities	4,96,000	2,00,000
With others	1,05,000	-
Other Advances		
Advance income tax (net of provisions Rs. Nil (As at 31 March, 2013 Rs. Nil))	34,068	34,068
Mobilisation Advance	6,68,14,335	-
	6,74,49,403	2,34,068

Note 17: Other Non- Current Assets

(in Rs.)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Balances with Banks		
In Deposit Accounts (Refer note 17.1)	82,31,267	76,03,510
Others		
Deferred Receivables (Refer note 17.2)	1,78,37,798	3,21,31,753
	2,60,69,065	3,97,35,263

17.1 (a) The fixed deposits are under lien against bank guarantees on behalf of the Company for operations.

(b) Balances with banks include deposits which have a maturity of more than 12 months from the Balance Sheet date.

17.2 Long term receivables pertains to the amount recoverable from shareholder M/s. CSN Estates Private Limited (CSN) for External Development Charges (EDC) paid by the company in respect of land belonging to CSN. Refer note 5 for details of the deferment scheme opted by the company for payment of EDC charges. The amount will be recoverable proportionately from CSN as and when it is paid by the company. Accordingly the amount recoverable after 31 March, 2015 is disclosed as non-current.

Note 18: Inventories (Valued at lower of cost and net realisable value)

(in Rs.)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Construction Material	2,76,93,280	-
Construction work-in-progress (Refer note 30)	3,83,69,91,437	3,91,00,76,776
	3,86,46,84,717	3,91,00,76,776



Lemon Tree Land & Developers Private Limited

Notes forming part of the financial statements for the year ended 31 March, 2014

Note 19: Trade Receivables

Particulars	As at 31 March, 2014	As at 31 March, 2013
Outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, Considered Good	96,021	-
Others		
- Unsecured, Considered Good	23,50,02,825	-
	23,50,98,846	-

Note 20: Cash and cash equivalents

(In Rs.)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Balances with Banks - in Current Accounts	1,79,52,250	21,618
	1,79,52,250	21,618

Note 21: Short Term Loans and Advances (Unsecured, considered good)

(In Rs.)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Advances to related parties		
- Tata Housing Development Company Limited	7,41,61,505	-
Other Receivable from related parties		
- CSN Estates Private Limited	15,16,70,275	-
Advance for projects	15,10,386	15,69,271
Mobilisation Advance	3,48,38,904	-
Prepaid expenses	2,55,644	-
Balances with government authorities	98,65,653	1,38,52,934
	27,23,22,367	1,54,22,205

Note 22: Other current assets

(In Rs.)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Unbilled Revenue	41,31,83,964	-
(Unbilled revenue represents future instalments receivable from customers)		
Interest accrued on deposits	2,86,257	1,25,585
Contractually reimbursable expenses	1,05,75,819	3,05,00,269
	42,40,46,040	3,06,25,854



Lemon Tree Land & Developers Private Limited

Notes forming part of the financial statements for the year ended 31 March, 2014

Note 23: Revenue from Operations

(In Rs.)

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Sale of properties	2,00,52,85,571	-
Other Operating Revenues - Other income from customers	4,82,51,489	-
Total	2,05,35,37,060	-

Note 24: Other Income

(In Rs.)

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Interest on fixed deposits from Bank	7,61,022	-
Interest on delayed payment charges	27,96,887	-
Scrap Sales	80,430	-
Miscellaneous Income	-	78,815
Sundry Balances Written-back	107	-
Total	36,38,446	78,815

Note 25: Cost of Sale of projects

(In Rs.)

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Cost of Sales	98,10,69,276	-
Total	98,10,69,276	-

Note 26: Other Expenses

(In Rs.)

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Professional Fees	2,28,360	47,983
Rates and Taxes	22,882	8,477
Advertisement	4,970	-
Selling expenses	11,84,72,938	-
Net Loss on Foreign Currency Transactions and Translations	3,21,874	-
Payable to Statutory Auditors	-	-
- Audit Fees	3,00,000	1,00,000
- Reimbursement of Expenses	4,700	-
Donations	21,208	-
Administrative and Other Expenses	70,522	-
Miscellaneous expenses	3,055	18,108
Bank Charges	5,388	-
Total	11,94,55,897	1,74,568



Lemon Tree Land & Developers Private Limited

Notes forming part of the financial statements for the year ended 31 March, 2014

Note 27: Disclosure as per Guidance Note on Accounting for Real Estate Transactions (Revised 2012):

(in Rs.)

Particulars	31 March, 2014	31 March, 2013
Project revenue recognised as revenue for the year ended 31 March	2,00,52,85,571	-
Methods used to determine the project revenue	Percentage of completion method	
Method used to determine the stage of completion of the project	Physical completion substantiated by cost incurred	
In respect of all projects in progress as at 31 March, 2014:		
Aggregate amount of costs incurred and profits recognised to date as at 31 March	5,84,22,77,008	3,91,00,76,776
Advances received as at 31 March	-	-
Amount of work in progress and inventories as at 31 March	3,86,46,84,717	3,91,00,76,776
Unbilled revenue as at 31 March	41,31,83,964	-

Note 28: Selling Expenses include Rs. 64,485,870 (for the year ended 31 March, 2013 Rs. Nil) towards Brokerage for sale of properties.

Note 29: The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	Foreign Currency (FC)	As at 31 March, 2014		As at 31 March, 2013	
		Amount in FC	(Amount in Rs.)	Amount in FC	(Amount in Rs.)
Payables	EURO	3,600	2,97,275	-	-
	SGD	58,906	28,11,594	-	-



Lemon Tree Land & Developers Private Limited**Notes forming part of the financial statements for the year ended 31 March, 2014****Note 30: Construction Work in progress includes the following expenses incurred for the year:****(in Rs)**

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Interest and other borrowing costs (Net)	58,46,75,630	35,16,16,271
Project management fees	2,76,32,816	3,56,93,302
Salaries and bonus etc.	1,51,90,204	27,51,695
Insurance	29,56,708	25,557

Note 31: Earnings Per Share

In accordance with the Accounting Standard on "Earnings Per Share" (AS-20) notified by the Companies Act the Earning Per Share has been computed by dividing the Net Profit After Tax by the weighted average number of ordinary shares.

Particulars	As at 31 March, 2014	As at 31 March, 2013
Profit/(Loss) after Tax - (in Rs.)	63,05,15,760	(1,19,429)
Number of Ordinary Shares	25,000	25,000
Weighted average number of Ordinary shares outstanding during the year	25,000	23,438
Weighted average number of Ordinary shares for diluted EPS	25,000	23,438
Basic / Diluted earnings per share of Rs. 10 each	25,220.63	(5.10)
Face Value Per Share - (in Rs.)	10	10

Note 32: Segment Reporting

As the Company is engaged only in the business of development of property and related activities in India, it has no reportable segments in terms of Accounting Standard 17 on Segment Reporting notified by the Companies Act.



Note 33: Employee Benefits**33.1**

The Company has recognised, under the construction work in progress the following amount as contribution under defined contribution plans.

(in Rs)

Benefit (Contribution to)	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Provident Fund	4,56,160	1,82,626
Total	4,56,160	1,82,626

The Company's contributions paid / payable during the year towards Provident Fund and Superannuation Fund are charged to the construction work in progress. These funds and the schemes thereunder are recognised by the Income-tax authorities and administered by trusts.

33.2 Unfunded Leave Encashment and Sick Leave:**Assumptions and Definitions for leave encashment**

Date of Valuation	As at 31 March, 2014	As at 31 March, 2013
Discounting Rate	9.14% p.a.	8% p.a.
Retirement Age	60 Years	60 Years
Future Salary Rise	7% p.a.	7% p.a.
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult	L.I.C.(1994-96) Ultimate
Withdrawal Rates	13% to 2% p.a. age related on graduated scale	5% to 1% p.a. age related on graduated scale



33.3 The Company operates the unfunded gratuity defined benefit plan:

A) Changes in Benefit Obligation:

(in Rs.)

Particulars	Gratuity (Unfunded)	
	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Opening Defined Benefit Obligation	-	NA
Interest Cost	47,031	NA
Service Cost	-	NA
Benefits Paid	-	NA
Actuarial (Gain) / Loss on obligations	4,28,893	NA
Closing Defined Benefit Obligation	4,75,924	NA

B) Net liability recognised in the Balance Sheet:

(in Rs.)

Particulars	Gratuity (Unfunded)	
	As at 31 March, 2014	As at 31 March, 2013
Present value of the Obligation as at the end of the year	4,75,924	NA
Fair value of plan assets as at the end of the year	-	NA
Un-funded Liability as at the end of the year	4,75,924	NA
Net liability recognised in the Balance Sheet	4,75,924	NA

C) Expenses Recognised during the year:

(in Rs.)

Particulars	Gratuity (Unfunded)	
	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Interest Cost	47,031	NA
Service Cost	-	NA
Expected Return on plan assets	-	NA
Actuarial Loss / (Gain) recognised	4,28,893	NA
Expenses Recognised during the year	4,75,924	NA

D) Assumptions and Definitions - Gratuity:

Date of Valuation	As at 31 March, 2014	As at 31 March, 2013
Discounting Rate	9.14% p.a.	N.A.
Rate of Salary Increase	7.00% p.a.	N.A.
Rate of Return	8.70% p.a.	N.A.
Retirement Age	60 years	N.A.
Mortality Table	Indian Assured Lives Mortality (2006-2008) Ultimate	N.A.
Attrition Rate	13.00% as explained above	N.A.
Maximum Gratuity payable per person	Rs. 10,00,000/-	Rs. 10,00,000/-

33.4 Actuarial Assumptions for Unfunded Compensated absences:

Particulars	As at 31 March, 2014	As at 31 March, 2013
<u>Compensated absences</u>		
Discounting Rate	9.14% p.a.	8.00% p.a.
Retirement Age	60 years	60 years
Future Salary Rise	7.00% p.a.	7.00% p.a.
Mortality Table	Indian Assured Lives Mortality (2006-2008) Ultimate	L.I.C. (1994-96) Ultimate

The above details are certified by the actuary and relied upon by the auditors.



Lemon Tree Land & Developers Private Limited

Notes forming part of the financial statements for the year ended 31 March, 2014

Note 34: Related Party Transactions

As per Accounting Standard on "Related Party Disclosures" (AS-18) notified by the Companies Act, the Related Parties of the Company are as follows:

34.1 List of Related Parties and Relationships

Sr. No.	Related Party and nature of relationship
1	Ultimate holding Company Tata Sons Limited
2	Holding Company Tata Housing Development Company Limited
3	Company which holds substantial interest in the Company CSN Estates Private Limited



Lemon Tree Land & Developers Private Limited

Notes forming part of the financial statements for the year ended 31 March, 2014

34.2 Transactions with the Related Parties

(in Rs.)			
Sr. No.	Particulars	Holding Company	Company which holds substantial interest in the Company
1	Receiving of Services (Expenses)		
	<u>Project Management Services</u>		
	Tata Housing Development Company Limited	2,76,32,816 (3,56,93,302)	
	<u>Marketing Fees</u>		
	Tata Housing Development Company Limited	4,21,70,005 (Nil)	
	<u>Interest on loans</u>		
	Tata Housing Development Company Limited	29,64,41,876 (18,13,02,741)	
	CSN Estates Private Limited		27,97,49,887 (17,07,79,789)
2	Loan taken		
	Tata Housing Development Company Limited	47,16,30,281 (1,65,91,40,534)	
	CSN Estates Private Limited		Nil (1,43,02,37,069)
3	Loan Repaid		
	Tata Housing Development Company Limited	79,43,82,203 (Nil)	
	CSN Estates Private Limited		3,62,57,670 (Nil)
4	Purchase of development rights		
	CSN Estates Private Limited		Nil (2,91,88,51,162)
5	Liabilities		
	<u>Loans outstanding</u>		
	Tata Housing Development Company Limited	1,33,63,88,612 (1,65,91,40,534)	
	CSN Estates Private Limited		1,39,39,79,399 (1,43,02,37,069)
	<u>Trade Payables</u>		
	Tata Housing Development Company Limited	Nil (3,60,94,495)	
	CSN Estates Private Limited		15,64,72,690 (15,64,72,690)
	<u>Interest Accrued but not Due</u>		
	Tata Housing Development Company Limited	38,46,53,553 (16,31,72,417)	
	CSN Estates Private Limited		40,54,76,722 (15,37,01,824)
6	Assets		
	<u>Other Receivables</u>		
	Tata Housing Development Company Limited	7,41,61,505 (Nil)	
	CSN Estates Private Limited		15,16,70,275 (Nil)
	<u>Other Receivables - Other Non Current Assets</u>		
	CSN Estates Private Limited		1,78,37,798 (3,21,31,753)
	<u>Other Receivables - Other Current Assets</u>		
	CSN Estates Private Limited		1,05,75,819 (3,05,00,269)

Figures in brackets are for the previous year



Note 35: Micro, Small and Medium Enterprises

- 35.1** Trade Payables include principal amount of Rs. Nil (As at 31 March, 2013 Rs. Nil) due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006
- 35.2** No interest was paid during the current year as well as during the previous year by the Company to such suppliers.
- 35.3** No interest is due and payable for the period of delay in making payment, if any, at the end of the current year as well as previous year by the Company to such suppliers.
- 35.4** No interest was accrued and remains unpaid at the end of the current year as well as previous year by the Company to such suppliers.

The above information has been determined to the extent such suppliers have been identified on the basis of information available with the Company.

Note 36: Expenditure in Foreign Currency (on accrual basis) during the financial year

(in Rs.)

Particulars	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013
Professional Fees towards Architect services	1,28,85,184	3,99,62,160

Note 37: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors



Director



Director



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.



- (f) 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 does not have any pending litigations which would impact its financial position.
 - 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 Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Alka Chadha

Alka Chadha
(Partner)
(Membership No. 93474)

Gurgaon, 27 July, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (i) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
 - a) Inventory comprises construction material and construction-work-in-progress. As explained to us, the inventories (other than inventory lying with contractors in respect of which confirmations have been obtained) were physically verified during the year by the Management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the procedures of 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 reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.



- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed that the Company's operations did not give rise to any Employees' State Insurance, Wealth Tax, Customs Duty, Excise Duty and Value Added Tax.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Cess and other material statutory dues in arrears as at 31 March, 2015 for a period of more than six months from the date they became payable. We are informed that the Company's operations did not give rise to any Employees' State Insurance, Wealth Tax, Customs Duty, Excise Duty and Value Added Tax.
 - c) There are no dues in respect of Income-tax, Sales Tax, Service Tax and Cess which have not been deposited as on 31 March, 2015 on account of any disputes. We are informed that the Company's operations did not give rise to any Wealth Tax, Customs Duty, Excise Duty and Value Added Tax.
 - d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956, (1 of 1956) and Rules made thereunder.
- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has neither taken any loans from any financial institutions nor has it issued any debentures.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xi) According to the information and explanations given to us, the Company has not availed any term loans during the year.



- (xii) 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 has been noticed or reported during the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Alka Chadha
(Partner)
(Membership No. 93474)

Gurgaon, 27 July, 2015

LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED
BALANCE SHEET AS AT 31 MARCH, 2015

Particulars		Note No	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	Share capital	3	2,50,000	2,50,000
	Reserves and surplus	4	79,78,95,247	63,03,35,624
			79,81,45,247	63,05,85,624
2	Non-current liabilities			
	Long-term borrowings	5	2,76,53,46,680	2,89,60,58,614
	Other long-term liabilities	6	16,77,725	66,15,789
	Long-term provisions	7	14,12,447	13,50,093
			2,76,84,36,852	2,90,40,24,496
3	Current liabilities			
	Short-term borrowings	8	26,93,85,185	13,99,62,580
	Trade payables	9	14,16,48,326	26,84,62,676
	Other current liabilities	10	1,37,43,07,933	91,45,08,711
	Short-term provisions	11	96,41,344	5,25,54,413
			1,79,49,82,788	1,37,54,88,380
	TOTAL		5,36,15,64,887	4,91,00,98,500
B	ASSETS			
1	Non-current assets			
	Fixed assets			
	-Tangible assets	12	13,79,328	24,26,740
	Non-current investments	13	6,265	6,265
	Deferred tax assets	14	10,67,809	42,807
	Long-term loans and advances	15	5,73,90,709	6,74,49,403
	Other non-current assets	16	1,66,89,070	2,60,69,065
			7,65,33,181	9,59,94,280
2	Current assets			
	Inventories	17	4,59,78,17,834	3,86,46,84,717
	Trade receivables	18	18,29,66,934	23,50,98,846
	Cash and cash equivalents	19	4,19,34,496	1,79,52,250
	Short-term loans and advances	20	12,09,24,027	27,23,22,367
	Other current assets	21	34,13,88,415	42,40,46,040
			5,28,50,31,706	4,81,41,04,220
	TOTAL		5,36,15,64,887	4,91,00,98,500
See accompanying notes forming part of the financial statements				

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Alka Chadha
Partner

Place: **GURGAON**
Date: **27 JULY 2015**



For and on behalf of the Board of Directors

Director

[**Dharampuri DudaJa**]

Place: **Mumbai**

Date: **26 June, 2015**

Director

[**Govinder Singh**]

LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015

Particulars	Note No	For the year ended 31 March, 2015 (Rs.)	For the year ended 31 March, 2014 (Rs.)
REVENUE			
Revenue from operations	22	85,12,81,113	2,05,35,37,060
Other income	23	56,50,024	36,38,446
Total revenue		85,69,31,137	2,05,71,75,506
EXPENSES			
Cost of sales	24	54,64,51,629	98,10,69,276
Finance costs	25	22,84,413	-
Depreciation expenses	12	11,77,132	6,84,897
Other expenses	26	4,94,83,342	11,94,55,897
Total expenses		59,93,96,516	1,10,12,10,070
Profit before tax		25,75,34,621	95,59,65,436
Tax expense:			
Current tax expense		9,10,00,000	32,55,00,000
Deferred tax	14	(10,25,002)	(50,324)
Net tax expense		8,99,74,998	32,54,49,676
Profit for the year		16,75,59,623	63,05,15,760
Earnings per equity share (of Rs. 10 each)	31		
- Basic (In Rs.)		6,702.38	25,220.63
- Diluted (In Rs.)		6,702.38	25,220.63
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Alka Chadha
Alka Chadha
Partner



Place: **GURGAON**
Date: **27 JULY, 2015**

For and on behalf of the Board of Directors

[Signature]
Director
[Dharampal Dudeja]
Place: Mumbai
Date: **26 June, 2015**

[Signature]
Director
[Gouinder Singh]

LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED
Cash Flow Statement for the year ended 31 March, 2015

Particulars	For the year ended 31 March, 2015 (Rs.)	For the year ended 31 March, 2014 (Rs.)
A. Cash flow from operating activities		
Profit before tax	25,75,34,621	95,59,65,436
Adjustments for:		
Depreciation expense	11,77,132	6,84,897
Finance cost	22,84,413	-
Interest income	(40,52,149)	(35,57,909)
Operating profit before working capital changes	25,69,44,017	95,30,92,424
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(73,31,33,117)	4,53,92,059
Trade receivables	5,21,31,912	(23,50,98,846)
Short-term loans and advances	15,13,98,340	(25,69,00,162)
Long-term loans and advances	1,60,38,557	(6,72,15,335)
Other current assets	8,26,92,272	(39,32,59,514)
Other non-current assets	1,00,89,109	1,42,93,955
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(12,90,78,350)	6,70,09,153
Other current liabilities	45,97,99,222	78,53,94,534
Other long-term liabilities	(49,38,064)	(31,02,58,452)
Short-term provisions	5,51,560	3,61,595
Long-term provisions	62,354	13,28,114
Cash generated from operations	16,25,57,812	60,41,39,525
Net income tax (paid)	(14,04,44,492)	(27,33,18,993)
Net cash flow from operating activities (A)	2,21,13,320	33,08,20,532
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(1,29,720)	(28,91,028)
Purchase of long-term investments	-	(6,265)
Other Non-current assets not considered as cash and cash equivalents		
- Placed	(7,09,114)	(6,27,757)
- Matured	-	-
Interest received	40,17,502	33,97,237
Net cash flow from/(used in) investing activities (B)	31,78,668	(1,27,813)
C. Cash flow from financing activities		
Proceeds from long-term borrowings	36,00,56,800	61,15,92,861
Repayment of long-term borrowings	(36,13,46,129)	(92,43,54,948)
Finance costs	(20,413)	-
Net cash used in financing activities (C)	(13,09,742)	(31,27,62,087)
Net increase in cash and cash equivalents (A+B+C)	2,39,82,246	1,79,30,632
Cash and cash equivalents at the beginning of the year	1,79,52,250	21,618
Cash and cash equivalents at the end of the year (Refer note 19)	4,19,34,496	1,79,52,250
See accompanying notes forming part of the financial statements		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Alka Chadha
Alka Chadha
Partner

Place: **GURGAON**
Date: **27 JULY, 2015**



For and on behalf of the Board of Directors

[Signature]
Director
[Bhavramph Dudiya]
Place: Mumbai
Date: 26 July, 2015

[Signature]
Director
[Gaurinder Singh]

Lemon Tree Land & Developers Private Limited

Notes forming part of the financial statements for the year ended 31 March, 2015

Note 1: CORPORATE INFORMATION

Lemon Tree Land & Developers Private Limited [CIN: U45202DL2011PTC277182] (LTLDP) was incorporated on 30 December, 2011. It was promoted with the main objective of development of Real Estate in India. The Company is into real estate development and its key activities include identification of land, project conceptualizing and designing, development, management and marketing. Its Holding company is Tata Housing Development Company Limited (THDC), which is also into real estate development and key activities of THDC include identification of land, project conceptualizing and designing, development, management and marketing.

The company was owned by Satyapal Singh Chorasias (50%) and Dharam Chand Yadav (50%) as on 31 March, 2012. However, subsequently the shareholding of the company was changed and CSN Estates Private Limited with its nominees jointly held 100% of the shares of the company.

Further on 9 May, 2012 the company's shareholders joined hands with Tata Housing Development Company Ltd (THDC) and entered into a 'Share Subscription Cum Shareholders Agreement' and agreed that the revised shareholding of the company will be THDC (51%) and CSN Estates Private Limited (49%).

Note 2: BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.1 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.2 Inventories

Inventories comprises of cost of construction material and costs of projects under construction /development (Construction work-in-progress). Inventories are valued at lower of cost and net realisable value. The cost of construction material is determined on a weighted average basis.

Cost includes cost of land/cost of development rights, construction and development cost, overheads related to project and justifiable borrowing costs which are incurred directly in relation to a project or which are apportioned to a project.



2.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Depreciation

Depreciable amount for assets is the cost of an asset, less its estimated residual value.

Depreciation on tangible fixed assets is provided using written down Value method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of construction equipment whose estimated useful life is assessed as 5 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc.

2.6 Revenue recognition

Revenue from real estate developmental projects under development is recognised based on 'Percentage Completion Method'. The Percentage Completion Method is applied when the stage of completion of the project reaches a reasonable level of development. Revenue is recognised, in relation to the project area sold. For computation of revenue, the stage of completion is arrived at with reference to the entire project costs incurred including cost of land / cost of development rights, construction and development cost, overheads related to project under construction and borrowing costs as compared to the estimated total costs of the project. The percentage completion method is applied on a cumulative basis in each reporting period and the estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined.

In respect of projects where revenue is being recognised for the first time on or after April 1, 2012, the threshold for 'reasonable level of development' is considered to have been met when the criteria specified in the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered Accountants of India are satisfied, i.e., when:

- a. All critical approvals necessary for commencement of the project have been obtained;
- b. The expenditure incurred on construction and development costs is not less than 25 % of the construction and development costs;
- c. At least 25% of the saleable project area is secured by contracts or agreements with buyers and;



Notes forming part of the financial statements for the year ended 31 March, 2015

- d. At least 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

2.7 Other income

- (i) Interest income is recognised on an accrual basis on a time proportion basis.
- (ii) The Interest income on account of interest on delayed payment by customers and expenditure on account of compensation/penalty for project delays are accounted for at the time of acceptance/settlement with the customers due to uncertainties with regard to determination of amount receivable/payable.

2.8 Cost of sales

Project Cost which includes cost of land and cost of development rights, construction and development costs, borrowing costs incurred are charged as costs of sales in proportion to the project area sold. Costs incurred for projects which have not achieved reasonable level of development is carried over as construction work-in-progress. Any expected loss on real estate projects is recognised as an expense when it is certain that the cost will exceed the revenue.

2.9 Unbilled revenue

Unbilled receivables represent revenue recognised on 'Percentage of Completion Method' less amount due from customers as per payment plans adopted by them.

2.10 Fixed assets (Tangible assets)

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

2.11 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.



2.12 Employee benefits

Employee benefits includes provident fund, gratuity fund, compensated absences and long service awards.

Defined contribution plans

The Company's contributions to Provident fund is considered as defined contribution plans and is recognised as expense in the Statement of Profit and Loss.

Defined benefit plans

The Company's obligation towards gratuity to employees is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Long term employee benefits comprising compensated absences and long service awards are provided based on an actuarial valuation determined at the end of each year based on the projected unit credit method. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

2.13 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to qualifying construction projects are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing Costs attributable to qualifying construction projects in progress are added to Construction Work-in-progress till the conditions of Accounting Standard 16 - "Borrowing Cost" are met.



2.14 Operating leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rental in respect of premises taken on operating lease are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.15 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.16 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.



2.17 Impairment of assets

The carrying values of assets/ cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.18 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.19 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.20 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED**Note forming part of the financial statements****Note 3: Share capital****(in Rs.)**

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Authorised 25,000 equity shares of Rs. 10 each	2,50,000	2,50,000
Issued, Subscribed and fully paid-up 25,000 equity shares of Rs. 10 each	2,50,000	2,50,000
Refer notes (i), (ii), (iii) and (iv) below		

(i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Equity share capital				
At the beginning of the year	25,000	2,50,000	25,000	2,50,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	25,000	2,50,000	25,000	2,50,000

- (ii) The Company has issued one class of equity shares having face value of Rs. 10 each. Each shareholder is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shares held by the holding Company and its nominees

12,750 (Previous year 12,750) equity shares of Rs. 10 each are held by the holding Company - Tata Housing Development Company Limited and its nominees.

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	% Holding	Number of shares	% Holding
Tata Housing Development Company Limited	12,750	51%	12,750	51%
CSN Estates Private Limited	12,250	49%	12,250	49%



LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED

Notes forming part of the financial statements

Note 4: Reserves and surplus

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Surplus/(deficit) in the Statement of Profit and Loss		
Opening balance	63,03,35,624	(1,80,136)
Add: Profit for the year	16,75,59,623	63,05,15,760
Closing balance	79,78,95,247	63,03,35,624
Total	79,78,95,247	63,03,35,624

Note 5: Long-term borrowings

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Secured:		
Deferred payment liabilities (Refer note 5.1)	7,20,78,214	16,56,90,603
Unsecured:		
<u>Loans from related parties (See note 34)</u>		
Tata Housing Development Company Limited (Refer note 5.2)	1,48,86,14,093	1,33,63,88,612
CSN Estates Private Limited (Refer note 5.2)	1,20,46,54,373	1,39,39,79,399
Total	2,76,53,46,680	2,89,60,58,614

5.1 The company has opted for Deferred payment scheme for the payment of External Development Charges (EDC) to Haryana Urban Development Authority (HUDA). As per the scheme 10% of the total amount shall be payable within 30 days from the date of grant of licence and the balance 90% will be paid in nine equated six monthly installments along with interest at the rate of 12% per annum (simple interest) on the unpaid amount. In case of delay in payment of installment an additional interest of 3% is payable. Accordingly the amount payable after 31 March, 2016 is disclosed as non-current.

5.2 Loans from related parties

(a) Interest

The rate of interest is 18% p.a. or State Bank of India Base Rate + 5% whichever ever is higher compounded annually.

(b) Repayment terms

As per the share purchase cum Share Subscription Cum Shareholders Agreement with its shareholders, the loan will be repaid after the payment of operation costs for development of project including all statutory payments, Project Management Fees, Marketing fees and loan, along with interest (other than debt capital) taken for the purpose of construction and development of the Project from banks or external parties.



LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED
Notes forming part of the financial statements
Note 6: Other long-term liabilities

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Others: Retention money payable Earnest money deposits	16,77,725 -	58,59,789 7,56,000
Total	16,77,725	66,15,789

Note 7: Long-term provisions

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Provision for employee benefits: - Provision for compensated absences - Provision for gratuity (Refer note 33) - Provision for long service award	10,68,586 - 3,43,861	6,78,850 4,29,931 2,41,312
Total	14,12,447	13,50,093

Note 8: Short-term borrowings

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Loans repayable on demand: From bank (secured) (Refer note 8.1)	26,93,85,185	13,99,62,580
Total	26,93,85,185	13,99,62,580

8.1 The overdraft facility is secured by present and future goods, book-debts and all other movable assets of the Company. Immovable property situated at Village Bajghera, Tehsil and District Gurgaon, Haryana for creation of charge for term loan/overall limit dated October 05, 2013. It is repayable on demand.

Note 9: Trade payables

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Trade payables - other than acceptances (see note below)	14,16,48,326	26,84,62,676
Total	14,16,48,326	26,84,62,676
Note: Based on the information available with the Company, the balance due to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is Rs. Nil (31 March, 2014: Rs. Nil) and no interest has been paid or is payable during the year under the terms of the MSMED Act, 2006. The information provided by the Company has been relied upon by the auditors.		

Note 10: Other current liabilities

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Current maturities of long-term debts (Refer note 10.1)	9,72,28,045	9,82,35,995
Income received in advance (unearned revenue)	1,24,15,439	4,42,994
Statutory dues (contribution to PF, Withholding tax, Service Tax, etc.)	7,54,16,454	2,56,72,460
Retention money payable	31,58,364	-
Security deposits received	6,14,836	-
Interest accrued but not due on borrowings	1,18,54,74,795	79,01,57,262
Total	1,37,43,07,933	91,45,08,711

10.1 Current maturities of long-term debt (Refer note 5.1 in note 5 - Long-term borrowings for details)

Note 11: Short-term provisions

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Provision for employee benefits - Provision for compensated absences - Provision for gratuity (Refer note 33)	5,33,493 3,91,473	3,27,413 45,993
Provision for tax [net of advance tax Rs. 8,22,83,622 (As at 31 March, 2014 Rs. 27,33,18,993)]	87,16,378	5,21,81,007
Total	96,41,344	5,25,54,413



LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED

Note forming part of the financial statements

Note 12 : Fixed assets

PARTICULARS	Gross Block			Depreciation			Net Block	
	Balance as at 1 April, 2014	Additions	Disposals	Balance as at 31 March, 2015	For the year	Eliminated on disposal of	Balance as at 31 March, 2015	Balance as at 31 March, 2014
Tangible assets								
Construction equipment	13,95,500 (1,35,750)	- (12,59,750)	- (-)	13,95,500 (13,95,500)	6,19,383 (1,07,957)	- (-)	6,66,557 (12,85,939)	12,85,940
Furnitures and fixtures	9,51,766 (-)	- (9,51,766)	- (-)	9,51,766 (9,51,766)	1,36,793 (4,33,194)	- (-)	3,81,779 (5,18,572)	5,18,572
Office equipment	2,38,210 (-)	46,560 (2,38,210)	- (-)	2,84,770 (2,38,210)	1,11,219 (20,622)	- (-)	1,52,929 (2,17,588)	2,17,588
Computers	5,42,320 (1,01,018)	83,160 (4,41,302)	- (-)	6,25,480 (5,42,320)	3,09,737 (1,23,124)	- (-)	1,78,063 (4,04,641)	4,04,640
Total	31,27,796	1,29,720	-	32,57,516	11,77,132	-	13,79,328	24,26,740
Previous year	(2,36,768)	(28,91,028)	(-)	(31,27,796)	(6,84,897)	(-)	(24,26,740)	

Figures in brackets are for the previous year



LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED
Notes forming part of the financial statements
Note 13: Non-current investments

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Other investments (at cost, unquoted)		
Silver coins	6,265	6,265
Total	6,265	6,265

Note 14: Deferred tax assets (net)

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Tax effect of items constituting deferred tax assets		
On difference between book balance and tax balance of fixed assets	258,877	42,807
On provision for employee benefits	808,932	-
Total	1,067,809	42,807

Note 15: Long-term loans and advances (Unsecured, considered good)

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Security deposits		
With government authorities	496,000	496,000
With others	-	105,000
Other advances		
Advance Income tax [net of provisions Rs. 32,55,00,000 (As at 31 March, 2014 Rs. Nil)]	6,013,931	34,068
Mobilisation advance	50,880,778	66,814,335
Total	57,390,709	67,449,403

Note 16: Other non-current assets

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Balances with banks		
In deposit accounts (Refer note 16.1)	8,940,381	8,231,267
Others (See note 34)		
Deferred receivables (Refer note 16.2)	7,748,689	17,837,798
Total	16,689,070	26,069,065

16.1 (a) The fixed deposits are under lien against bank guarantees on behalf of the Company for operations.

(b) Balances with banks include deposits which have a maturity of more than 12 months from the Balance Sheet date.

8,940,381 8,231,267

16.2 Long term receivables pertain to the amount recoverable from shareholder M/s. CSN Estates Private Limited (CSN) for External Development Charges (EDC) paid by the Company in respect of land belonging to CSN. Refer note 5.1 for details of the deferment scheme opted by the Company for payment of EDC charges. The amount will be recoverable proportionately from CSN as and when it is paid by the Company. Accordingly the amount recoverable after 31 March, 2016 is disclosed as non-current.

Note 17: Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Construction material	43,144,594	27,693,280
Construction work-in-progress	4,554,673,240	3,836,991,437
Total	4,597,817,834	3,864,684,717



LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED
Notes forming part of the financial statements
Note 18: Trade receivables

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, considered good	18,04,706	96,021
Others		
- Unsecured, considered good	18,11,62,228	23,50,02,825
Total	18,29,66,934	23,50,98,846

Note 19: Cash and cash equivalents

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Balances with banks (as per AS 3 Cash Flow Statements)		
- In current accounts	4,19,34,496	1,79,52,250
Total	4,19,34,496	1,79,52,250

Note 20: Short-term loans and advances (Unsecured, considered good)

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Advances to related parties		
- Tata Housing Development Company Limited	-	7,41,61,505
Other recoverables from related parties		
- CSN Estates Private Limited (See note 34)	10,95,23,320	15,16,70,275
Advance for projects	3,11,585	15,10,386
Deposit with others	1,05,000	-
Mobilisation advance	-	3,48,38,904
Prepaid expenses	5,89,392	2,55,644
Balances with government authorities		
- Service Tax credit receivable	1,03,94,730	98,85,653
Total	12,09,24,027	27,23,22,367

Note 21: Other current assets

Particulars	As at 31 March, 2015 (Rs.)	As at 31 March, 2014 (Rs.)
Unbilled revenue	33,06,00,205	41,31,83,964
Interest accrued on deposits	3,20,904	2,86,257
Contractually reimbursable expenses (See note 34)	1,04,67,306	1,05,75,819
Total	34,13,88,415	42,40,46,040



LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED
Notes forming part of the financial statements
Note 22: Revenue from operations

Particulars	For the year ended 31 March, 2015 (Rs.)	For the year ended 31 March, 2014 (Rs.)
Sale of properties	85,12,81,113	2,00,52,85,571
Other operating revenues - Other Income from customers	-	4,82,51,489
Total	85,12,81,113	2,05,35,37,060

Note 23: Other Income

Particulars	For the year ended 31 March, 2015 (Rs.)	For the year ended 31 March, 2014 (Rs.)
Interest on fixed deposits from bank	8,22,552	7,61,022
Interest on delayed payment charges	32,29,597	27,96,887
Scrap sales	15,88,710	80,430
Sundry balances written back	9,165	107
Total	56,50,024	36,38,446

Note 24: Cost of sale of projects

Particulars	For the year ended 31 March, 2015 (Rs.)	For the year ended 31 March, 2014 (Rs.)
Cost of sales	54,64,51,629	98,10,69,276
Total	54,64,51,629	98,10,69,276

Note 25: Finance costs

	For the year ended 31 March, 2015 (Rs.)	For the year ended 31 March, 2014 (Rs.)
Interest expense on:		
- Borrowings	63,04,32,304	58,46,75,630
- Interest on delayed payment of income tax	22,64,000	-
- Interest others	20,413	-
	63,27,16,717	58,46,75,630
Less: Apportionment to construction work-in-progress	(63,04,32,304)	(58,46,75,630)
	22,84,413	-

Note 26: Other expenses

Particulars	For the year ended 31 March, 2015 (Rs.)	For the year ended 31 March, 2014 (Rs.)
Professional fees	5,44,820	2,28,360
Rates and taxes	-	22,267
Repairs and maintenance - others	788	-
Advertisement	-	4,970
Selling expenses (Refer note 28)	4,23,12,808	11,84,72,938
Net loss on foreign currency transactions and translations	-	3,21,874
Expenditure on corporate social responsibility	58,78,332	-
Payments to auditors (Refer Note (i) below)	3,12,910	3,04,700
Donations	-	21,208
Recruitment expenses	4,22,912	-
Bank charges	3,774	5,388
Miscellaneous expenses	6,998	74,192
Total	4,94,83,342	11,94,55,897

Note:

- (i) Payments to the auditors comprise (net of service tax input credit):
- | | | |
|---------------------------|-----------------|-----------------|
| To statutory auditors | 3,00,000 | 3,00,000 |
| For audit | 12,910 | 4,700 |
| Reimbursement of expenses | | |
| Total | 3,12,910 | 3,04,700 |



LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED

Notes forming part of the financial statements

Note 27: Disclosure as per Guidance Note on Accounting for Real Estate Transactions (Revised 2012):

(Amount in Rs.)

Particulars	31 March, 2015	31 March, 2014
Project revenue recognised as revenue for the year ended	85,12,81,113	2,00,52,85,571
Methods used to determine the project revenue	Percentage of completion method	
Method used to determine the stage of completion of the project	Physical completion substantiated by cost incurred	
In respect of all projects in progress as at year end		
Aggregate amount of costs incurred and profits recognised to date	7,41,12,39,924	5,84,22,77,008
Advances received as at year end	1,24,15,439	4,42,994
Amount of work in progress and the value of inventories as at year end	4,59,78,17,834	3,86,46,84,717
Unbilled revenue as at year end	33,06,00,205	41,31,83,964

Note 28: Selling expenses include Rs. 41,60,420 (Previous year Rs. 64,485,870) towards brokerage for sale of properties.

Note 29: The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	Foreign Currency (FC)	As at 31 March, 2015		As at 31 March, 2014	
		Amount in Foreign currency	Amount in Rs.	Amount in FC	Amount in Rs.
Payables	EURO	-	-	3,600	2,97,275
	SGD	-	-	58,906	28,11,594



LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED**Notes forming part of the financial statements**

Note 30: The following are the aggregate amounts incurred on certain specific expenses that are required to be disclosed under Schedule III to the Companies Act, 2013.*

Particulars	(Amount in Rs)	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Salaries and wages	23,485,027	14,734,044
Contribution to provident and other funds	1,068,396	456,160
Staff welfare expenses	257,462	237,751
Power and fuel	656,136	429,075
Rent	425,528	519,723
Repairs and maintenance - others	1,339	8,795
Insurance	2,178,272	2,956,708
Rates and taxes	2,840,212	1,773,460
Communications	312,310	271,131
Travelling and conveyance	678,245	1,912,604
Printing and stationary	199,015	210,419
Selling expenses	42,312,808	118,472,938
Donations	-	21,208
Recruitment	422,912	-
Expenditure on corporate social responsibility	5,878,332	-
Legal and professional	48,350,808	69,911,149
Payment to auditors	312,910	304,700
Net loss on foreign currency transactions and translations	-	321,874
Miscellaneous expenses	5,711,139	12,712,287
	135,090,851	225,254,026

* The expenses disclosed are inclusive of expenses stated in note 26.

Note 30.A: Expenditure on Corporate Social Responsibility

- (a) Gross amount required to be spent by the Company during the year ended 31 March, 2015: Rs. 63,71,952
 (b) Amount spent during the year ended 31 March, 2015:

Particulars	(Amount in Rs)		
	Paid (A)	Yet to be paid (B)	Total (A) + (B)
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	4,223,617	1,654,715	5,878,332
Total	4,223,617	1,654,715	5,878,332

- (c) Details of related party transactions -
 - Contribution during the year ended 31 March, 2015 - Rs. Nil
 - Payable as at 31 March, 2015 - Rs. Nil

Note 31: Earnings per share

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Profit after tax - (in Rs.)	167,559,623	630,515,760
Number of equity shares	25,000	25,000
Weighted average number of equity shares outstanding during the year	25,000	25,000
Basic / Diluted earnings per share of Rs. 10 each	6,702.38	25,220.63
Face value per share - (in Rs.)	10	10

Note 32: Segment Reporting

As the Company is engaged only in the business of development of property and related activities in India, it has no reportable segments in terms of Accounting Standard 17 on Segment Reporting.



Lemon Tree Land & Developers Private Limited**Notes forming part of the financial statements****Note 33: Employee benefits**

- 33.1** The Company has recognised, under construction work-in-progress the following amount as contribution under defined contribution plans.

Particulars	(Amount in Rs.)	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Provident Fund	487,018	456,160
Total	487,018	456,160

The Company's contributions paid / payable during the year towards Recognised Provident Fund is charged to the construction work in progress. This fund is recognised by the Income-tax authorities.

- 33.2** The Company operates funded gratuity benefit plan:

A) Changes in defined benefit obligation:

Particulars	(Amount in Rs.)	
	As at 31 March, 2015	As at 31 March, 2014
Opening defined benefit obligation	475,924	-
Current service cost	193,759	47,031
Interest cost	43,499	-
Actuarial (gain) / loss	115,339	428,893
Benefits Paid	-	-
Liability transferred in/acquisitions	68,675	-
Closing defined benefit obligation	897,196	475,924

B) Change in plan assets:

Particulars	(Amount in Rs.)	
	As at 31 March, 2015	As at 31 March, 2014
Plan assets at beginning of the year	-	NA
Expected return on plan assets	-	NA
Actual Company contributions	475,924	NA
Actuarial gain / (loss)	29,799	NA
Benefits paid	-	NA
Plan assets at the end of the year	505,723	NA

Expected rate of return on asset is taken on the basis of the benchmark rate on government securities for the tenure of the payment.

C) Net liability recognised in the Balance Sheet:

Particulars	(Amount in Rs.)	
	As at 31 March, 2015	As at 31 March, 2014
Present value of the obligation as at the end of the year	897,196	475,924
Fair value of plan assets as at the end of the year	505,723	-
Net liability recognised in the Balance Sheet	391,473	475,924

D) Expenses recognised during the year:

Particulars	(Amount in Rs.)	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Current service cost	193,759	-
Interest Cost	43,499	47,031
Expected return on plan assets	-	-
Actuarial loss recognised	85,540	428,893
Expenses recognised during the year	322,798	475,924



Lemon Tree Land & Developers Private Limited
Notes forming part of the financial statements
E) Composition of the plan assets is as follows:

Particulars	(Amount in Rs.)	
	As at 31 March, 2015	As at 31 March, 2014 *
Government bonds	38.64%	NA
Corporate bonds	11.20%	NA
Infrastructure bonds	29.31%	NA
Reverse repos	16.73%	NA
CD/CP	0.00%	NA
Insurer managed fund	0.00%	NA
Others	4.12%	NA

* The gratuity plan was unfunded in the previous year.

F) Actuary assumptions - Gratuity:

Date of Valuation	Refer note below	As at 31 March, 2015	As at 31 March, 2014 *
Discount rate	1	8.04%	9.14%
Rate of salary increase	2	7.00%	7.00%
Rate of return	3	8.04%	8.70%
Retirement age		60 years	60 years
Attrition rate		13.00%	13.00%
Mortality table		Indian Assured Lives Mortality (2006-2008)	Indian Assured Lives Mortality (2006-2008)
Contribution expected to be paid to the plan during next financial year		504,207	N.A.

Notes:

1. The discount rate is based on the prevailing market yield of India Government securities as at the balance sheet date for the estimated term of obligations.

2 The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

3 The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

G) Experience adjustment (Gratuity):

Particulars	(Amount in Rs.)				
	For the Year Ended 31 March, 2015	For the Year Ended 31 March, 2014	For the Year Ended 31 March, 2013*	For the Year Ended 31 March, 2012*	For the Year Ended 31 March, 2011*
Defined benefit obligation	897,196	475,924	NA	NA	NA
Fair value of plan assets	505,723	-	NA	NA	NA
(deficit)	(391,473)	(475,924)	NA	NA	NA
Experience adjustments on plan liabilities loss / (gain)	57,059	-	NA	NA	NA
Experience adjustments on plan assets (loss) / gain	29,799	-	NA	NA	NA

* The details of experience adjustments arising on account of plan assets and liabilities as required by Accounting Standard 15 (Revised) on 'Employee Benefits' are not available for the year 31 March, 2012 and 31 March, 2013.

33.3 Actuarial Assumptions for unfunded compensated absences:

Particulars	Refer note below	(Amount in Rs.)	
		As at 31 March, 2015	As at 31 March, 2014 *
Compensated absences			
Discount rate	1	8.04%	9.14%
Future salary increase	2	7.00%	7.00%
Retirement age		60 years	60 years
Mortality table		Indian Assured Lives Mortality (2006-2008)	Indian Assured Lives Mortality (2006-2008)

Notes:

1. The discount rate is based on the prevailing market yield of India Government securities as at the balance sheet date for the estimated term of obligations.

2 The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



Lemon Tree Land & Developers Private Limited

Notes forming part of the financial statements

Note 34: Related party transactions

34.1 List of Related parties and relationships

Sr. No.	Related Party and nature of relationship
1	Ultimate holding company Tata Sons Limited
2	Holding company Tata Housing Development Company Limited
3	Company which holds substantial interest in the Company CSN Estates Private Limited



Lemon Tree Land & Developers Private Limited

Notes forming part of the financial statements

34.2 Transactions with the related parties

			(Amount in Rs.)
Sr. No.	Particulars	Holding Company	Company which holds substantial interest in the Company
1	Receiving of services (expenses) <u>Interest on borrowings</u> Tata Housing Development Company Limited 31,92,83,188 (29,64,41,876) CSN Estates Private Limited 28,66,25,182 (27,97,49,887) <u>Project management fees</u> Tata Housing Development Company Limited 4,15,62,123 (2,76,32,816) <u>Reimbursement of salary paid</u> Tata Housing Development Company Limited 24,88,913 (Nil) <u>Selling expenses</u> Tata Housing Development Company Limited 3,02,84,740 (4,21,70,005)		
2	Loans taken Tata Housing Development Company Limited 23,06,34,195 (47,16,30,281) CSN Estates Private Limited Nil (Nil)		
3	Loans repaid Tata Housing Development Company Limited 7,84,08,714 (79,43,82,203) CSN Estates Private Limited 18,93,25,026 (3,62,57,670)		
4	Reimbursement of expenses (Received) CSN Estates Private Limited 12,66,36,740 (14,31,83,662)		
5	Liabilities <u>Loans</u> Tata Housing Development Company Limited 1,48,86,14,093 (1,33,63,88,612) CSN Estates Private Limited 1,20,46,54,373 (1,39,39,79,399) <u>Trade payables</u> Tata Housing Development Company Limited 4,03,56,556 (Nil) CSN Estates Private Limited Nil (15,64,72,690) <u>Interest accrued but not due on borrowings</u> Tata Housing Development Company Limited 59,70,08,422 (38,46,53,553) CSN Estates Private Limited 58,84,39,386 (40,54,76,722)		
6	Assets <u>Deferred receivables - other non-current assets</u> CSN Estates Private Limited Nil (Nil) 77,48,689 (1,78,37,798) <u>Other recoverable from related parties- short-term loans and advances</u> Tata Housing Development Company Limited Nil (7,41,61,505) CSN Estates Private Limited 10,95,23,320 (15,16,70,275) <u>Other Receivables - other current assets</u> CSN Estates Private Limited 1,04,67,306 (1,05,75,819)		

Figures in brackets are for the previous year



Lemon Tree Land & Developers Private Limited**Notes forming part of the financial statements****Note 35: Expenditure in foreign Currency (on accrual basis)****(Amount in Rs.)**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Professional fees towards architect services	11,18,329	1,28,85,184

Note 36: During the year, the Company has revised the estimated useful life of its assets except construction equipment to align the useful life with those specified in Schedule II. The details of previously applied depreciation rates / useful life are as follows:

Asset	Depreciation method	Previous useful life	Revised useful life
Furniture and fixtures	WDV	15 years	10 years
Office equipment	WDV	20 years	5 years
Computers	WDV	6 years	3 years

The depreciation expense in the Statement of Profit and Loss for the year is higher by Rs. 6,65,812 consequent to the change in the useful life of the assets.

Note 37: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**For and on behalf of the Board of Directors****Director**

[Dharampat Duda]a]

Director

[Gourinder Singh]

Place: Mumbai

Date: 26, June, 2015

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "ANNEXURE A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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 does not have any pending litigations which would impact its financial position - Refer Note 36 to the financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. - Refer Note 37 to the financial statements
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company. - Refer Note 38 to the financial statements



Deloitte Haskins & Sells LLP

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"/"CARO 2016") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "ANNEXURE B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)



Alka Chadha
Partner
(Membership No. 93474)

Place: Gurgaon
Date: 18 May, 2016

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED** ("the Company") as of 31 March, 2016 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. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 evaluation 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, 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".

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)



Alka Chadha

Alka Chadha
Partner

(Membership No. 93474)

Place: Gurgaon
Date: 18 May, 2016

"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to information and explanations given to us, no material discrepancies were noticed on such verification.
- c. The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- ii. 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.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from public.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of statutory dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities. We are informed that the provisions of Employees' State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company did not give rise to any liability for Customs Duty, Excise Duty and Value Added Tax.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Cess and any other material statutory dues in arrears as at 31 March, 2016 for a period of more than six months from the date they became payable. We are informed that the provisions of Employees' State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company did not give rise to any liability for Customs Duty, Excise Duty and Value Added Tax.



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- c. There are no dues in respect of Income-tax, Sales Tax, Service Tax which have not been deposited as on 31 March, 2016 on account of any disputes. We are informed that the Company's operations did not give rise to any Customs Duty, Excise Duty and Value Added Tax.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government nor has it issued any debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purpose for which they were raised.
- x. 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.
- xi. The Company has not paid / provided any managerial remuneration and accordingly reporting under this clause (xi) of CARO 2016 Order is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 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 the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- xv. 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 persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)



Alka Chadha
Partner
(Membership No. 93474)

Place: Gurgaon
Date: 18 May, 2016

LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED
BALANCE SHEET AS AT 31 MARCH, 2016

Particulars		Note No	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	Share capital	3	2,50,000	2,50,000
	Reserves and surplus	4	73,73,93,304	79,78,95,247
			73,76,43,304	79,81,45,247
2	Non-current liabilities			
	Long-term borrowings	5	2,75,32,68,466	2,76,53,46,680
	Other long-term liabilities	6	1,17,01,199	16,77,725
	Long-term provisions	7	7,16,018	14,12,447
			2,76,56,85,683	2,76,84,36,852
3	Current liabilities			
	Short-term borrowings	8	49,09,10,554	26,93,85,185
	Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	35	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		18,67,98,568	14,16,48,326
	Other current liabilities	9	2,06,80,58,749	1,37,43,07,933
	Short-term provisions	10	6,85,427	96,41,344
			2,74,64,53,298	1,79,49,82,788
	TOTAL		6,24,97,82,285	5,36,15,64,887
B	ASSETS			
1	Non-current assets			
	Fixed assets			
	- Tangible assets	11	8,41,997	13,79,328
	Non-current investments	12	6,265	6,265
	Deferred tax assets	13	2,54,02,554	10,67,809
	Long-term loans and advances	14	3,83,25,792	5,73,90,709
	Other non-current assets	15	97,10,396	1,66,89,070
			7,42,87,004	7,65,33,181
2	Current assets			
	Inventories	16	5,32,72,73,932	4,59,78,17,834
	Trade receivables	17	24,93,62,031	18,29,66,934
	Cash and cash equivalents	18	1,11,59,848	4,19,34,496
	Short-term loans and advances	19	14,36,95,985	12,09,24,027
	Other current assets	20	44,40,03,485	34,13,88,415
			6,17,54,95,281	5,28,50,31,706
	TOTAL		6,24,97,82,285	5,36,15,64,887
See accompanying notes forming part of the financial statements		1 to 39		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Alka Chadha
Alka Chadha
Partner

Place: *Gurgaon*
Date: *18 May, 2016*

For and on behalf of the Board of Directors

Vachan Singh
Director
[Vachan Singh]

Place: *NEW DELHI*
Date: *18th May 2016*

Sidharth Chaudhary
Director
[Sidharth Chaudhary]

2

LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2016

Particulars	Note No	For the year ended 31 March, 2016 (Rs.)	For the year ended 31 March, 2015 (Rs.)
REVENUE			
Revenue from operations	21	57,80,08,237	85,12,81,113
Other income	22	27,92,617	56,50,024
Total revenue		58,08,00,854	85,69,31,137
EXPENSES			
Cost of sales	23	61,64,54,882	54,64,51,629
Finance costs	24	1,09,350	22,84,413
Depreciation expenses	11	6,73,276	11,77,132
Other expenses	25	4,84,00,034	4,94,83,342
Total expenses		66,56,37,542	59,93,96,516
Profit before tax		(8,48,36,688)	25,75,34,621
Tax expense:			
Current tax expense			9,10,00,000
Deferred tax	13	(2,43,34,745)	(10,25,002)
Net tax expense		(2,43,34,745)	8,99,74,998
Profit for the year		(6,05,01,943)	16,75,59,623
Earnings per equity share (of Rs. 10 each)	30		
- Basic (In Rs.)		(2,420.08)	6,702.38
- Diluted (In Rs.)		(2,420.08)	6,702.38
See accompanying notes forming part of the financial statements	1 to 39		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Alka Chadha
Partner

Place: Gurgaon
Date: 18 May, 2016



For and on behalf of the Board of Directors

Director

[Vishan Singh]

Place: NEW DELHI

Date: 18th May 2016

Director

[Sidharth Chaudhan]

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LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED
Cash Flow Statement for the year ended 31 March, 2016

Particulars	For the year ended 31 March, 2016 (Rs.)	For the year ended 31 March, 2015 (Rs.)
A. Cash flow from operating activities		
Profit before tax	(8,48,36,688)	25,75,34,621
Adjustments for:		
Depreciation expense	6,73,276	11,77,132
Finance cost	1,09,350	22,84,413
Interest income	(19,03,388)	(40,52,149)
Operating profit before working capital changes	(8,59,57,450)	25,69,44,017
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(72,94,56,098)	(73,31,33,117)
Trade receivables	(6,63,95,097)	5,21,31,912
Short-term loans and advances	(2,27,71,958)	15,13,98,340
Long-term loans and advances	3,35,03,214	1,60,38,557
Other current assets	(10,27,12,009)	8,26,92,272
Other non-current assets	77,48,689	1,00,89,109
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	4,51,50,242	(12,90,78,350)
Other current liabilities	69,37,50,816	45,97,99,222
Other long-term liabilities	3,37,96,977	(10,21,66,109)
Short-term provisions	(2,39,539)	5,51,560
Long-term provisions	(6,96,429)	62,354
Cash generated from operations	(19,42,78,642)	6,53,29,767
Net income tax (paid)	(2,31,54,675)	(14,04,44,492)
Net cash flow from operating activities (A)	(21,74,33,317)	(7,51,14,725)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(1,35,945)	(1,29,720)
Purchase of long-term investments	-	-
Other Non-current assets not considered as cash and cash equivalents		
- Placed	(7,70,015)	(7,09,114)
- Matured	-	-
Interest received	20,00,327	40,17,502
Net cash flow from/(used in) investing activities (B)	10,94,367	31,78,668
C. Cash flow from financing activities		
Proceeds from long-term borrowings	6,00,00,000	23,06,34,195
Repayment of long-term borrowings	(9,58,51,717)	(26,41,18,084)
Proceeds from other short-term borrowings	22,15,25,369	12,94,22,605
Finance costs	(1,09,350)	(20,413)
Net cash used in financing activities (C)	18,55,64,302	9,59,18,303
Net increase in cash and cash equivalents (A+B+C)	(3,07,74,648)	2,39,82,246
Cash and cash equivalents at the beginning of the year	4,19,34,496	1,79,52,250
Cash and cash equivalents at the end of the year (Refer note 18)	1,11,59,848	4,19,34,496
Note:		
In respect of Corporate Social Responsibility activities, the Company has paid	39,55,661	42,23,617
See accompanying notes forming part of the financial 1 to 39 statements		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Alka Chadha
Partner

Place: Gurugram
Date: 18 May, 2016



For and on behalf of the Board of Directors

Director

[Vachan Singh]

Place: NEW DELHI

Date: 18th May 2016

Director

[Sidharth Chauhan]

2.

Lemon Tree Land & Developers Private Limited

Notes forming part of the financial statements for the year ended 31 March, 2016

Note 1: CORPORATE INFORMATION

LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED [CIN: U45202DL2011PTC27 7182] (LTLDPL) was incorporated on 30 December, 2011. It was promoted with the main objective of development of Real Estate in India. The Company is into real estate development and its key activities include identification of land, project conceptualizing and designing, development, management and marketing. Its Holding company is Tata Housing Development Company Limited (THDC), which is also into real estate development and key activities of THDC include identification of land, project conceptualising and designing, development, management and marketing.

The Company was owned by Satyapal Singh Chorasias (50%) and Dharam Chand Yadav (50%) as on 31 March, 2012. However, subsequently the shareholding of the Company was changed and CSN Estates Private Limited with its nominees jointly held 100% of the shares of the Company.

Further on 9 May, 2012 the Company's shareholders joined hands with Tata Housing Development Company Ltd (THDC) and entered into a 'Share Subscription Cum Shareholders Agreement' and agreed that the revised shareholding of the Company will be THDC (51%) and CSN Estates Private Limited (49%).

Note 2: BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.1 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.2 Inventories

Inventories comprises of cost of construction material and cost of projects under construction /development (Construction work-in-progress). Inventories are valued at lower of cost and net realisable value. The cost of construction material is determined on a weighted average basis.

Cost includes cost of land/cost of development rights, construction and development cost, overheads related to project and justifiable borrowing costs which are incurred directly in relation to a project or which are apportioned to a project.



2.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Depreciation

Depreciable amount for assets is the cost of an asset, less its estimated residual value.

Depreciation on tangible fixed assets is provided using written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of construction equipment whose estimated useful life is assessed as 5 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc.

2.6 Revenue recognition

Revenue from real estate developmental projects under development is recognised based on 'Percentage Completion Method'. The Percentage Completion Method is applied when the stage of completion of the project reaches a reasonable level of development. Revenue is recognised, in relation to the project area sold. For computation of revenue, the stage of completion is arrived at with reference to the entire project costs incurred including cost of land / cost of development rights, construction and development cost, overheads related to project under construction and borrowing costs as compared to the estimated total costs of the project. The percentage completion method is applied on a cumulative basis in each reporting period and the estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined.

In respect of projects where revenue is being recognised for the first time on or after April 1, 2012, the threshold for 'reasonable level of development' is considered to have been met when the criteria specified in the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered Accountants of India are satisfied, i.e., when:

- a. All critical approvals necessary for commencement of the project have been obtained;
- b. The expenditure incurred on construction and development costs is not less than 25 % of the construction and development costs;
- c. At least 25% of the saleable project area is secured by contracts or agreements with buyers and;



Lemon Tree Land & Developers Private Limited

Notes forming part of the financial statements for the year ended 31 March, 2016

- d. At least 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

2.7 Other income

- (i) Interest income is recognised on an accrual basis on a time proportion basis.
- (ii) The interest income on account of interest on delayed payment by customers and expenditure on account of compensation/penalty for project delays are accounted for at the time of acceptance/settlement with the customers due to uncertainties with regard to determination of amount receivable/payable.

2.8 Cost of sales

Project Cost which includes cost of land and cost of development rights, construction and development costs, borrowing costs incurred are charged as costs of sales in proportion to the project area sold. Costs incurred for projects which have not achieved reasonable level of development is carried over as construction work-in-progress. Any expected loss on real estate projects is recognised as an expense when it is certain that the cost will exceed the revenue.

2.9 Unbilled receivables

Unbilled receivables represent revenue recognised on 'Percentage of Completion Method' less amount due from customers as per payment plans adopted by them.

2.10 Fixed assets (Tangible assets)

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

2.11 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.



2.12 Employee benefits

Employee benefits includes provident fund, gratuity fund, compensated absences and long service awards.

Defined contribution plans

The Company's contributions to Provident fund is considered as defined contribution plans and is recognised as expense in the Statement of Profit and Loss.

Defined benefit plans

The Company's obligation towards gratuity to employees is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Long term employee benefits comprising compensated absences and long service awards are provided based on an actuarial valuation determined at the end of each year based on the projected unit credit method. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

2.13 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to qualifying construction projects are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing Costs attributable to qualifying construction projects in progress are added to Construction Work-in-progress till the conditions of Accounting Standard 16 - "Borrowing Cost" are met.



2.14 Operating leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rental in respect of premises taken on operating lease are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.15 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.16 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet



Lemon Tree Land & Developers Private Limited

Notes forming part of the financial statements for the year ended 31 March, 2016

when it is highly probable that future economic benefit associated with it will flow to the Company.

2.17 Impairment of assets

The carrying values of assets/ cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.18 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.19 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.20 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED**Note forming part of the financial statements****Note 3: Share capital****(in Rs.)**

Particulars	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
Authorised 25,000 equity shares of Rs. 10 each	2,50,000	2,50,000
Issued, Subscribed and fully paid-up 25,000 equity shares of Rs. 10 each	2,50,000	2,50,000
Refer notes (i), (ii), (iii) and (iv) below		

(i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Equity share capital				
At the beginning of the year	25,000	2,50,000	25,000	2,50,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	25,000	2,50,000	25,000	2,50,000

- (ii) The Company has issued one class of equity shares having face value of Rs. 10 each. Each shareholder is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shares held by the holding Company and its nominees

12,750 (Previous year 12,750) equity shares of Rs. 10 each are held by the holding Company - Tata Housing Development Company Limited and its nominees.

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	% Holding	Number of shares	% Holding
Tata Housing Development Company Limited	12,750	51%	12,750	51%
CSN Estates Private Limited	12,250	49%	12,250	49%



LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED**Notes forming part of the financial statements****Note 4: Reserves and surplus**

Particulars	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
Surplus/(deficit) in the Statement of Profit and Loss		
Opening balance	79,78,95,247	63,03,35,624
Add: Profit / (loss) for the year	(6,05,01,943)	16,75,59,623
Closing balance	73,73,93,304	79,78,95,247
Total	73,73,93,304	79,78,95,247

Note 5: Long-term borrowings

Particulars	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
Secured:		
Deferred payment liabilities (Refer note 5.1)		7,20,78,214
Unsecured:		
<u>Loans from related parties (See note 33)</u>		
Tata Housing Development Company Limited (Refer note 5.2)	1,54,86,14,093	1,48,86,14,093
CSN Estates Private Limited (Refer note 5.2)	1,20,46,54,373	1,20,46,54,373
Total	2,75,32,68,466	2,76,53,46,680

5.1 The Company has opted for Deferred payment scheme for the payment of External Development Charges (EDC) to Haryana Urban Development Authority (HUDA). As per the scheme 10% of the total amount shall be payable within 30 days from the date of grant of licence and the balance 90% will be paid in nine equated six monthly Installments along with Interest at the rate of 12% per annum (simple interest) on the unpaid amount. In case of delay in payment of Installment an additional Interest of 3% is payable. Accordingly the amount payable after 31 March, 2016 is disclosed as non-current.

5.2 Loans from related parties**(a) Interest**

The rate of Interest is 18% p.a. or State Bank of India Base Rate + 5% which ever is higher compounded annually.

(b) Repayment terms

As per the share purchase cum Share Subscription Cum Shareholders Agreement with its shareholders, the loan will be repaid after the payment of operation costs for development of project including all statutory payments, project management fees, marketing fees and loan, along with interest (other than debt capital) taken for the purpose of construction and development of the Project from banks or external parties.



LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED
Notes forming part of the financial statements
Note 6: Other long-term liabilities

Particulars	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
Others:		
Retention money payable	1,17,01,199	16,77,725
Total	1,17,01,199	16,77,725

Note 7: Long-term provisions

Particulars	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
Provision for employee benefits:		
- Provision for compensated absences	3,32,255	10,68,586
- Provision for long service award	3,83,763	3,43,861
Total	7,16,018	14,12,447

Note 8: Short-term borrowings

Particulars	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
Loans repayable on demand:		
From bank (secured) (Refer note 8.1)	49,09,10,554	26,93,85,185
Total	49,09,10,554	26,93,85,185

8.1 The overdraft facility is secured by present and future goods, book-debts and all other movable assets of the Company. Immovable property situated at Village Bajghera, Tehsil and District Gurgaon, Haryana for creation of charge for term loan/overall limit dated October 05, 2013. It is repayable on demand.

Note 9: Other current liabilities

Particulars	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
Current maturities of long-term debts (Refer note 9.1)	7,34,54,542	9,72,28,045
Income received in advance (unearned revenue)	43,04,16,617	1,24,15,439
Statutory dues (contribution to PF, Withholding tax, Service Tax, etc.)	8,17,22,020	7,54,16,454
Retention money payable	12,24,566	31,58,364
Security deposits received	10,17,890	6,14,836
Interest accrued but not due on borrowings	1,48,02,23,114	1,18,54,74,795
Total	2,06,80,58,749	1,37,43,07,933

9.1 Current maturities of long-term debt (Refer note 5.1 in note 5 - Long-term borrowings for details)

Note 10: Short-term provisions

Particulars	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
Provision for employee benefits		
- Provision for compensated absences	3,05,316	5,33,493
- Provision for gratuity (Refer note 32)	3,80,111	3,91,473
Provision for tax [net of advance tax Rs. Nil (As at 31 March, 2015 Rs. 8,22,83,622)]	-	87,16,378
Total	6,85,427	96,41,344



LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED

Note forming part of the financial statements

Note 11 : Fixed assets

PARTICULARS	Gross Block			Depreciation			Net Block		
	Balance as at 1 April, 2015	Additions	Disposals	Balance as at 31 March, 2016	Balance as at 1 April, 2015	For the year	Eliminated on disposal of assets	Balance as at 31 March, 2016	Balance as at 31 March, 2015
<u>Tangible assets</u>									
Construction equipment	13,95,500 (13,95,500)	1,00,350 (-)	- -	14,95,850 (13,95,500)	7,28,943 (1,09,560)	3,68,916 (6,19,383)	- (-)	10,97,859 (7,28,943)	3,97,991 (6,66,557)
Furnitures and fixtures	9,51,766 (9,51,766)	- (-)	- -	9,51,766 (9,51,766)	5,69,987 (4,33,194)	1,00,944 (1,36,793)	- (-)	6,70,931 (5,69,987)	2,80,835 (3,81,779)
Office equipment	2,84,770 (2,38,210)	- (46,560)	- -	2,84,770 (2,84,770)	1,31,841 (20,622)	72,382 (1,11,219)	- (-)	2,04,223 (1,31,841)	80,547 (1,52,929)
Computers	6,25,480 (5,42,320)	35,595 (83,160)	- -	6,61,075 (6,25,480)	4,47,417 (1,37,680)	1,31,034 (3,09,737)	- (-)	5,78,451 (4,47,417)	82,624 (1,78,063)
Total	32,57,516 (31,27,796)	1,35,945 (1,29,720)	- (-)	33,93,461 (32,57,516)	18,78,188 (7,01,056)	6,73,276 (11,77,132)	- (-)	25,51,464 (18,78,188)	8,41,997 (13,79,328)
Previous year									13,79,328

Figures in brackets are for the previous year



LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED
Notes forming part of the financial statements
Note 12: Non-current investments

Particulars	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
Other investments (at cost, unquoted)		
Silver coins	6,265	6,265
Total	6,265	6,265

Note 13: Deferred tax assets (net)

Particulars	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
<u>Tax effect of items constituting deferred tax assets</u>		
On difference between book balance and tax balance of fixed assets	3,36,989	2,58,877
On provision for employee benefits	3,15,593	8,08,932
On brought forward business losses	2,47,49,972	-
Total	2,54,02,554	10,67,809

Note 14: Long-term loans and advances (Unsecured, considered good)

Particulars	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
Security deposits		
With government authorities	4,96,000	4,96,000
Other advances		
Advance income tax [net of provisions Rs. 41,65,00,000 (As at 31 March, 2015 Rs. 32,55,00,000)]	2,04,52,228	60,13,931
Mobilisation advance	1,73,77,564	5,08,80,778
Total	3,83,25,792	5,73,90,709

Note 15: Other non-current assets

Particulars	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
Balances with banks		
In deposit accounts (Refer note 15.1)	97,10,396	89,40,381
Others (See note 33)		
Deferred receivables (Refer note 15.2)	-	77,48,689
Total	97,10,396	1,66,89,070

15.1 (a) The fixed deposits are under lien against bank guarantees on behalf of the Company for operations.

(b) Balances with banks include deposits which have a maturity of more than 12 months from the Balance Sheet date.

97,10,396

89,40,381

15.2 Long term receivables pertain to the amount recoverable from shareholder M/s. CSN Estates Private Limited (CSN) for External Development Charges (EDC) paid by the Company in respect of land belonging to CSN. Refer note 5.1 for details of the deferment scheme opted by the Company for payment of EDC charges. The amount will be recoverable proportionately from CSN as and when it is paid by the Company. Accordingly the amount recoverable after 31 March, 2016 is disclosed as non-current.

Note 16: Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
Construction material	3,32,86,061	4,31,44,594
Construction work-in-progress (Refer note 28)	5,29,39,87,871	4,55,46,73,240
Total	5,32,72,73,932	4,59,78,17,834



LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED
Notes forming part of the financial statements
Note 17: Trade receivables

Particulars	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
Outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, considered good	4,41,62,872	18,04,706
Others		
- Unsecured, considered good	20,51,99,159	18,11,62,228
Total	24,93,62,031	18,29,66,934

Note 18: Cash and cash equivalents

Particulars	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
Balances with banks (as per AS 3 Cash Flow Statements)		
- in current accounts	1,11,59,848	4,19,34,496
Total	1,11,59,848	4,19,34,496

Note 19: Short-term loans and advances (Unsecured, considered good)

Particulars	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
Other recoverables from related parties		
- CSN Estates Private Limited (See note 33)	12,63,65,609	10,95,23,320
Advance for projects	2,33,602	3,11,585
Deposit with others	1,05,000	1,05,000
Prepaid expenses	3,42,166	5,89,392
Balances with government authorities		
- Service Tax credit receivable	1,66,49,608	1,03,94,730
Total	14,36,95,985	12,09,24,027

Note 20: Other current assets

Particulars	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
Unbilled revenue	43,58,82,660	33,06,00,205
Interest accrued on deposits	2,23,965	3,20,904
Contractually reimbursable expenses (See note 33)	78,96,860	1,04,67,306
Total	44,40,03,485	34,13,88,415



LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED
Notes forming part of the financial statements
Note 21: Revenue from operations

Particulars	For the year ended 31 March, 2016 (Rs.)	For the year ended 31 March, 2015 (Rs.)
Sale of properties	57,80,08,237	85,12,81,113
Total	57,80,08,237	85,12,81,113

Note 22: Other income

Particulars	For the year ended 31 March, 2016 (Rs.)	For the year ended 31 March, 2015 (Rs.)
Interest on fixed deposits from bank	7,58,634	8,22,552
Interest on delayed payment charges	11,44,754	32,29,597
Scrap sales	8,63,642	15,88,710
Sundry balances written back	25,587	9,165
Total	27,92,617	56,50,024

Note 23: Cost of sale of projects

Particulars	For the year ended 31 March, 2016 (Rs.)	For the year ended 31 March, 2015 (Rs.)
Cost of sales	61,64,54,882	54,64,51,629
Total	61,64,54,882	54,64,51,629

Note 24: Finance costs

	For the year ended 31 March, 2016 (Rs.)	For the year ended 31 March, 2015 (Rs.)
Interest expense on:		
- Borrowings	69,01,96,462	63,04,32,304
- Interest on delayed payment of income tax	-	22,64,000
- Interest others	8,850	20,413
	69,02,05,312	63,27,16,717
- Other ancillary costs	1,00,500	-
Total Finance cost	69,03,05,812	63,27,16,717
Less: Apportionment to construction work-in-progress	(69,01,96,462)	(63,04,32,304)
	1,09,350	22,84,413

Note 25: Other expenses

Particulars	For the year ended 31 March, 2016 (Rs.)	For the year ended 31 March, 2015 (Rs.)
Professional fees	5,64,297	5,44,820
Repairs and maintenance - others	-	788
Selling expenses (Refer note 27)	4,14,92,145	4,23,12,808
Expenditure on corporate social responsibility	57,69,322	58,78,332
Payments to auditors (Refer Note (i) below)	5,30,876	3,12,910
Recruitment expenses	2,700	4,22,912
Bank charges	5,846	3,774
Miscellaneous expenses	14,848	6,998
Total	4,84,00,034	4,94,83,342

Note:

- (i) Payments to the auditors comprise (net of service tax input credit):
- | | | |
|---------------------------|-----------------|-----------------|
| To statutory auditors | 5,00,000 | 3,00,000 |
| For audit | 30,876 | 12,910 |
| Reimbursement of expenses | | |
| Total | 5,30,876 | 3,12,910 |



LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED**Notes forming part of the financial statements****Note 26: Disclosure as per Guidance Note on Accounting for Real Estate Transactions (Revised 2012):****(Amount in Rs.)**

Particulars	31 March, 2016	31 March, 2015
Project revenue recognised as revenue for the year ended	578,008,237	851,281,113
Methods used to determine the project revenue	Percentage of completion method	
Method used to determine the stage of completion of the project	Physical completion substantiated by cost incurred	
In respect of all projects in progress as at year end		
Aggregate amount of costs incurred and profits recognised to date	8,728,562,792	7,411,239,924
Advances received as at year end	430,416,617	12,415,439
Amount of work in progress and the value of inventories as at year end	5,327,273,932	4,597,817,834
Unbilled revenue as at year end	435,882,660	330,600,205

Note 27: Selling expenses include Rs. 26,83,361 (Previous year Rs. 41,60,420) towards brokerage for sale of properties.

LEMON TREE LAND & DEVELOPERS PRIVATE LIMITED**Notes forming part of the financial statements**

Note 28: The following are the aggregate amounts incurred on certain specific expenses that are required to be disclosed under Schedule III to the Companies Act, 2013.*

Particulars	(Amount in Rs)	
	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Salaries and wages	2,56,11,813	2,34,85,027
Contribution to provident and other funds	12,19,682	10,68,396
Staff welfare expenses	3,32,601	2,57,462
Power and fuel	6,77,319	6,56,136
Rent	7,39,176	4,25,528
Repairs and maintenance - others	57,648	1,339
Insurance	23,96,553	21,78,272
Rates and taxes	47,16,964	28,40,212
Communications	3,63,826	3,12,310
Travelling and conveyance	7,47,994	6,78,245
Printing and stationary	2,92,935	1,99,015
Selling expenses	4,14,92,145	4,23,12,808
Recruitment	2,700	4,22,912
Expenditure on corporate social responsibility	57,69,322	58,78,332
Legal and professional	6,30,40,772	4,83,50,808
Payment to auditors	5,30,876	3,12,910
Miscellaneous expenses	73,15,207	57,11,139
	15,53,07,533	13,50,90,851

* The expenses disclosed are inclusive of expenses stated in note 25 and amounts transferred to construction work-in-progress.

Note 29: Expenditure on Corporate Social Responsibility

(a) Gross amount required to be spent by the Company during the year ended 31 March, 2016: Rs. 80,89,254
(Previous Year Rs. 63,71,752)

(b) Amount spent during the year ended 31 March, 2016:

Particulars	(Amount in Rs)		
	Paid (A)	Yet to be paid (B)	Total (A) + (B)
(i) Construction/acquisition of any asset	(-)	(-)	(-)
(ii) On purposes other than (i) above	39,55,661 (42,23,617)	18,13,661 (16,54,715)	57,69,322 (58,78,332)
Total	39,55,661 (42,23,617)	18,13,661 (16,54,715)	57,69,322 (58,78,332)

(c) Details of related party transactions –

- Contribution during the year ended 31 March, 2016 – Rs. Nil (Previous Year Rs. Nil)
- Payable as at 31 March, 2016 – Rs. Nil (Previous Year Rs. Nil)

Figures in brackets are for the previous year

Note 30: Earnings per share

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Profit / (loss) after tax - (In Rs.)	(6,05,01,943)	16,75,59,623
Number of equity shares	25,000	25,000
Weighted average number of equity shares outstanding during the year	25,000	25,000
Basic / Diluted earnings per share of Rs. 10 each	(2,420.08)	6,702.38
Face value per share - (In Rs.)	10	10

Note 31: Segment Reporting

As the Company is engaged only in the business of development of property and related activities in India, it has no reportable segments in terms of Accounting Standard 17 on Segment Reporting notified by the Companies Act.



Lemon Tree Land & Developers Private Limited
Notes forming part of the financial statements
Note 32: Employee benefits

- 32.1** The Company has recognised, under construction work-in-progress the following amount as contribution under defined contribution plans.

(Amount in Rs.)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Provident Fund	8,39,571	4,87,018
Total	8,39,571	4,87,018

The Company's contributions paid / payable during the year towards Recognised Provident Fund is charged to the construction work in progress. This fund is recognised by the Income-tax authorities.

- 32.2** The Company operates funded gratuity benefit plan:

A) Changes in defined benefit obligation:

(Amount in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Opening defined benefit obligation	8,97,196	4,75,924
Current service cost	3,08,238	1,93,759
Interest cost	72,135	43,499
Expected return on plan assets	(40,660)	-
Actuarial (gain) / loss	45,790	1,15,339
Benefits Paid	-	-
Liability transferred in/acquisitions	1,61,762	68,675
Closing defined benefit obligation	14,44,461	8,97,196

B) Change in plan assets:

(Amount in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Plan assets at beginning of the year	5,05,723	-
Expected return on plan assets	40,660	-
Actual Company contributions	3,91,473	4,75,924
Actuarial gain /(loss)	5,392	29,799
Assets transferred in/acquisitions	1,61,762	-
Benefits paid	-	-
Plan assets at the end of the year	11,05,010	5,05,723

Expected rate of return on asset is taken on the basis of the benchmark rate on government securities for the tenure of the payment.

C) Net liability recognised in the Balance Sheet:

(Amount in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Present value of the obligation as at the end of the year	14,85,121	8,97,196
Fair value of plan assets as at the end of the year	11,05,010	5,05,723
Net liability recognised in the Balance Sheet	3,80,111	3,91,473

D) Expenses recognised during the year:

(Amount in Rs.)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Current service cost	3,08,238	1,93,759
Interest cost	31,475	43,499
Expected return on plan assets	-	-
Actuarial loss recognised	40,398	85,540
Expenses recognised during the year	3,80,111	3,22,798



Lemon Tree Land & Developers Private Limited
Notes forming part of the financial statements
E) Composition of the plan assets is as follows:
(Amount in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
Government bonds	45.23%	38.64%
Corporate bonds	16.77%	11.20%
Infrastructure bonds	34.70%	29.31%
Reverse repos ¹	3.30%	16.73%
Others	-	4.12%

F) Actuary assumptions - Gratuity:

Date of Valuation	Refer note below	As at 31 March, 2016	As at 31 March, 2015
Discount rate	1	7.84%	8.04%
Rate of salary increase	2	7.00%	7.00%
Rate of return	3	7.84%	8.04%
Retirement age		60 years	60 years
Attrition rate		13.00%	13.00%
Mortality table		Indian Assured Lives Mortality (2006-2008)	Indian Assured Lives Mortality (2006-2008)
Contribution expected to be paid to the plan during next financial year		592,256	504,207

Notes:

- The discount rate is based on the prevailing market yield of India Government securities as at the balance sheet date for the estimated term of obligations.
- The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

G) Experience adjustment (Gratuity):
(Amount in Rs.)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2014	For the year ended 31 March, 2013*	For the year ended 31 March, 2012*
Defined benefit obligation	1,485,121	897,196	475,924	NA	NA
Fair value of plan assets	1,105,010	505,723	-	NA	NA
(deficit)	(380,111)	(391,473)	(475,924)	NA	NA
Experience adjustments on plan liabilities loss / (gain)	27,873	57,059		NA	NA
Experience adjustments on plan assets (loss) / gain	5,392	29,799		NA	NA

* The details of experience adjustments arising on account of plan assets and liabilities as required by Accounting Standard 15 on 'Employee Benefits' are not available for the year 31 March, 2012 and 31 March, 2013.

32.3 Actuarial Assumptions for unfunded compensated absences:

Particulars	Refer note below	As at 31 March, 2016	As at 31 March, 2015
Compensated absences			
Discount rate	1	7.84%	8.04%
Future salary increase	2	7.00%	7.00%
Retirement age		60 years	60 years
Mortality table		Indian Assured Lives Mortality (2006-2008)	Indian Assured Lives Mortality (2006-2008)

Notes:

- The discount rate is based on the prevailing market yield of India Government securities as at the balance sheet date for the estimated term of obligations.
- The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



Lemon Tree Land & Developers Private Limited**Notes forming part of the financial statements****Note 33: Related party transactions**

As per Accounting Standard on "Related Party Disclosures" (AS-18) notified by the Companies Act, the Related parties of the Company are as follows:

33.1 List of Related parties and relationships

Sr. No.	Related Party and nature of relationship
1	Ultimate holding company Tata Sons Limited
2	Holding company Tata Housing Development Company Limited
3	Company which holds substantial interest in the Company CSN Estates Private Limited



Lemon Tree Land & Developers Private Limited
Notes forming part of the financial statements
33.2 Transactions with the related parties
(Amount in Rs.)

Sr. No.	Particulars	Holding Company	Company which holds substantial interest in the Company
1	<u>Interest on borrowings</u> Tata Housing Development Company Limited CSN Estates Private Limited	36,68,66,057 (31,92,83,188)	29,39,10,218 (28,66,25,182)
2	<u>Project management fees</u> Tata Housing Development Company Limited	4,41,42,335 (4,15,62,123)	
3	<u>Reimbursement of expenses paid</u> Tata Housing Development Company Limited	71,64,522 (24,88,913)	
4	<u>Selling expenses</u> Tata Housing Development Company Limited	2,43,25,530 (3,02,84,740)	
5	Sale of Scrap Tata Housing Development Company Limited	26,552 (Nil)	
6	Loans taken Tata Housing Development Company Limited	6,00,00,000 (23,06,34,195)	
7	Loans repaid Tata Housing Development Company Limited CSN Estates Private Limited	Nil (7,84,08,714)	Nil (18,93,25,026)
8	Reimbursement of expenses (Received) CSN Estates Private Limited		11,94,38,193 (12,66,36,740)
9	Liabilities <u>Loans</u> Tata Housing Development Company Limited CSN Estates Private Limited <u>Trade payables</u> Tata Housing Development Company Limited <u>Interest accrued but not due on borrowings</u> Tata Housing Development Company Limited CSN Estates Private Limited	1,54,86,14,093 (1,48,86,14,093) 3,23,45,894 (4,03,56,556) 83,46,87,874 (59,70,08,422)	1,20,46,54,373 (1,20,46,54,373) 64,55,35,242 (58,84,39,386)
10	Assets <u>Deferred receivables - other non-current assets</u> CSN Estates Private Limited <u>Other recoverable from related parties- short-term loans and advances</u> CSN Estates Private Limited <u>Other Receivables - other current assets</u> CSN Estates Private Limited	Nil (Nil)	(77,48,689) 12,63,65,609 (10,95,23,320) 78,96,860 (1,04,67,306)

Figures in brackets are for the previous year



Lemon Tree Land & Developers Private Limited**Notes forming part of the financial statements****Note 34: Expenditure in foreign Currency (on accrual basis)****(Amount in Rs.)**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Professional fees towards architect services	-	11,18,329

Note 35: Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Particulars	As at 31 March, 2016 (Rs.)	As at 31 March, 2015 (Rs.)
a. Amounts payable to suppliers under MSMED (suppliers) as on 31 March, 2016		
Principal	-	-
Interest due thereon	-	-
b. Payments made to suppliers beyond the appointed day during the year		
Principal	-	-
Interest due thereon	-	-
c. Amount of interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSMED	-	-
d. Amount of interest accrued and remaining unpaid as on 31 March, 2016	-	-
e. Amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax	-	-


Note 36: The Company does not have any pending litigation which would impact its financial position.


Note 37: The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

Note 38: There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

Note 39: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**For and on behalf of the Board of Directors**


Director
[Vachan Singh]


Director
[Sidharth Chauhan]

Place: **NEW DELHI**Date: **18th May 2016**