



LODHA

BUILDING A BETTER LIFE

ANNUAL ACCOUNTS
2010-2011

LODHA DEVELOPERS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your directors have pleasure in presenting the 16th Annual Report along with the audited accounts of the Company for the financial year ended 31st March 2011.

FINANCIAL RESULTS

Particulars	For the financial year ended 31 st March, 2011 (Rs.)	For the financial year ended 31 st March, 2010 (Rs.)
Total Income	2,768,250,170	2,356,029,954
Less : Total Expenses	2,611,562,300	2,155,913,809
Net Profit before tax	156,687,870	200,116,145
Less : Provision for Tax	57,167,284	52,280,127
Profit After Tax	99,520,586	147,836,018
Prior Period taxation adjustments	2,100,908	1,189,068
Net profit	97,419,678	146,646,950
Balance carried forward from last year	284,295,389	1,068,575,939
Balance available for appropriations	381,715,067	1,215,222,889
Appropriations-utilization for issue of Bonus Shares	-	(930,927,500)
Balance carried to Balance Sheet	381,715,067	284,295,389

FINANCIAL OVERVIEW

On standalone basis, your Company achieved a total income of Rs.276.82 crore for the financial year 2010-2011 as compared to the total income of Rs.235.60 crore for the previous financial year 2009-2010, an increase of 17.50%. The net profit before tax for the financial year 2010-2011 stood at Rs. 15.67 crore as compared to Rs.20.01 crore for the corresponding previous financial year. The Company recorded a net profit after tax of Rs. 9.95 crore for the year under review as against the net profit after tax of Rs. 14.78 crore achieved during the previous financial Year.

DIVIDEND

The Board of Directors with a view to plough back the profits of the Company into its business operations, do not recommend any dividend for the Financial Year 2010-2011.

THE YEAR GONE BY

Indian Economy

After a strong revival in FY 2010, the domestic growth cycle remained robust, extending and consolidating the recovery set forth in the fiscal year ended March 31, 2011. While emerging headwinds from tightening monetary conditions and a scale back in fiscal stimulus measures led to some moderation in industrial growth, service sector growth and agricultural performance were strong and picked up the slack from industry. This is likely to

have pushed the GDP growth in the year ended March 31, 2011 to 8.6% from 8.0% in the previous year. As per RBI projections for FY 2012, the growth is likely to be 8.0% on account of high interest rates and inflationary environment.

Mumbai Real Estate

Mumbai Metropolitan Region (MMR) is the financial, trading and entertainment capital of India, and thereby it is at the forefront of the Indian growth story. The population of the Mumbai Metropolitan Region grew at a CAGR of 2.7% to 20 million from 1991 to 2001 and stands at 23.5 million in 2011 (Source: Census 2011). The Mumbai real estate is amongst the 2 largest real estate markets in India with strong demand in both residential and office space. On the residential side, the total area presold in FY 2011 in MMR was around 44 million sq feet with a value of INR 32,000 crore (Source: PropEquity). In the office space segment, the total area leased/sold during the FY 2011 was 8.75 m sq feet with a value of INR 10,000 crore.

Land continues to be scarce in the island city of Mumbai which has resulted in restricted supply of new development. Supply remains extremely restricted in the island city and the western suburbs (Bandra to Borivali) and central suburbs (Sion to Mulund). The larger developments of Mumbai both in terms of infrastructure and real estate developments are taking place in the peripheral areas such as Navi Mumbai, Thane, Vasai-Virar and Dombivali-Kalyan.

Company Overview

The Company is a leading Mumbai Metropolitan Region player with current focus on residential and office space development. The company is recognized as a premium player in the markets and segments in which it operates. As per PropEquity (an online platform for data and analytics covering the Indian real estate industry), the Company is the largest residential real estate developer in Mumbai in terms of the value and area of real estate sold during fiscal year 2011. The company sold close to 7.3 million square feet for a total sales value of Rs. 5,153 crore in FY 2011.

Execution continued to be the key focus of the Company and it was able to deliver 2.5 million square feet of residential and office space in FY 2011. This included marquee assets such as Lodha Costeria at Napean Sea Road, Lodha Bellissimo (A&B) at Mahalaxmi, Simtools (Tower A) at Thane, Lodha Grandeur at Prabhadevi and Lodha Aria at Parel.

The Company has a strong pipeline for development for the next few years. The Company is presently developing 27 residential projects comprising approximately 27 million square feet of saleable area. Further, 6 planned residential projects comprising approximately 8.5 million square feet of estimated saleable area would be launched in FY 2012. In addition, we currently have 5 ongoing office space projects comprising approximately 1.6 million square feet of estimated saleable area and two planned office space project comprising approximately 0.4 million square feet of estimated saleable area.

The Company operates across all verticals of residential and commercial segments and caters to diverse customer needs across a wide spectrum of income segments ranging from luxury residences in South Mumbai to large integrated townships in the Mumbai suburbs. Our portfolio of residential projects includes apartments with area ranging from around 600 square feet to upwards of 12,000 square feet. The Company is presently developing various

luxury and high-end apartments such as World One and World Crest at Lodha Place, Upper Worli, Lodha Fiorenza at Goregaon, Lodha Bellissimo at Mahalaxmi and Lodha Bellezza at Hyderabad. In the aspirational residential segment, the Company has projects such as Lodha Aqua at Dahisar and Lodha Luxuria at Majiwada, Thane. The Company is also developing a plotted serviced luxury villa development in Lonavala, a hill station near Mumbai, and golf villas in Dombivali and Pune. The 'CASA by Lodha' brand targets the mid-income housing segment of the real estate market which has various residential projects including CASA Bella and CASA Rio at Dombivali; CASA Univis, CASA Royale and CASA Ultima at Thane; CASA Essenza at Dahisar and CASA Paradiso at Hyderabad.

In the office space segment, the Company caters to corporate seeking high quality office space ranging from client facing offices to back offices. The Company has developed the iThink at Kanjurmarg and Excelus at Mahalaxmi, a high-end corporate office space and is presently developing office spaces such as iThink at Thane and Lodha Supremus, boutique office spaces at Worli, Upper Worli, Thane and Kanjurmarg.

In addition to the ongoing and planned projects, the Company has in excess of 220 million square feet of land reserves in the Mumbai Metropolitan Region, primarily in Dombivali and Thane-Anjur belt.

Some of the top projects currently under development are:

- **World One, Lodha Place:** Catering to the super-luxury segment, World One at Lodha Place is slated to be the tallest residential structure in the World with a total saleable area of ~1.4 million square feet. The Company is partnering with legendary names like Pei Cobb Freed & Partners (Architecture), Ken Smith (Landscape), Six Senses (Club & Spa), Quintessentially (Concierge) and Casa Armani (Interior Design) to create India's most premium project.
- **Fiorenza, Goregaon:** Lodha Fiorenza sets a new benchmark in design, luxury and style with its exclusive association with Jade Jagger and Yoo. Located in a prime location on the Western Express Highway in Mumbai, it combines sweeping views and an assortment of unique amenities. The project comprises 450 apartments over a total saleable area of around 0.93 million square feet.
- **Lodha Green City, Wadala:** Originating from Mumbai's biggest land transaction and set to be Mumbai's largest residential development of 8 million square feet, Lodha Green City will offer more than 4,500 apartments in various unit sizes with proximity to commercial offices in south Mumbai and a major transportation hub with metro and monorail connectivity and free Expressway.
- **Palava (Integrated township), Dombivali:** A fully integrated, self contained and planned residential development spread over 3,500 acres with shopping malls, schools, medical facilities, sports and recreational facilities. The target client profile of the residential project is the middle income and upper middle income segments of the market. The vision is to develop a sustainable city with world class infrastructure at Dombivali along with developing an ecosystem of thriving commercial IT and ITES SEZ centres.



Business Strategy

The primary focus of the Company is to strengthen its position as a premium developer across business segments and price points, maintaining reputation for quality and innovation and enhance the brand value. The following are the key elements of the business strategy:

Continued focus on the MMR real estate market: MMR is one of the most attractive and profitable real estate markets in India in terms of depth of demand for real estate development across business segments and price points.

Land acquisition and property development to ensure steady cash flow and long term sustainability: The Company has robust process of land acquisition which is institutionalized across the organization to ensure acquisition of clean title parcels of land and development rights over parcels of land in key locations in MMR.

Strategic focus on maximizing ROI: The focus has been created by acquiring land, which has an inherent market, quick turnaround time and ensuring sales driven by revenue and margin management for all projects.

Focus on brand building: Strengthen the position as a premium developer across business segments and price points to create unique categories and destinations and deliver premium projects in every category in which the Company operates through strategic branding initiatives and value proposition.

Focus on best-in-class alliances: Strong focus on bringing the best to Indian real estate by having a dedicated 'innovation' cell with the mandate of finding and implementing customer-focused innovation across the organization and forming global alliances with world class players such as:

1. Pei Cobb Freed & Partners, Architects - Designers of various buildings of international fame including the Pyramid at the Grand Louvre, Paris; the Bank of China Building, Hong Kong and the Hancock Building, Boston. They are the lead architects for the entire development at Lodha Place, Upper Worli including World One.
2. Sasaki - One of the world's leading master planners, they have worked extensively on some of the best known urban planning and urban renewal projects across the globe, including the site for the Beijing Olympics in 2008. They are the master planners for Palava.
3. Armani / Casa - The interior design studio of Giorgio Armani is well-known for its world class interiors and setting standards of design excellence. Armani/Casa will design almost every facet of World One, from apartments, villas and duplex mansions to common areas.
4. Yoo (by Jade Jagger) - A design and marketing partnership amongst some of the world's leading designers (including Philip Starck, Jade Jagger, Marcel Wanders and others), Yoo has been credited with providing the very best in architecture, hotel and residential interior design, branding and marketing. They are currently working on Lodha Fiorenza, Goregaon.
5. WOHA - Singapore's leading architectural firm with a focus on sustainable development, WOHA has been awarded numerous accolades including the

International High-rise Award 2010 by the City of Frankfurt. They are the architects and planners for our planned mega development at Wadala.

6. Six Senses – One of the world's leading hospitality and spa chains, Six Senses operates some of the world's finest resorts such as Soneva Fushi in the Maldives and have been awarded by the readers of Conde Nast Traveler in 2008. They are our spa and club partners at Lodha Place.
7. Quintessentially - Quintessentially is the world's leading private members' club with a global concierge that provides a unique brand of service 24 hours a day, 365 days a year. Q will manage the personal concierge services for Lodha Place

In addition, the Company is engaged with numerous internationally recognized names including LERA (structure), Buro Happold (services) and Aedas (architecture) for ensuring world class quality of its projects and delivery.

People: The Company has built an experienced and effective leadership and management team by hiring smart and self driven personnel from leading national and international institutes and colleges, and people having substantial experience in the real estate sector to enable us to anticipate and adapt to challenging market trends and economic forces

PUBLIC DEPOSITS

Your Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposits was outstanding on the date of the Balance sheet.

AUDITORS & AUDITORS REPORT

M/s. Shanker and Kapani, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received letter from the Statutory Auditors to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

DIRECTORS

Mr. G. P. Gupta and Dr. Rajan Saxena, Directors, retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE:

The Company has an audit committee comprising of three directors, viz. Mr. T. P. Ostwal, Mr. G. P. Gupta, and Mr. Abhinandan Lodha. The Chairman of the Committee is Mr. T. P. Ostwal.

The Company Secretary acts as the secretary to the Audit Committee.

The terms of reference of the Audit Committee are in accordance with the provisions of Section 292A of the Companies Act, 1956 and the provisions of Clause 49 of the Listing Agreement pertaining to governance norms.

REMUNERATION COMMITTEE:

The remuneration committee of the Company consists of three non –executive directors, viz. Mr. G. P. Gupta, Mr. T. P. Ostwal and Dr. Rajan Saxena. The Chairman of the Committee is Mr. G. P. Gupta.

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

The Shareholders/ Investors Grievance committee of the Company consists of Mr. M. L. Bhakta, Dr. Rajan Saxena and Mr. Abhishek Lodha. The Chairman of the Committee is Mr. M. L. Bhakta.

COMPENSATION COMMITTEE FOR ESOP:

A Compensation committee of the Board of Directors of the Company has been constituted to administer and manage ESOP scheme. The committee consists of Mr. M. L. Bhakta, Dr. Rajan Saxena and Mr. Abhishek Lodha. The Chairman of the Committee is Mr. M. L. Bhakta.

MANAGEMENT COMMITTEE:

For management of the routine business affairs of the Company, a management committee of the Company has been formed. The committee consists of Mr. Mangal Prabhat Lodha, Mr. Abhishek Lodha and Mr. Abhinandan Lodha.

GROUP ENTITIES

Pursuant to intimation from Promoters, names of promoters and Companies comprising the “group” as defined in the Monopolies and Restrictive Trade Practices Act, 1969, have been disclosed in the Annual Report of the Company as **Annexure - 1**.

DIRECTORS’ RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- (i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

In terms of provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended by the Companies (Particulars of Employees) Amendment Rules, 2011, the names and other particulars of the employees are set out in **Annexure - 2** to this Report.

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

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are annexed to this Report as **Annexure - 3**.

ESOP SCHEME

The Disclosures required to be made under Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are set out in **Annexure - 4** to this report.

ACKNOWLEDGEMENT

The Board of Directors wishes to place on record its gratitude for the faith reposed and the co-operation extended by banks, financial institutions, government authorities, customers, shareholders and employees of the Company and looks forward to continued support and co-operation from them.

For and on behalf of the Board of Directors

Sd/-

Sd/-

Place: Mumbai
Date: 29th June, 2011

(Abhisheck Lodha) (Abhinandan Lodha)
Managing Director Deputy Managing Director

ANNEXURE - 1

GROUP ENTITIES

Persons constituting group coming within the definition of "Group" as defined in the Monopolies and Restrictive Trade Practices Act, 1969, include the following:

Name of all Individuals

1	Shri Mangal Prabhat Lodha
2	Shri Abhisheck Lodha
3	Shri Abhinandan Lodha
4	Smt. Manjula Lodha
5	Smt. Vinti Lodha
6	Smt. Sheetal Lodha
7	Ayraah Abhisheck Lodha
8	Yashvi Abhinandan Lodha

Names of the Associate Companies

1	Lodha Land Scapes Pvt. Ltd.
2	Lodha Construction Pvt. Ltd.
3	Lodha Textiles Pvt. Ltd.
4	Ma Padmavati Software And Infocom Pvt. Ltd.
5	Jineshwer Builders Pvt. Ltd.
6	Lodha Township Developers Pvt. Ltd.
7	Lodha Properties And Realty Pvt. Ltd.
8	Lodha Realtors Pvt. Ltd.
9	Lodha Buildtech Pvt. Ltd.
10	Shalibhadra Buildtech Pvt. Ltd.
11	Lodha Reality Build And Construction Pvt. Ltd.
12	Lodha Premium Builders Pvt. Ltd.
13	Bahubali Real Estate And Farms Management Pvt. Ltd.
14	Lodha Mile-A-Built Pvt. Ltd.
15	Jay Durga Ma Build Tech Pvt. Ltd.
16	Lodha Buildwell Pvt. Ltd.
17	Marutinandan Real Estate Dovelopers Pvt. Ltd.
18	Padamprabhu Buildmart Pvt. Ltd.
19	Jineshwer Realtor Pvt. Ltd.
20	Aasthvinayak Buildwell Farms Pvt. Ltd.
21	Siddheshwer Buildcon Pvt. Ltd.
22	Lodha Proficient Build Pvt. Ltd.

23	Lodha Leading Builders Pvt. Ltd.
24	Aasthavinayak Buildmart And Farms Pvt. Ltd.
25	Chintamani Constructions And Farms Pvt. Ltd.
26	Jineshwer Real Estate And Farms Pvt. Ltd.
27	Lodha House Developers Pvt. Ltd.
28	Lodha Build Creation Pvt. Ltd.
29	Lodha Passion Buildtech And Farms Pvt. Ltd.
30	Lodha Accurate Builders And Farms Pvt. Ltd.
31	Lodha Ruling Realtors Pvt. Ltd.
32	Sree Nivas Cotton Mills (India) Pvt. Ltd.
33	Lodha Strength Buildcon And Farms Pvt. Ltd.
34	Lodha Ideal Buildcon Pvt. Ltd.
35	Lodha Achiever Buildcon And Farms Pvt. Ltd.
36	Lodha Benchmark Builders Pvt. Ltd.
37	Lodha Attractive Constructions And Farms Pvt. Ltd.
38	Lodha Antique Buildtech And Farms Pvt. Ltd.
39	Lodha Finstock Private Ltd.
40	Chandraprabha Constructions And Agro Private Ltd.
41	Dharmanath Infra And Agro Pvt. Ltd.
42	Dharmanath Buildtech And Farms Pvt. Ltd.
43	Kesariya Builders And Agro Pvt. Ltd.
44	Sambhavnath Infrabuild And Farms Pvt. Ltd.
45	Sambhavnath Reality And Farms Pvt. Ltd.
46	Sheetalnath Buildtech And Farms Pvt. Ltd.
47	Utility Reality Farms Pvt. Ltd.
48	Vimalnath Novelty Buildtech And Agro Pvt. Ltd.
49	Lodha Facilities Management Ltd.
50	Gajanand Buildtech And Agro Pvt. Ltd.
51	Eknath Land Developers And Farms Pvt. Ltd.
52	Ganeshji Reality And Agro Pvt. Ltd.
53	Lodha Supreme Buildtech And Farms Pvt. Ltd.
54	Lodha Builders Private Limited
55	Lodha Farmtech And Builders Pvt. Ltd.

Sr. No.	Name of all Trusts
1	Sitaben Shah Memorial Trust
2	Laxmiben Chheda Charitable Trust
3	Lodha Charitable Trust
4	Piramal Chatrabhuj Trust

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