

## **INDEPENDENT AUDITOR’S REPORT**

**To the Members of SPL Estates Private Limited**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying standalone financial statements of **SPL Estates Private Limited** (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the “standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2022, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Information Other than the Financial Statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board’s Report including Annexures to Board’s Report and Shareholder’s information but does not include the standalone financial statements and our auditor’s report thereon.

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

---

**Head Office: #521, 3<sup>rd</sup> Main, 6<sup>th</sup> Block, 2<sup>nd</sup> Phase, BSK 3<sup>rd</sup> Stage, Bangalore 560 085**

**☎ : +91 8880097322 / +91 80 26426022 📠 : 2672 7430**

**Branch at : Chennai**

**✉ : [audit@abarna-ananthan.com](mailto:audit@abarna-ananthan.com)**

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

### **Responsibilities of Management for the Standalone Financial Statements**

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

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

---

**Head Office: #521, 3<sup>rd</sup> Main, 6<sup>th</sup> Block, 2<sup>nd</sup> Phase, BSK 3<sup>rd</sup> Stage, Bangalore 560 085**

**☎ : +91 8880097322 / +91 80 26426022 📠 : 2672 7430**

**Branch at : Chennai**

**✉ : [audit@abarna-ananthan.com](mailto:audit@abarna-ananthan.com)**

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) In our opinion and to the best of our information and according to the explanations given to us the Company has not paid any remuneration to its directors during the year, hence the reporting requirement under section 197(16) of the Act is not applicable.
  - h) 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.

---

**Head Office: #521, 3<sup>rd</sup> Main, 6<sup>th</sup> Block, 2<sup>nd</sup> Phase, BSK 3<sup>rd</sup> Stage, Bangalore 560 085**

**☎ : +91 8880097322 / +91 80 26426022 ☎: 2672 7430**

**Branch at : Chennai**

**✉: [audit@abarna-ananthan.com](mailto:audit@abarna-ananthan.com)**

- 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.
- iv. a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. the Company has not declared or paid any dividend during the year.

For **Abarna & Ananthan**  
**Chartered Accountants**  
Firm Registration No: 000003S

**Sd/-**  
Mohan Rao Gadath  
**Partner**  
Membership No: 203737

UDIN: 22203737AMRXMN9905  
Place: Bangalore  
Date: 27/05/2022

---

**Head Office: #521, 3<sup>rd</sup> Main, 6<sup>th</sup> Block, 2<sup>nd</sup> Phase, BSK 3<sup>rd</sup> Stage, Bangalore 560 085**

**☎ : +91 8880097322 / +91 80 26426022 ☎: 2672 7430**

**Branch at : Chennai**

**✉ : [audit@abarna-ananthan.com](mailto:audit@abarna-ananthan.com)**

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of the Company of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has does not own any intangible asset. Accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable.
- (b) The Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the Property, Plant and Equipment is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any Immovable property in the nature of Property, Plant and Equipment. Accordingly reporting under Clause 3(i)(c) of the Order is not applicable.
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company is primarily engaged in the business of real estate development and related services and holds inventory in the form of land, properties under development and constructed properties. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) As disclosed in Note 10 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such financial institutions are in agreement with the books of accounts of the Company.
- (iii) Based on our examination of records and according to the information and explanation given to us, the Company has not made investment, provided any guarantee or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any Other Parties. Accordingly, reporting under clause 3(iii) of the Order is not applicable.

---

**Head Office: #521, 3<sup>rd</sup> Main, 6<sup>th</sup> Block, 2<sup>nd</sup> Phase, BSK 3<sup>rd</sup> Stage, Bangalore 560 085**

**☎ : +91 8880097322 / +91 80 26426022 ☎ : 2672 7430**

**Branch at : Chennai**

**✉ : [audit@abarna-ananthan.com](mailto:audit@abarna-ananthan.com)**

- (iv) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security as applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) As informed to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us there were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanation given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

---

**Head Office: #521, 3<sup>rd</sup> Main, 6<sup>th</sup> Block, 2<sup>nd</sup> Phase, BSK 3<sup>rd</sup> Stage, Bangalore 560 085**

**☎ : +91 8880097322 / +91 80 26426022 ☎ : 2672 7430**

**Branch at : Chennai**

**✉ : [audit@abarna-ananthan.com](mailto:audit@abarna-ananthan.com)**

- (d) The Company did not raise any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures. Accordingly, reporting on funds taken from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures. Accordingly, reporting on loans raised during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies under clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Hence, reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of report.
- (xii) The Company is not a Nidhi Company as defined in Section 406 of the Act. Hence, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with them. Hence, reporting under clause 3(xv) of the Order is not applicable.
- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, reporting under clause (xvi)(a) of the Order is not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, reporting under clause (xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable.
- (d) There is no Core Investment Company as a part of the Group. Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses amounting to Rs 133.88 million and Rs 139.30 million during the financial year and the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year, hence reporting under clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios disclosed in note 38 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**CHARTERED ACCOUNTANTS**  
**ABARNA & ANANTHAN**

(xx) In our opinion and according to the information and explanations given to us, the provisions of Section 135 are not applicable to the Company. Hence, reporting under clause 3(xx) of the Order is not applicable.

For **Abarna & Ananthan**  
**Chartered Accountants**  
Firm Registration No: 000003S

Sd/-  
Mohan Rao Gadath  
**Partner**  
Membership No: 203737

UDIN: 22203737AMRXMN9905  
Place: Bangalore  
Date: 27/05/2022

---

Head Office: #521, 3<sup>rd</sup> Main, 6<sup>th</sup> Block, 2<sup>nd</sup> Phase, BSK 3<sup>rd</sup> Stage, Bangalore 560 085

 : +91 8880097322 / +91 80 26426022  : 2672 7430

Branch at : Chennai

 : [audit@abarna-ananthan.com](mailto:audit@abarna-ananthan.com)

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of the Company of even date)**

**Report on the Internal Financial Controls 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 **SPL Estates Private Limited** (“the Company”) as of 31<sup>st</sup> March 2022 in conjunction with our audit of the standalone 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 (‘Guidance Note’) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company’s business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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 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 over financial reporting.

---

**Head Office: #521, 3<sup>rd</sup> Main, 6<sup>th</sup> Block, 2<sup>nd</sup> Phase, BSK 3<sup>rd</sup> Stage, Bangalore 560 085**

**☎ : +91 8880097322 / +91 80 26426022 ☎ : 2672 7430**

**Branch at : Chennai**

**✉ : [audit@abarna-ananthan.com](mailto:audit@abarna-ananthan.com)**

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

A Company's Internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal financial controls over financial reporting include 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 standalone 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 standalone 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 controls 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, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31st March 2022, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Abarna & Ananthan**

**Chartered Accountants**

Firm Registration No: 000003S

Sd/-

Mohan Rao Gadath

**Partner**

Membership No: 203737

UDIN: 22203737AMRXMN9905

Place: Bangalore

Date: 27/05/2022

---

**Head Office: #521, 3<sup>rd</sup> Main, 6<sup>th</sup> Block, 2<sup>nd</sup> Phase, BSK 3<sup>rd</sup> Stage, Bangalore 560 085**

**☎ : +91 8880097322 / +91 80 26426022 ☎ : 2672 7430**

**Branch at : Chennai**

**✉ : [audit@abarna-ananthan.com](mailto:audit@abarna-ananthan.com)**

**Balance Sheet as at 31 March 2022**

(All amounts in ₹ millions, unless otherwise specified)

	Note	As at 31 March 2022	As at 31 March 2021
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	111.79	0.15
<b>Current assets</b>			
(a) Inventories	3	1,196.42	901.02
(b) Financial Assets			
(i) Trade Receivables	4	33.05	32.23
(ii) Cash and cash equivalents	5	132.57	246.24
(iii) Other financial assets	6	232.80	205.16
(c) Other current assets	7	91.20	47.10
<b>Total current assets</b>		<b>1,797.83</b>	<b>1,431.90</b>
<b>Total assets</b>		<b>1,797.83</b>	<b>1,431.90</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	8	0.10	0.10
(b) Other equity	9	(526.96)	(304.47)
<b>Total equity</b>		<b>(526.86)</b>	<b>(304.37)</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	10	683.35	496.16
(ii) Trade payables	11		
(a) total outstanding dues of micro and small enterprises		1.26	0.64
(b) total outstanding dues of creditors other than (ii) (a) above		52.71	15.18
(iii) Other financial liabilities	12	88.90	229.23
(b) Other current liabilities	13	1,498.47	995.06
<b>Total current liabilities</b>		<b>2,324.69</b>	<b>1,736.27</b>
<b>Total equity and liabilities</b>		<b>1,797.83</b>	<b>1,431.90</b>

**Significant accounting policies**

1.2

The accompanying notes referred to above form an integral part of the financial statements

As per report of even date

for **Abarna & Ananthan**  
 Chartered Accountants  
 Firm registration number: 0000035

For and on behalf of the Board of Directors of  
**SPL Estates Private Limited**

Sd/-  
**Mohan Rao Gadath**  
 Partner  
 Membership No.: 203737

Sd/-  
**Gopalakrishnan J**  
 Director  
 DIN: 02354467

Sd/-  
**Ramesh K R**  
 Director  
 DIN: 02058969

Bengaluru  
 27 May 2022

Bengaluru  
 27 May 2022

Bengaluru  
 27 May 2022

**SPL Estates Private Limited**  
**Statement of profit and loss for the year ended 31 March 2022**  
**(All amounts in ₹ millions, unless otherwise specified)**

		Year ended 31 March 2022	Year ended 31 March 2021
<b>Revenue</b>			
Revenue from operations	14	27.84	13.59
Other income	15	30.28	7.80
<b>Total Revenue</b>		<b>58.12</b>	<b>21.39</b>
<b>Expenses</b>			
Land Cost		205.04	62.47
Material and Construction cost		98.76	121.29
Changes in Inventories	16	(295.40)	(142.73)
Depreciation	2	5.65	0.05
Finance cost	17	41.78	13.97
Other expenses	18	234.42	148.86
<b>Total Expenses</b>		<b>290.25</b>	<b>203.90</b>
<b>Loss before tax</b>		<b>(232.13)</b>	<b>(182.52)</b>
<b>Tax expense:</b>	19		
- Current tax		-	-
- Deferred tax		-	-
<b>Loss after tax</b>		<b>(232.13)</b>	<b>(182.52)</b>
<b>Loss per equity share</b>	20		
Basic (₹)		(23,213.00)	(18,252.09)
Diluted (₹)		(23,213.00)	(18,252.09)

**Significant accounting policies**

The accompanying notes referred to above form an integral part of the financial statements

As per report of even date

for **Abarna & Ananthan**  
Chartered Accountants  
Firm registration number: 0000035

For and on behalf of the Board of Directors of  
**SPL Estates Private Limited**

Sd/-  
**Mohan Rao Gadath**  
Partner  
Membership No.: 203737

Sd/-  
**Gopalakrishnan J**  
Director  
DIN: 02354467

Sd/-  
**Ramesh K R**  
Director  
DIN: 02058969

Bengaluru  
27 May 2022

Bengaluru  
27 May 2022

Bengaluru  
27 May 2022

**SPL Estates Private Limited****Cash flow statement for the year ended 31 March 2022**

(All amounts in ₹ millions, unless otherwise specified)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. Cash flows from operating activities:</b>		
Loss before taxation	(232.13)	(182.52)
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation	5.65	0.05
Finance Expense	41.78	12.43
Fair value loss on financial instruments at FVTPL	112.41	-
Measurement of below market rate financials liability at fair value	9.63	-
<b>Working capital changes:</b>		
(Increase)/Decrease in Inventories	(295.40)	(142.73)
(Increase)/Decrease in other current assets	(72.56)	7.45
Increase/(Decrease) in current liabilities	493.15	422.31
<b>Cash from operating activities</b>	<b>62.53</b>	<b>116.99</b>
Income taxes paid (Net)	-	-
<b>Net cash generated from (used in) operating activities</b>	<b>62.53</b>	<b>116.99</b>
<b>B. Cash flows from investing activities</b>		
Purchase of Property, Plant and Equipment	(117.29)	-0.08
<b>Net cash generated from (used in) investing activities</b>	<b>(117.29)</b>	<b>(0.08)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds / (Repayment) from borrowings	(125.92)	1.54
Loans from holding company	108.79	(20.30)
Finance charges paid	(41.78)	(12.43)
<b>Net cash generated from (used in) financing activities</b>	<b>(58.91)</b>	<b>(31.19)</b>
Net increase in cash and cash equivalents	(113.67)	85.72
Cash and cash equivalents at the beginning of the year	246.24	160.52
<b>Cash and cash equivalents at the end of the year</b>	<b>132.57</b>	<b>246.24</b>

This is the cashflow statement referred to in our report attached

for **Abarna & Ananthan**  
Chartered Accountants  
Firm registration number: 000003S

Sd/-  
**Mohan Rao Gadath**  
Partner  
Membership No.: 203737

Bengaluru  
27 May 2022

For and on behalf of the Board of Directors of  
**SPL Estates Private Limited**

Sd/-  
**Gopalakrishnan J**  
Director  
DIN: 02354467

Sd/-  
**Ramesh K R**  
Director  
DIN: 02058969

Bengaluru  
27 May 2022

Bengaluru  
27 May 2022

SPL Estates Private Limited  
Statement of changes in equity for the year ended 31 March 2022  
(All amounts in ₹ millions, unless otherwise specified)

A. Equity share capital

Particulars	Amount
Balance as at 1 April 2020	0.10
Movement during the year	-
<b>Balance as at 31 March 2021</b>	<b>0.10</b>
Movement during the year	-
<b>Balance as at 31 March 2022</b>	<b>0.10</b>

B. Other equity

Particulars	Reserves & Surplus		
	Retained Earnings	Measurement of below market rate financials liability at fair value (*)	Total
Balance as at 1 April 2020	(132.74)	10.79	(121.95)
Loss for the year	(182.52)	-	(182.52)
<b>Balance as at 31 March 2021</b>	<b>(315.26)</b>	<b>10.79</b>	<b>(304.47)</b>
Loss for the year	(232.13)	-	(232.13)
Measurement of below market rate financials liability at fair value		9.64	9.64
<b>Balance as at 31 March 2022</b>	<b>(547.39)</b>	<b>20.43</b>	<b>(526.96)</b>

(\*) Represents Corporate guarantee provided by holding company

As per report of even date

for **Abarna & Ananthan**  
Chartered Accountants  
Firm registration number: 000003S

For and on behalf of the Board of Directors of  
**SPL Estates Private Limited**

Sd/-  
**Mohan Rao Gadath**  
Partner  
Membership No.: 203737

Sd/-  
**Gopalakrishnan J**  
Director  
DIN: 02354467

Sd/-  
**Ramesh K R**  
Director  
DIN: 02058969

Bengaluru  
27 May 2022

Bengaluru  
27 May 2022

Bengaluru  
27 May 2022

(this space has been intentionally left blank)

## SPL Estates Private Limited

### Summary of significant accounting policies and other explanatory information

#### 1 Company overview and significant accounting policies

##### 1.1 Company overview

SPL Estates Private Limited ('the Company'), was incorporated on 04 February 2014 under Companies Act, 1956. The registered office of the Company is located at Lakshmi Neela Rite Choice Chamber New No.9 - Bazulla Road, T.Nagar, Chennai- 600017. The Company is engaged in the business of development of real estate projects. The Company is wholly owned subsidiary of Bengal Shriram Hitech City Private Limited.

##### 1.2 Significant accounting policies

###### a. Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as per Companies (Indian Accounting Standards) Rules 2015 notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2022 were authorized and approved for issue by the Board of Directors on 27 May 2022.

###### b. Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases that are in effect as at 31 March 2022, as summarized below.

###### c. Basis of preparation of financial statements

The financial statements have been prepared on going concern basis under the historical cost basis except for certain financial assets and liabilities which are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, 'Share-based Payment', leasing transactions that are within the scope of Ind AS 116, 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 'Inventories', or value in use in Ind AS 36 'Impairment of assets'.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: Inputs for the assets or liabilities that are not based on the observable market data (unobservable inputs)

###### d. Going Concern

During the year ended 31 March 2022, the Company has continued to incur losses and has incurred a net loss of ₹ 232.13 million and at that date, the Company's accumulated losses aggregated to ₹ 547.39 million. The Company will generate positive cash flows from their operations and based on the long term strategy and future business plan duly approved by the Board. Accordingly, these accompanying financial statements have been prepared on a going concern basis as the management is satisfied that there are no events or conditions that may cast a significant doubt on the ability of the Company to continue as a going concern and hence the assets and liabilities have been recorded in the financial statements on the basis that the Company will be able to realize its assets and discharge its liabilities, in the normal course of business.

###### e. Functional and presentation currency

The financial statements are presented in Indian Rupee ('₹') which is also the functional and presentation currency of the Company.

*(this space has been intentionally left blank)*

**SPL Estates Private Limited**

**Summary of significant accounting policies and other explanatory information**

**1.2 Significant accounting policies (continued)**

**f. Use of estimates**

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.3 and 1.4.

**g. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

(i) An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

(ii) All other assets are classified as non-current.

(iii) A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

(iv) All other liabilities are classified as non-current.

(v) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of service and the time between the acquisition of assets for development and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as four years for the purpose of current and non-current classification of assets and liabilities which pertain to the project and for all other assets and liabilities the Company has considered twelve months.

**h. Foreign currency transactions**

(a) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

*(this space has been intentionally left blank)*

1.2 Significant accounting policies (continued)

i. Recent pronouncements

**Amendment to Ind AS 116 – COVID-19-Related Rent concessions**

The economic challenges presented by the COVID-19 pandemic have persisted longer than anticipated, and therefore the practical expedient relating to rent concessions arising as a consequence of COVID-19 has been modified. Accordingly, lessees are now exempted from assessing whether a COVID-19-related rent concession is a lease modification, if the reduction in lease payments affects only payments originally due on or before June 30, 2022. Earlier the practical expedient was allowed only for lease payments originally due on or before June 30, 2021. The adoption of these amendments did not have any impact on the statement of profit and loss for the year ended 31 March 2022.

**Amendment to Ind AS 104, Ind AS 107, Ind AS 109 and Ind AS 116 - Interest Rate Benchmark Reform – Phase 2**

This amendment relates to 'Interest Rate Benchmark Reform – Phase 2 (Amendments to Ind AS 104, Ind AS 107, Ind AS 109 and Ind AS 116)' which addresses issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. Some of the key amendments arising from the interest rate benchmark are: Ind AS 109: New guidance has been included on changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform. Ind AS 107: Additional disclosures related to nature and extent of risks to which the entity is exposed from financial instruments subject to interest rate benchmark reform and how the entity manages these risks. The adoption of these amendments did not have any impact on the financial statements.

**Amendments to Ind AS consequential to Conceptual Framework under Ind AS**

The amendments relating to Ind AS 102, Share-based Payment; Ind AS 103, Business Combinations; Ind AS 106, Exploration for and Evaluation of Mineral Resources; Ind AS 114, Regulatory Deferral Accounts; Ind AS 1, Presentation of Financial Statements; Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors; Ind AS 34, Interim Financial Reporting; Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets; Ind AS 38, Intangible Assets, are consequential due to changes in the Conceptual Framework under Ind AS, made in August 2020. The revised Conceptual Framework introduced some new concepts and clarifications along with revision in definitions and changes in recognition criteria of assets and liabilities under Ind AS. The adoption of these amendments did not have any material impact on the financial statements.

**Amendment to Schedule III of the Companies Act, 2013**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules, 2015 include, among other things, requirement for disclosure of Current maturities of long-term borrowings separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities. Accordingly the necessary reclassifications have been done. Other amendments in the notification applicable for full annual financial statements have been adopted by the Company by providing applicable disclosures in the financial statements for the year ending 31 March 2022.

j. Standards issued but not yet effective

**Companies (Indian Accounting Standards) Amendment Rules, 2022**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable for annual periods beginning on or after 01 April 2022, as below:

**Amendments to Ind AS 103 – Business Combinations – Reference to Conceptual Framework**

The amendments specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The adoption of amendments to Ind AS 103 is not expected to have any material impact on the financial statements.

**Amendments to Ind AS 109 – Financial Instruments**

The amendments clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The adoption of amendments to Ind AS 109 is not expected to have any material impact on the financial statements.

**Amendments to Ind AS 16 – Property, Plant and Equipment – Proceeds before intended use**

The amendments clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The adoption of amendments to Ind AS 16 is not expected to have any material impact on the financial statements.

**Amendments to Ind AS 37 – Onerous Contracts – Cost of Fulfilling a Contract**

The amendments specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be the incremental costs of fulfilling that contract (for example, direct labour and materials); or an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others). The adoption of amendments to Ind AS 37 is not expected to have any material impact on the financial statements.

*(this space has been intentionally left blank)*

**Summary of significant accounting policies and other explanatory information**

**k. Revenue recognition**

**Revenue from projects**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in most of its revenue arrangements.

Revenue is recognised on satisfaction of performance obligation upon transfer of control of residential units to customers in an amount that reflects the consideration the Company expects to receive in exchange for those residential units, unless:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

**Revenue from contracts with customers**

In case, revenue is recognised over the time, it is being recognised from the financial year in which the registration of sale deed is executed. In respect of 'over the period of time', the revenue is recognised based on the percentage-of-completion method ('POC method') of accounting with cost of project incurred (input method) for the respective projects determining the degree of completion of the performance obligation.

The period over which revenue is recognised is based on entity's right to payment for performance completed.

The revenue recognition of real estate property under development requires forecasts to be made of total budgeted costs with the outcomes of underlying construction contracts, which further require assessments and judgments to be made on changes in work scopes and other payments to the extent they are probable and they are capable of being reliably measured. In case, where the total project cost is estimated to exceed total revenues from the project, the loss is recognised immediately in the Statement of Profit and Loss

For projects executed through joint development arrangements, the land owner provides land and the Company undertakes to develop the project on such land. The Company has agreed to transfer a certain percentage of constructed area or certain percentage of the revenue proceeds in lieu of land owner providing land. As the Company cannot reasonably estimate the fair value of the consideration received, revenue from the development and transfer of constructed area/ revenue sharing arrangement and its corresponding project cost is being accounted based on the stand-alone selling price of the construction services provided by the Company to such land owners.

Unbilled revenue disclosed under other financial assets represents revenue recognised over and above the amount due as per payment plans agreed with the customers. Progress billings which exceed the costs and recognised profits to date on projects under construction are disclosed under other current liabilities. Any billed amount that has not been collected is disclosed under trade receivables and is net of any provisions for amounts doubtful of recovery.

**Dividend income**

Income from dividends are recognized when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**Interest income**

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. The expected cash flows are revisited on a yearly basis.

Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognized on accrual basis except in cases where ultimate collection is considered doubtful.

*(this space has been intentionally left blank)*

**SPL Estates Private Limited**

**Summary of significant accounting policies and other explanatory information**

**1.2 Significant accounting policies (continued)**

**i. Inventories**

**Properties under development**

Properties under development represents construction work in progress which are stated at the lower of cost and net realizable value. This comprises of cost of land, construction related overhead expenditure, borrowing costs and other net costs incurred during the period of development.

**Properties held for sale**

Completed properties held for sale are stated at the lower of cost and net realizable value. Cost includes cost of land, construction related overhead expenditure, borrowing costs and other costs incurred during the period of development.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

**m. Property, Plant and Equipment (PPE)**

**Recognition and initial measurement**

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met, any expected costs of decommissioning and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted while arriving at the purchase price.

**Subsequent measurement**

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in Statement of Profit and Loss as incurred.

**Depreciation and useful lives**

Depreciation/amortization on Property, Plant and Equipment is provided on the straight-line method, based on the useful life of asset specified in Schedule II to the Companies Act, 2013. The Management estimates the useful lives of the assets as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013. Residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Office equipments 5 years

Computers 3 years

Shuttering Materials 5 years

Cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress.

**De-recognition**

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

**n. Investment Properties**

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

**o. Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use.

All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual costs incurred on that borrowing during the period less any interest income earned on temporary investment from that borrowings, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalization rate to the expenditure incurred on that asset.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

**p. Cash and cash equivalents**

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

*(this space has been intentionally left blank)*

**SPL Estates Private Limited**

**Summary of significant accounting policies and other explanatory information**

**1.2 Significant accounting policies (continued)**

**q. Tax expense**

***Income taxes***

Income tax expense represents the sum of the tax currently payable and deferred tax

***Current tax***

Current tax is the amount of tax payable based on the taxable profit 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 in the countries where the Company operates and generates taxable income.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

***Current and deferred tax for the year***

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or in equity.

**r. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**s. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

The loan from/to related party is in nature of current accounts. Accordingly, receipts and payments from/to related parties have been shown on a net basis in the cash flow statement.

*(this space has been intentionally left blank)*

**SPL Estates Private Limited**

**Summary of significant accounting policies and other explanatory information**

**1.2 Significant accounting policies (continued)**

**u. Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

**v. Financial instruments**

**Financial assets**

***Initial recognition and measurement***

All financial assets are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

***Subsequent measurement***

***Debt Instruments***

***Debt instruments at amortized cost***

A 'Debt instruments' is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the statement of profit and loss.

***Debt Instruments at fair value through other comprehensive income (FVTOCI)***

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Fair value movements are recognized in other comprehensive income (OCI).

***Debt instruments at Fair value through profit and loss (FVTPL)***

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

***Equity investments***

All equity investments in the scope of Ind AS 109, 'Financial Instruments', are measured at fair value. Equity instruments which are held for trading and contingent consideration has been recognized by an acquirer in a business combination to which Ind AS 103, 'Business Combinations' applies, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI with subsequent changes in the fair value.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI.

There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

***De-recognition of financial assets***

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**w. Financial liabilities**

***Initial recognition***

All financial liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortized cost.

***Subsequent measurement***

These liabilities include borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

***De-recognition of financial liabilities***

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

***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

*(this space has been intentionally left blank)*

**x. Impairment of financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the statement of profit and loss.

**y. Impairment of non-financial assets**

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss.

**z. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of construction, development and sale of all or any part of housing project which is the only reportable segment. The Company operates in India and there is no other significant geographical segment.

**1.3 Significant estimates in applying accounting policies**

- a. Revenue from contracts with customers - The Company has applied judgements as detailed in note 1.2(k) that significantly affect the determination of the amount and timing of revenue from contracts with customers.
- b. Net realizable value of inventory - The determination of net realisable value of inventory involves estimates based on prevailing market conditions, current prices and expected date of commencement and completion of the project, the estimated future selling price, cost to complete projects and selling cost.
- c. Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.
- d. Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other assets.
- e. Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**1.4 Critical judgements in applying accounting policies**

- a. Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.
- b. Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- c. Provisions – At each balance sheet date the management's judgement, changes in facts and legal aspects; and the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.

*(this space has been intentionally left blank)*

**SPL Estates Private Limited**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in Rs. unless otherwise specified)**

**2 Property, plant and equipment**

Details of the Company's property, plant and equipment and reconciliation of their carrying amounts from beginning to end of reporting year is as follows:

Particulars	Office equipments	Shuttering Materials (*)	Computers	Total
<b>Gross carrying amount</b>				
<b>At 1 April 2020</b>	-	-	0.13	<b>0.13</b>
Additions	0.08	-	-	<b>0.08</b>
Disposals/Adjustments	-	-	-	-
<b>At 31 March 2021</b>	<b>0.08</b>	-	<b>0.13</b>	<b>0.21</b>
Additions	-	117.29	-	<b>117.29</b>
Disposals/Adjustments	-	-	-	-
<b>At 31 March 2022</b>	<b>0.08</b>	<b>117.29</b>	<b>0.13</b>	<b>117.50</b>
<b>Accumulated depreciation</b>				
<b>Upto 31 March 2020</b>	-	-	<b>0.01</b>	<b>0.01</b>
Charge for the year	0.01	-	0.04	<b>0.05</b>
Adjustments for disposals	-	-	-	-
<b>Upto 31 March 2021</b>	<b>0.01</b>	-	<b>0.05</b>	<b>0.06</b>
Charge for the year	0.02	5.59	0.04	<b>5.65</b>
Adjustments for disposals	-	-	-	-
<b>Upto 31 March 2022</b>	<b>0.03</b>	<b>5.59</b>	<b>0.09</b>	<b>5.71</b>
<b>Net block</b>				
<b>As at 31 March 2021</b>	<b>0.07</b>	-	<b>0.08</b>	<b>0.15</b>
<b>As at 31 March 2022</b>	<b>0.05</b>	<b>111.70</b>	<b>0.04</b>	<b>111.79</b>

(\*) Includes depreciation inventorized amounting to ₹ 5.59 million (31 March 2021: ₹ Nil)

**a. Contractual obligations**

There are no contractual commitments pending for the acquisition of property, plant and equipment as at balance sheet date.

**b. Capitalized borrowing cost**

There are no borrowing costs capitalized during the year ended 31 March 2022 and 31 March 2021.

**c. Property, plant and equipment pledged as security**

There is no property, plant and equipment pledged as security at the balance sheet date.

**d. The Company has not revalued its Property, Plant and Equipment as at the balance sheet date.**

*(this space has been intentionally left blank)*

SPL Estates Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ millions, unless otherwise specified)

3 Inventory (\*)

Particulars	31 March 2022	31 March 2021
Project Under Development	1,196.42	901.02
	<b>1,196.42</b>	<b>901.02</b>

(\*) Details of assets pledged are given under note no. 21.

4 Trade Receivables

Particulars	31 March 2022	31 March 2021
Trade Receivables considered - good	33.05	32.23
	33.05	32.23
Less : Allowance for doubtful debts	-	-
	<b>33.05</b>	<b>32.23</b>

Break up of security details

Trade receivables considered good - Secured	33.05	32.23
Trade receivables considered good - Unsecured	-	-
Trade Receivables which have significant increase in credit risk	-	-
	<b>33.05</b>	<b>32.23</b>

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	23.31	3.55	6.08	0.11	-	33.05
(ii) Undisputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- Credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- considered doubtful	-	-	-	-	-	-

For the year ended 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	26.02	4.50	1.70	-	-	32.23
(ii) Undisputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- Credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- considered doubtful	-	-	-	-	-	-

5 Cash and cash equivalents

Particulars	31 March 2022	31 March 2021
Cash in hand	0.04	0.06
Cheques in Hand	7.59	-
<b>Balances with banks:</b>		
In Fixed Deposits	10.15	48.00
In Current accounts	114.79	198.18
	<b>132.57</b>	<b>246.24</b>

6 Other financial assets

Particulars	31 March 2022	31 March 2021
Loans and Advances	-	0.05
Advances towards joint development agreement	232.80	205.11
	<b>232.80</b>	<b>205.16</b>

SPL Estates Private Limited

Summary of significant accounting policies and other explanatory information  
(All amounts in ₹ millions, unless otherwise specified)

7 Other current assets

Particulars	31 March 2022	31 March 2021
Trade Advances	57.09	24.70
Prepaid Expenses	33.84	22.29
Balance with government authorities	0.27	0.11
	<b>91.20</b>	<b>47.10</b>

8 Equity share capital

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
<b>Authorised</b>				
50,000 equity shares of Rs 10 each	50,000	0.50	50,000	0.50
	<b>50,000</b>	<b>0.50</b>	<b>50,000</b>	<b>0.50</b>
<b>Issued, subscribed and fully paid up</b>				
10,000 equity shares of Rs 10 each, fully paid-up	10,000	0.10	10,000	0.10
	<b>10,000</b>	<b>0.10</b>	<b>10,000</b>	<b>0.10</b>

a. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
Balance at the beginning of the year	10,000	0.10	10,000	0.10
Add: Issued during the year	-	-	-	-
Less: Redeemed during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>10,000</b>	<b>0.10</b>	<b>10,000</b>	<b>0.10</b>

b. Details of shareholder holding more than 5% share capital

	31 March 2022		31 March 2021	
	Number of shares	% holding in the class	Number of shares	% holding in the class
<b>Name of the equity shareholder</b>				
<b>Equity shares</b>				
Bengal Shriram Hitech City Private Limited*	10,000	100.00	10,000	100%

\* includes 1 equity share held by a nominee of Bengal Shriram Hitech City Private Limited

c. Rights attached to the equity shares:

The Company has only one class of equity shares having par value of Rs 10 each. All equity shares carry similar voting rights of 1:1 and similar dividend rights.

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

d. Buy back of equity shares, shares allotted by way of bonus shares

There have been no buy back of equity shares, issue of shares by way of bonus share or issue of share pursuant to contract without payment being received in cash since inception.

e. Details of share holding by promoters

Promoter's name	Number	% of holding	% change during the year
<b>31 March 2022</b>			
<b>Equity shares</b>			
Bengal Shriram Hitech City Private Limited (Holding Company) (A)	10,000	100%	0%
<b>31 March 2021</b>			
<b>Equity shares</b>			
Bengal Shriram Hitech City Private Limited (Holding Company) (A)	10,000	100%	0%

(A) includes 1 equity share held by a nominee of Bengal Shriram Hitech City Private Limited

9 Other equity

Particulars	31 March 2022	31 March 2021
<b>Retained earnings</b>		
Opening balance	(315.26)	(132.74)
Add: Loss for the year	(232.13)	(182.52)
Closing balance	<b>(547.39)</b>	<b>(315.26)</b>
Measurement of below market rate financials liability at fair value	20.43	10.79
	<b>20.43</b>	<b>10.79</b>
	<b>(526.96)</b>	<b>(304.47)</b>



**SPL Estates Private Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ millions, unless otherwise specified)

**10 Borrowings**

Particulars	31 March 2022	31 March 2021
<b>Current</b>		
<b>Debentures (Secured)</b>		
12% Non-Convertible Debentures Nil (31 March 2021 - 400) Debentures of Rs. 10,00,000 each	-	392.51
	-	<b>392.51</b>
<b>Term loans (Secured)</b>		
From others	470.91	-
	<b>470.91</b>	-
<b>Unsecured loans</b>		
Loan from related parties (refer note 28)	212.44	103.65
	<b>683.35</b>	<b>496.16</b>

**Note:**

- The Company has utilized the borrowings from financial institutions for the specific purpose for which it was taken at the balance sheet date.
- The quarterly returns/statements of current assets filed by the Company with financial institutions in relation to secured borrowings wherever applicable, are in agreement with the books of accounts.
- The Company has not been declared as a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- The Company does not have any charge which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

**11 Trade Payables**

Particulars	31 March 2022	31 March 2021
Dues to micro and small enterprises	1.26	0.64
Dues to creditors other than micro enterprises and small enterprises	52.71	15.18
	<b>53.97</b>	<b>15.82</b>

Particulars	31 March 2022	31 March 2021
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period;	1.26	0.64
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period;	-	-
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under this Act;	-	-
iv) the amount of interest accrued and remaining unpaid at the end of each accounting period; and	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

**Of the amounts mentioned in the above note, the following is the breakup specifying the amounts due for payment as on 31 March 2022:**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1.26	-	-	-	<b>1.26</b>
Others	51.03	1.64	0.04	-	<b>52.71</b>
Disputed dues MSME	-	-	-	-	-
Disputed dues Others	-	-	-	-	-

**Of the amounts mentioned in the above note, the following is the breakup specifying the amounts due for payment as on 31 March 2021:**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	0.64	-	-	-	<b>0.64</b>
Others	15.15	0.04	-	-	<b>15.18</b>
Disputed dues MSME	-	-	-	-	-
Disputed dues Others	-	-	-	-	-

**12 Other financial liabilities**

Particulars	31 March 2022	31 March 2021
-for other expenses	84.96	228.07
-for Duties & Taxes	3.94	1.16
	<b>88.90</b>	<b>229.23</b>

**13 Other current liabilities**

Particulars	31 March 2022	31 March 2021
Advance from customers	653.13	422.26
Payable to Land owner	845.34	572.80
	<b>1,498.47</b>	<b>995.06</b>

SPL Estates Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ millions, unless otherwise specified)

10 Borrowings (continued)

A Note on security

Sl.No	Particulars	Nature of security	Repayment details	Effective Interest rate	31 March 2022	31 March 2021
<b>Short term borrowings</b>						
<b>Secured Unlisted Unrated Redeemable Non Convertible Debentures</b>						
1	<b>Kotak India Affordable Housing Fund - I</b>	The debentures are secured by the Project property measuring about 19.51 acres for a maximum tenor of 7 years and carry a coupon of 12% per annum. The Interest shall be payable on the availability of free cash flows.	The tenure of the Debentures shall be such that the Debentures are mandatorily redeemed not later than 7 years from 26th February 2019 being the first tranche closing date or earlier if sufficient free cash flows are available.	12%	-	400.00
	Prepaid Expenses (Guarantee Premium)					(7.49)
					-	<b>392.51</b>
<b>Term loan from others</b>						
2	<b>Arka Fincap Limited</b>	a. First and exclusive charge by way of mortgage over the Project Property b. First and exclusive charge by way of hypothecation over the Project receivables (both present and future) of all phases c. First and exclusive charge and right of lien and set off over the collection accounts, Escrow accounts for the all phases of the project d. First and exclusive charge by way of hypothecation of ISRA	To be repaid within 14 Quarters from the date of first drawdown, after a moratorium period of 2 quarters	12.25%	500.00	-
	Prepaid Processing fees				(19.84)	-
	Prepaid Expenses (Guarantee Premium)				(9.25)	-
					<b>470.91</b>	-
3	<b>Loan from related Parties</b>					
	Shriram Properties Limited	Unsecured	Repayable on demand	12%	6.64	3.65
	Bengal Shriram Hitech City Private Limited	Unsecured	Repayable on demand	12%-16.10%	205.80	100.00
					<b>212.44</b>	<b>103.65</b>
	<b>Total</b>				<b>683.35</b>	<b>496.16</b>

**SPL Estates Private Limited**

**Summary of significant accounting policies and other explanatory information**  
(All amounts in ₹ millions, unless otherwise specified)

**14 Revenue from operations**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of flats	27.84	13.59
	<b>27.84</b>	<b>13.59</b>

**15 Other Income**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Other Income	2.59	1.43
Interest on Refundable Deposit (*)	27.69	6.37
	<b>30.28</b>	<b>7.80</b>

(\*) Includes the loss due recognised on account of change in the terms of receipt of Refundable security deposit receivable from the land owner.

**16 Changes in Inventory**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventory at the beginning of the year	901.02	758.29
Inventory at the end of the year	1,196.42	901.02
	<b>(295.40)</b>	<b>(142.73)</b>

**17 Finance Cost (\*)**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest on Term Loan	8.52	-
Interest on loan from related parties	24.13	12.43
Guarantee commission expenses	7.87	1.54
Loan Arranger's Fees - Term Loan	0.45	-
Loan Processing Fees - Term Loan	0.36	-
Other Finance cost	0.45	-
	<b>41.78</b>	<b>13.97</b>

(\*) Includes finance expense capitalized amounting to ₹ 34.30 millions (31 March 2021 - ₹ 12.43 millions) for the year ended 31 March 2022.

**18 Other expenses**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Legal and professional charges (*)	2.15	1.45
Bank Charges	0.54	0.50
Fair value loss on financial instruments at FVTPL	112.41	48.00
Printing and Stationery	0.02	0.02
Rates and taxes	0.17	1.21
Admin Fees	49.77	56.49
Marketing Expenses	63.01	37.33
Repairs & Maintenances	0.02	0.12
Travelling & Conveyances	6.07	3.56
Miscellaneous expenses	0.26	0.18
	<b>234.42</b>	<b>148.86</b>

**(\*) Details of payment to auditors (excluding taxes)**

<b>As auditor:</b>		
Audit fee	0.12	0.15
	<b>0.12</b>	<b>0.15</b>

**19 Tax Expense**

**Deferred tax**

Deferred tax assets ('DTA') is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and carried forward tax losses can be utilised. Due to lack of convincing evidence, the company has not recorded DTA on deductible temporary differences which primarily include the carry forward business losses and unabsorbed depreciation.

**SPL Estates Private Limited****Summary of significant accounting policies and other explanatory information  
(All amounts in ₹ millions, unless otherwise specified)****20 Loss per share (EPS)**

<b>Particulars</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Weighted average number of shares outstanding during the year	10,000	10,000
Add: Dilutive effect of stock options	-	-
Weighted average number of shares used to compute diluted EPS	<b>10,000</b>	<b>10,000</b>
Net loss after tax attributable to equity shareholders	(232.13)	(182.52)
Loss per share		
Basic (₹)	(23,213.00)	(18,252.09)
Diluted (₹)	(23,213.00)	(18,252.09)
Nominal value - per equity share in rupees (₹) 10 per Equity Share		

**21 Assets pledged as security**

The carrying amounts of assets pledged as security for current borrowings are:

<b>Particulars</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
<b>Current</b>		
<b>Financial assets</b>		
<b>First charge</b>		
Trade receivables	33.05	-
Fixed Deposits	10.15	-
Balances with Banks	111.51	-
<b>Non-financial assets</b>		
<b>First charge</b>		
Inventories	1,196.42	901.02
<b>Total current assets pledged as securities</b>	<b>1,196.42</b>	<b>901.02</b>

*(this space has been intentionally left blank)*

**SPL Estates Private Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ millions, unless otherwise specified)

**22 Financial instruments****Financial instruments by category**

The carrying value and fair value of financial instruments by categories as at 31 March 2022 were as follows :

Particulars	Note	Amortized cost	FVTPL	Total carrying value	Total fair value
<b>Financial assets :</b>					
Cash and cash equivalents	5	132.57	-	132.57	132.57
Trade Receivable	4	33.05	-	33.05	33.05
Other financial assets	6	232.80	-	232.80	232.80
<b>Total financial assets</b>		<b>398.42</b>	<b>-</b>	<b>398.42</b>	<b>398.42</b>
<b>Financial liabilities :</b>					
Borrowings	10	683.35	-	683.35	683.35
Trade Payables	11	53.97	-	53.97	53.97
Other financial liabilities	12	88.90	-	88.90	88.90
<b>Total financial liabilities</b>		<b>826.22</b>	<b>-</b>	<b>826.22</b>	<b>826.22</b>

The carrying value and fair value of financial instruments by categories as at 31 March 2021 were as follows :

Particulars	Note	Amortized cost	FVTPL	Total carrying value	Total fair value
<b>Financial assets :</b>					
Cash and cash equivalents	5	246.24	-	246.24	246.24
Trade Receivable	4	32.23	-	32.23	32.23
Other financial assets	6	205.16	-	205.16	205.16
<b>Total financial assets</b>		<b>483.63</b>	<b>-</b>	<b>483.63</b>	<b>483.63</b>
<b>Financial liabilities :</b>					
Borrowings	10	103.65	392.51	496.16	496.16
Trade Payables	11	15.82	-	15.82	15.82
Other financial liabilities	12	229.23	-	229.23	229.23
<b>Total financial liabilities</b>		<b>348.70</b>	<b>392.51</b>	<b>741.21</b>	<b>741.21</b>

**Notes to financial instruments**

- The management has assessed that the fair value of financial assets and other financial liabilities will approximate to the carrying amount largely due to short-term maturity of these instruments.
- The fair value of the financial assets and liabilities is estimated as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

*(this space has been intentionally left blank)*



**SPL Estates Private Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ millions, unless otherwise specified)

**22 Financial instruments(continued)**

**i) Fair value hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates.

**Level 3:** Inputs for the assets or liabilities that are not based on the observable market data (unobservable inputs)

**ii) Financial instruments measured at fair value as at 31 March 2022**

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>				-
Redeemable non-convertible debentures	-	-	-	-
<b>Total financial liabilities</b>	-	-	-	-
<b>As at 31 March 2021</b>				
<b>Financial liabilities</b>				-
Redeemable non-convertible debentures	-	-	392.51	392.51
<b>Total financial liabilities</b>	-	-	<b>392.51</b>	<b>392.51</b>

**iii) The following table presents the changes in level 3 items for the year ended 31 March 2022**

Particulars	Redeemable non-convertible debentures
<b>As at 01 April 2020</b>	<b>342.97</b>
Issued during the year	-
Fair value loss on financial instruments at FVTPL	48.00
Prepaid Expenses (Guarantee Premium)	1.54
<b>As at 01 April 2021</b>	<b>392.51</b>
Fair value loss on financial instruments at FVTPL	112.41
Redeemed during the year	(504.92)
<b>As at 31 March 2022</b>	<b>-</b>

(this space has been intentionally left blank)

**SPL Estates Private Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ millions, unless otherwise specified)

**23 Financial risk management**

**Financial risk factors**

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk to which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash equivalents and Other financial assets	Ageing Analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board. The board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

**a. Credit risk**

Credit risk arises from trade receivables and investments.

*Credit risk management*

The company assesses and manages credit risk of financial assets based on the following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

The Company provides for

Asset group	Description	Provision for expenses credit loss (*)	31 March 2022	31 March 2021
Low credit risk	Cash equivalents and Other financial assets	12 months expected credit loss/life time expected credit loss	398.42	483.63
High credit risk		Life time expected credit loss or fully provided for	-	-

(\*) A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

**Credit risk exposure**

**Provision for expected credit losses**

The company provides for expected credit loss based on 12 month and lifetime expected credit loss basis for following financial assets:

**31 March 2022**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash equivalents	132.57	-	132.57
Trade Receivables	33.05	-	33.05
Other financial assets	232.80	-	232.80

**31 March 2021**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash equivalents	246.24	-	246.24
Trade Receivables	32.23	-	32.23
Other financial assets	205.16	-	205.16

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

**Expected credit loss for trade receivables under simplified approach**

Trade receivables are secured in the form that the registration of sold residential /commercial units is not processed till the time the company does not receive the entire payment. Hence as the company does not have significant credit risk, it does not present the information related to the ageing pattern.

**b. Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by ensuring availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**SPL Estates Private Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ millions, unless otherwise specified)

**Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groups based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	Less than 1 year	1 year to 5 years	5 years and above	Total	Carrying Amount
<b>31 March 2022</b>					
<b>Non-derivatives</b>					
Borrowings	330.15	490.76	-	820.90	683.35
Trade Payables	53.14	0.83	-	53.97	53.97
Other financial liabilities	88.90	-	-	88.90	88.90
<b>Total</b>	<b>472.19</b>	<b>491.58</b>	<b>-</b>	<b>963.77</b>	<b>826.22</b>
<b>31 March 2021</b>					
<b>Non-derivatives</b>					
Borrowings	103.65	-	-	103.65	103.65
Trade Payables	11.92	3.90	-	15.82	15.82
Other financial liabilities	229.23	-	-	229.23	229.23
<b>Total</b>	<b>344.80</b>	<b>3.90</b>	<b>-</b>	<b>348.70</b>	<b>348.70</b>

**c. Interest rate risk**

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Fixed rate borrowing	683.35	496.16
	<b>683.35</b>	<b>496.16</b>

**24 Corporate social responsibility expenses**

Since the Company does not meet the criteria specified in Section 135 of the Companies Act, 2013, the Company is not required to spend any amount on activities related to corporate social responsibility for the year ended 31 March 2022 and 31 March 2021.

**25 Segment reporting**

The Company is engaged in the development and construction of residential properties which is considered to be the only reportable business segment as per Ind AS 108, 'Segment Reporting'. The Company operates primarily in India and there is no other significant geographical segment.

**26 Capital Management**

The Company's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors its capital using gearing ratio, which is net debt divided by total equity. Net debt includes long term borrowings, short term borrowings, current maturities of long term borrowings less cash and cash equivalents and other bank balances.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Short term borrowings	683.35	103.65
Less: Cash and cash equivalents	132.57	246.24
Net debt	550.78	(142.59)
Total equity	(526.86)	(304.37)
Gearing ratio	(1.05)	0.47

Note:

(i) Equity includes all capital and reserves of the Company that are managed as capital

(ii) Debt is defined long term and short term borrowings

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately recall loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022 and March 2021.

SPL Estates Private Limited  
 Summary of significant accounting policies and other explanatory information  
 (All amounts in ₹ millions, unless otherwise specified)

27 Additional disclosures as required under Ind AS 115

A Contract balances

The following table provides information about receivables and contract liabilities from contract with customers:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Contract assets</b>		
Unbilled revenue	-	-
<b>Total contract assets</b>	-	-
<b>Contract liabilities</b>		
Advance from customers	653.13	422.26
Share of built-up area payable to land owners	845.34	572.80
Deferred revenue	-	-
Unearned revenue	-	-
<b>Total contract liabilities</b>	<b>1,498.47</b>	<b>995.06</b>
<b>Receivables</b>		
Trade receivables	33.05	32.23
Revenue share receivable	-	-
<b>Total receivables</b>	<b>33.05</b>	<b>32.23</b>

Contract asset is the right to consideration that is conditional upon factors other than the passage of time. Contract assets are initially recognised for revenue earned from property under development rendered. Upon billing of invoice, the amounts recognised as contract assets are reclassified to trade receivables. During the year ended 31 March 2022, the Company does not have any contract assets (conditional upon factors other than passage of time)

Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract liabilities are recognised as revenue as and when the performance obligation is satisfied. Contract liabilities include amounts received as part payment from customers on conditional exchange of contracts relating to sale of units of property towards the purchase at completion date.

B Significant changes in the contract liabilities balances during the year are as follows:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Contract liabilities		Contract liabilities	
	Advances from customers	Payable to Land owner	Advances from customers	Payable to Land owner
<b>Opening balance</b>	422.26	572.80	92.62	586.38
Addition during the year	230.87	300.38	329.64	-
Revenue recognised during the year	-	(27.84)	-	(13.58)
<b>Closing balance</b>	<b>653.13</b>	<b>845.34</b>	<b>422.26</b>	<b>572.80</b>

C Reconciliation of revenue recognised with contract revenue:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contract revenue	27.84	13.59
Adjustment for:		
(a) Subvention cost(*)	-	-
(b) Compensation(#)	-	-
<b>Revenue recognised</b>	<b>27.84</b>	<b>13.59</b>

\* Subvention cost represent the expected cash outflow under the arrangement determined basis time elapsed.

# Compensation is determined as per contractual terms for the year of period in handing over the control of property.

D The performance obligation of the Company in case of sale of apartments is satisfied once the project is completed and control is transferred to the customers. The customer makes the payment at contract price as per the installment stipulated in the customer's agreement which can be cancelled by the customer at his convenience.

The transaction price of the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2022 is ₹2,279.05 million (31 March 2021 is ₹ 1,419.87) million. The same is expected to be recognised within 1 to 4 years.

**SPL Estates Private Limited****Summary of significant accounting policies and other explanatory information****28 Related party transactions****(i) Parties exercising control**

Bengal Shriram Hitech City Private Limited - Holding Company  
 Shriram Properties Limited - Ultimate Holding Company

**(ii) Key Managerial Personnel**

K R Ramesh	Director
Gopalakrishnan Jagadeeswaran	Director
Sundaram Balasubramanian (till 11-02-2022)	Director
Ram Shankar Venkataraman (w.e.f 11-02-2022)	Director

**I Balances with related parties as on date are as follows**

Nature of Transaction	31 March 2022	31 March 2021
<b>Loans taken by company</b>		
Shriram Properties Limited	6.64	3.64
Bengal Shriram Hitech City Private Limited	205.80	159.30
<b>Revenue Share payable to land owners</b>		
Bengal Shriram Hitech City Private Limited	845.34	572.80
<b>Advances towards Joint Development Agreement</b>		
Bengal Shriram Hitech City Private Limited	232.80	205.11

**II The transactions for the year with the related parties are as follows**

Nature of Transaction	Year ended 31 March 2022	Year Ended 31 March 2021
<b>Loans taken by company</b>		
Shriram Properties Limited	16.56	12.83
Bengal Shriram Hitech City Private Limited	69.28	49.10
<b>Loans repaid by the company</b>		
Shriram Properties Limited	14.39	20.81
Bengal Shriram Hitech City Private Limited	46.08	14.49
<b>Interest Expense</b>		
Shriram Properties Limited	0.83	0.43
Bengal Shriram Hitech City Private Limited	23.31	12.02
<b>Administrative Expense</b>		
Bengal Shriram Hitech City Private Limited	49.77	56.49
<b>Guarantee Commission Expense</b>		
Bengal Shriram Hitech City Private Limited	7.87	1.54
<b>Advances towards Joint Development Agreement</b>		
Bengal Shriram Hitech City Private Limited	27.69	56.09

*(this space has been intentionally left blank)*

**SPL Estates Private Limited**

**Summary of significant accounting policies and other explanatory information  
(All amounts in ₹ millions, unless otherwise specified)**

**Additional disclosures as required by Schedule III**

- 29 The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
- 30 The Company doesn't have title deeds which are held other than in the Company's name as at the balance sheet date.
- 31 The Company does not have Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:  
(a) repayable on demand or  
(b) without specifying any terms or year of repayment
- 32 The Company doesn't have capital work in progress and intangibles under development as at the balance sheet date.
- 33 The proceedings haven't been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder as at the balance sheet date.
- 34 The Company has borrowings from banks or financial institutions on the basis of security of current assets and Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts
- 35 The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- 36 The Company does not have any charges or satisfaction yet to be registered with ROC beyond the statutory year as at the balance sheet date.
- 37 The Company is not a holding company and didn't require to comply with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 as at the balance sheet date.

**38 Ratios required as per Schedule III requirements**

Ratio Name	Numerator	Denominator	Ratio (2021-22)	Ratio (2020-21)	% of change	Explanation
Current Ratio	Current Assets	Current Liabilities	0.77	0.82	(6.22%)	NA
Debt Equity Ratio	Total Debt	Shareholder's fund	(1.30)	(1.63)	(20.43%)	NA
Debt Service Coverage Ratio	EBID*	Debt Service#	(1.73)	(3.68)	(53.00%)	refer note (a)
Return on Equity Ratio	Net Profit after taxes	Average Shareholder's equity	NA	NA	NA	refer note (b)
Inventory Turnover ratio	Cost of revenue	Average Inventory	NA	NA	NA	refer note (c)
Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivables	NA	NA	NA	refer note (d)
Trade payables Turnover Ratio	Material and construction cost	Average trade Payables	2.83	6.76	0.58	refer note (e)
Net Capital Turnover Ratio	Revenue from operations	Working capital	(0.05)	(0.04)	(0.18)	NA
Net Profit Ratio	Net Profit after taxes	Revenue from operations	(8.34)	(13.44)	0.38	refer note (f)
Return on Capital Employed	EBIT	Capital Employed (^)	(1.22)	(0.88)	(0.38)	refer note (g)
Return on investment	Interest income on bank deposits	Average Deposits	0.04	0.02	(1.45)	refer note (h)

\* EBID= Net profit after tax+non cash operating expenditure(Depreciation, Amortization)+Other Adjustments(loss/profit on sale of FA)+interest

# Debt Service=DebtInterest+lease payments +Principal repayments current year maturity

^ Capital Employed= Tangible networth+Total Debt+Deferred Tax Liability

**Note:**

- a. Improvement in Debt Service coverage ratio is mainly on account of moratorium of principal repayment of loan
- b. Return on equity ratio is not applicable due to negative shareholder's fund.
- c. Inventory turnover ratio is not applicable on account of land owner's share of inventory being Nil.
- d. Trade receivables turnover ratio is not applicable as there are no trade receivables pertaining to Landowner share of revenue recognition.
- e. Reduction in Trade payables Turnover ratio is mainly on account of improvement in project progress
- f. Improvement in Net profit ratio is due to recognition of higher revenue pertaining to Landowner share
- g. Reduction in Return on capital employed is primarily on account of increase in operating expenses in the current year
- h. Improvement in Return on investment is on account of maturity of deposits as well increase in interest rates.

**SPL Estates Private Limited**

**Summary of significant accounting policies and other explanatory information**

**(All amounts in ₹ millions, unless otherwise specified)**

- 39 The Company didn't entered into the scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 as at the balance sheet.
- 40 The Company has neither advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies) , including foreign entities (Intermediaries) nor received with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company/Funding party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- 41 The Company doesn't have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 42 The Company hasn't traded or invested in Crypto currency or Virtual Currency during the financial year.
- 43 Events occurring after the reporting date**  
No adjusting or significant non-adjusting events have occurred between 31 March 2022 and the date of authorization of these financial statements.
- 44 There are no employees in the Company. Hence, disclosures as required under Ind AS 19- 'Employee Benefits' is not applicable to the Company.
- 45 The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. Based on the current year performance and estimates arrived at using internal and external sources of information, the company does not expect any material impact on such carrying values. Based on the projected cash flows for the next one year the management is confident of liquidating its liabilities as and when they fall due and the Going concern assumption used for preparation of these financial statements is appropriate.
- 46 The Company has not incurred any expenditure in foreign currency during the year.
- 47 The Company did not have any imports during the year.
- 48 The Company did not have any earnings in foreign currency during the year.
- 49 During the year ended 31 March 2022, no material foreseeable loss was incurred for any long-term contract including derivative contracts.
- 50 Unhedged foreign currency exposure as at balance sheet date is Nil.
- 51 Previous year figures have been regrouped/rearranged wherever necessary.
- 

As per our report of even date attached.

**For Abarna & Ananthan**

*Chartered Accountants*

Firm registration number: 000003S

Sd/-

**Mohan Rao Gadath**

Partner

Membership No.: 203737

Bengaluru

27 May 2022

**for and on behalf of the Board of Directors of  
SPL Estates Private Limited**

Sd/-

**Gopalakrishnan J**

Director

DIN: 02354467

Bengaluru

27 May 2022

Sd/-

**Ramesh K R**

Director

DIN: 02058969

Bengaluru

27 May 2022