
Walker Chandiok & Co LLP

Unit No - 1, 10th Floor,
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Independent Auditor's Report

To the Members of Shriprop Projects Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Shriprop Projects Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 ('ICAI') 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

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board of Directors' Report, but does not include the financial statements and our auditor's report thereon.

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

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

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The Board of Directors' Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the financial statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these 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 Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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;

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- 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 with reference to financial statements 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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; and
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. 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.

Report on Other Legal and Regulatory Requirements

10. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying financial statements;
 - 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 financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

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- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company, as detailed in note 30 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 36 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons) or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 36 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the 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; and
 - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

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- v. The Company has not declared or paid any dividend during the year ended 31 March 2022.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

Nikhil Vaid

Partner

Membership No.: 213356

UDIN: 22213356AMOKFW7646

Hyderabad

28 May 2022

For Abarna & Ananthan

Chartered Accountants

Firm's Registration No.: 000003S

Sd/-

Mohan Rao Gadath

Partner

Membership No.: 203737

UDIN:

Bengaluru

28 May 2022

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Annexure I referred to in Paragraph 11 of the Independent Auditor's Report of even date to the members of Shriprop Projects Private Limited on the financial statements for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report 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 does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (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 physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not own any immovable property. Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment during the year. Further, the Company does not hold any intangible assets.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The inventories held by the Company comprise work in progress of projects under development. Having regard to the nature of inventory, the management has conducted physical verification of inventory by way of verification of title deeds, site visits conducted and continuous project progress monitoring by competent persons, at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

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- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii)(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end 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 statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Amount (₹ million)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Tax/ Interest demanded	24.22	Nil	2018-19	National Faceless Appeal Centre	
Income Tax Act, 1961	Tax/ Interest demanded	Nil (*)	Nil	2016-17	National Faceless Appeal Centre	

(*) No tax liability, however the disallowance is under appeal

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

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- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) The Company has not entered into any transactions with the related parties covered under Section 177 or Section 188 of the Act. Accordingly, reporting under clause 3(xiii) of the Order is not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act and consequently, does not have an internal audit system. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

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- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year but had incurred cash losses amounting to ₹ 8.45 million in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management 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.
- (xx) According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

Nikhil Vaid

Partner

Membership No.: 213356

UDIN: 22213356AMOKFW7646

Hyderabad

28 May 2022

For **Abarna & Ananthan**

Chartered Accountants

Firm's Registration No.: 000003S

Sd/-

Mohan Rao Gadath

Partner

Membership No.: 203737

UDIN:

Bengaluru

28 May 2022

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Annexure II

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Shriprop Projects Private Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. 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 with reference to financial statements.

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Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

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Bengaluru

28 May 2022

SHRIPROP PROJECTS PRIVATE LIMITED
 Regd. Off: No. 31, 2nd Main Road, T. Chowdaiah Road, Sadashivanagar, Bengaluru-560080.
 CIN: U45202KA2008PTC046145
 Email ID: companysecretary@shriramproperties.com
 Ph. No.080-4022 9999

Balance Sheet as at 31 March 2022
 (All amounts in ₹ million, unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	3.63	14.45
(b) Financial assets			
(i) Other financial assets	3	0.21	0.03
(c) Non-current tax assets (net)	4	5.51	4.74
Total non-current assets		9.35	19.22
Current assets			
(a) Inventories	5	2,850.65	2,512.14
(b) Financial assets			
(i) Trade receivables	6	96.20	237.82
(ii) Cash and cash equivalents	7	49.55	22.24
(iii) Other financial assets	8	97.63	98.51
(c) Other current assets	9	211.38	164.30
Total current assets		3,305.41	3,035.01
Total assets		3,314.76	3,054.23
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	0.10	0.10
(b) Other equity	11	(17.21)	(80.10)
Total equity		(17.11)	(80.00)
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	337.87	352.78
(ii) Trade payables	13		
(a) Total outstanding dues of micro and small enterprises		5.13	5.34
(b) Total outstanding dues of creditors other than (ii) (a) above		112.26	113.80
(iii) Other financial liabilities	14	7.56	15.15
(b) Current tax liabilities (net)	15	11.50	11.50
(c) Other current liabilities	16	2,857.55	2,635.66
Total current liabilities		3,331.87	3,134.23
Total equity and liabilities		3,314.76	3,054.23

Significant accounting policies

1.2

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

As per our report of even date attached

For Walker Chandio & Co LLP
 Chartered Accountants
 Firm Registration No.: 001076N/N500013

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

**For and on behalf of the Board of Directors of
 Shriprop Projects Private Limited**

Sd/-
Nikhil Vaid
 Partner
 Membership No.: 213356

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

Sd/-
Rajesh Y Shirwatkar
 Director
 DIN: 02882293

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

Hyderabad
 28 May 2022

Bengaluru
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Shriprop Projects Private Limited
Statement of Profit and Loss for the year ended 31 March 2022
(All amounts in ₹ million, unless otherwise stated)

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Revenue			
Revenue from operations	17	101.35	54.28
Other income	18	12.79	6.99
Total income		114.14	61.27
Expenses			
Material and contract cost		350.49	215.75
Changes in inventories	19	(338.51)	(221.81)
Finance costs	20	71.17	51.35
Depreciation expense	2	7.89	13.40
Impairment losses	21	1.22	2.15
Other expenses	22	23.59	24.48
Total expenses		115.85	85.32
Loss before tax		(1.71)	(24.06)
Tax expense	23	-	-
Loss after tax		(1.71)	(24.06)
Other comprehensive income		-	-
Total comprehensive loss for the year		(1.71)	(24.06)
Loss per equity share	24		
Basic (₹)		(171.00)	(2,406.00)
Diluted (₹)		(171.00)	(2,406.00)

Significant accounting policies

1.2

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

As per our report of even date attached

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

Nikhil Vaid

Partner

Membership No.: 213356

Hyderabad

28 May 2022

For Abarna & Ananthan

Chartered Accountants

Firm Registration No.: 000003S

Sd/-

Mohan Rao Gadath

Partner

Membership No.: 203737

Bengaluru

28 May 2022

**For and on behalf of the Board of Directors of
Shriprop Projects Private Limited**

Sd/-

Rajesh Y Shirwatkar

Director

DIN: 02882293

Bengaluru

28 May 2022

Sd/-

K.R. Ramesh

Director

DIN: 02058969

Bengaluru

28 May 2022

Shriprop Projects Private Limited
Statement of Cash Flows for the year ended 31 March 2022
(All amounts in ₹ million, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flow from operating activities		
Loss before tax	(1.71)	(24.06)
Adjustments to reconcile loss before tax to net cash flows		
Depreciation expense	7.89	13.40
Finance costs	71.17	51.35
Impairment losses	1.22	0.00
Profit on sale of property, plant and equipment	(4.14)	-
Operating profit before working capital changes	74.43	40.69
Working capital adjustments:		
(Increase) in inventories	(338.51)	(221.81)
Decrease in trade receivables	141.62	27.46
(Increase)/ decrease in loans and other assets	(46.38)	68.58
(Decrease)/ increase in trade payables	(1.75)	39.16
Increase in other liabilities	213.13	267.30
Cash flow generated from operations	42.54	221.38
Income tax paid (net)	(0.77)	(0.64)
Net cash flow generated from operating activities	41.77	220.74
B. Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	7.07	-
Net cash flow generated from/ (used in) investing activities	7.07	-
C. Cash flows from financing activities		
Repayment of borrowings from banks	-	(0.29)
Proceeds from issue of non-convertible debentures	25.00	325.00
Loans availed from/ (repaid to) related parties (net)	21.90	(547.37)
Finance cost paid	(68.43)	(2.07)
Net cash (used in) financing activities	(21.53)	(224.73)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	27.31	(3.99)
Cash and cash equivalents at the beginning of the year	22.24	26.22
Cash and cash equivalents at the end of the year (Refer Note 7)	49.55	22.23

Changes in financial liabilities arising from cash and non-cash changes:

Particulars	As at 1 April 2020	Cash flow	Non cash changes	As at 31 March 2021
			Accrued interest & guarantee premium	
Borrowings from banks	0.29	(0.29)	-	-
Non-convertible debentures	-	325.00	(5.00)	320.00
Loans from related parties	520.60	(547.37)	59.55	32.78
Total	520.89	(222.66)	54.55	352.78

Particulars	As at 1 April 2021	Cash flow	Non cash changes		As at 31 March 2022
			Accrued interest & guarantee premium	Waiver of loan balance by the Holding company (refer note11)	
Non-convertible debentures	320.00	25.00	(7.13)	-	337.87
Loans from related parties	32.78	21.90	9.92	(64.60)	-
Total	352.78	46.90	2.79	(64.60)	337.87

As per our report of even date attached

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

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

**For and on behalf of the Board of Directors of
Shriprop Projects Private Limited**

Sd/-
Nikhil Vaid
Partner
Membership No.: 213356

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

Sd/-
Rajesh Y Shirwatkar
Director
DIN: 02882293

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

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Shriprop Projects Private Limited
Statement of Changes in Equity for the year ended 31 March 2022
(All amounts in ₹ million, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at 01 April 2020	0.10
Changes in equity share capital during the year	-
Balance as at 31 March 2021	0.10
Changes in equity share capital during the year	-
Balance as at 31 March 2022	0.10

B. Other equity

Particulars	Reserves and surplus			Total
	Retained Earnings	Measurement of below market rate financial instruments at fair value (*)	Deemed capital contribution (^)	
Balance as at 01 April 2020	(62.29)	-	-	(62.29)
Loss for the year	(24.06)	-	-	(24.06)
Measurement of below market rate financial instruments at fair value (*)	-	6.25	-	6.25
Balance as at 31 March 2021	(86.35)	6.25	-	(80.10)
Loss for the year	(1.71)	-	-	(1.71)
Gain arising on extinguishment of financial liability (^)	-	-	64.60	64.60
Balance as at 31 March 2022	(88.06)	6.25	64.60	(17.21)

(*) Represents accounting for corporate guarantee provided by the Holding company

(^)^ Represents the waiver of loan by the Holding company during the year. Refer note 11

As per our report of even date attached.

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No.:
001076N/N500013

For Abarna & Ananthan
Chartered Accountants
Firm registration number: 000003S

For and on behalf of the Board of Directors of Shriprop Projects Private Limited

Sd/-
Nikhil Vaid
Partner
Membership No.: 213356

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Shriprop Projects Private Limited

Summary of significant accounting policies and other explanatory information

1 Company overview and significant accounting policies

1.1 Company overview

Shriprop Projects Private Limited ('the Company'), was incorporated on 21 April 2008. The registered office of the Company is located in Bangalore, Karnataka, India. The Company is engaged in the business of construction, development and sale of all or any part of housing projects, and other related activities. The Company is a wholly owned subsidiary of Shriram Properties 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 notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 by Ministry of Corporate Affairs ('MCA'). The Company has uniformly applied the accounting policies during the periods presented.

The financial statements for the year ended 31 March 2022 were authorized and approved for issue by the Board of Directors on 28 May 2022.

b. Basis of preparation of financial statements

i Going concern:

As at 31 March 2022, the Company has accumulated losses aggregated to ₹88.06 million. However, the Company has been generating operating cash flows from their operation. Further, based on of the long-term business strategy and business plan approved by the Board of Directors, the Company will continue to generate positive cash flows going forward as well. The Holding Company has stated its intention to continue to provide financial support towards project costs and other obligations of the Company as and when they fall due. Accordingly, these accompanying financial statements have been prepared on a going concern basis as the Management believes 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.

ii 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 in to 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, 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 marked data (unobservable inputs)

c. 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.

Shriprop Projects Private Limited
Summary of significant accounting policies and other explanatory information

d. 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.

e. 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 recognized 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.

Shriprop Projects Private Limited

Summary of significant accounting policies and other explanatory information

f. 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 sold or consumed in 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.

g. Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupee (' ₹ ') which is also the functional and presentation currency of the Company. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

(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.

h. Revenue recognition

Revenue is recognized 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 recognized on satisfaction of performance obligation upon transfer of control of residential units to customers in an amount that reflects the consideration the Group 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 sale / services

Revenue is recognized over the time from the financial year in which the registration of sale deed is executed 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 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 recognized immediately in the Statement of Profit and Loss

Further, for projects executed through joint development arrangements not being jointly controlled operations, wherein the land owner/possessor provides land and the Company undertakes to develop properties on such land and in lieu of land owner providing land, the Company has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, the revenue from the development and transfer of constructed area/revenue sharing arrangement in exchange of such development rights/ land is being accounted on gross basis on launch of the project. Revenue is recognized over time using input method, on the basis of the inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognized based upon underlying agreements with customers except in cases where ultimate collection is considered doubtful.

The Company recognizes revenue from consultancy services when the significant terms of the agreement are enforceable, services have been delivered and the collectability is reasonably assured.

Interest income is accounted on an accrual basis at effective interest rate, except in cases where ultimate collection is considered doubtful.

Unbilled revenue disclosed under other financial assets represents revenue recognized over and above the amount due as per payment plans agreed with the customers. Progress billings which exceed the costs and recognized 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.

Shriprop Projects Private Limited

Summary of significant accounting policies and other explanatory information

i. Inventories

Properties held for development

Properties held for development represents land acquired for future development and construction, and is stated at cost including the cost of land, the related costs of acquisition and other costs incurred to get the properties ready for their intended use.

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.

j. Property, Plant and Equipment (PPE)

Recognition and initial measurement

Properties plant and equipment are stated at their cost of acquisition. On transition to Ind AS i.e., on 01 April 2015, the Company had elected to measure all its property, plant and equipment at the previous GAAP carrying value (deemed cost) 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 in 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 & 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 equipment	5 years
Shuttering material	3 years
Computers	3 years
Vehicles	8 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.

k. 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 as 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 capitalization as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, 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 capitalization are determined by applying a capitalization rate to the expenditures on that asset.

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

l. 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.

Shriprop Projects Private Limited
Summary of significant accounting policies and other explanatory information

m. 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.

Deferred tax

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 period 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 period 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 period.

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 period

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 directly in equity respectively.

n. Earnings per share

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

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

o. Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material, using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liability is disclosed for:

(i) Possible obligations which will be confirmed only by future events not wholly within the control of the Group or

(ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed except when realization of income is virtually certain, related asset is disclosed.

p. 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.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. 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 FVOCI, 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.

Shriprop Projects Private Limited

Summary of significant accounting policies and other explanatory information

p. Financial instruments (continued)

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.

q. 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.

r. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

s. 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.

t. Impairment of non-financial assets

At the end of each reporting period, 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.

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, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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.

u. 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 primarily in India and there is no other significant geographical segment.

Shriprop Projects Private Limited

Summary of significant accounting policies and other explanatory information

v. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period 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 loans from/to related parties are 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.

1.3 Significant judgements and estimates in applying accounting policies

- a.** Revenue from contracts with customers - The Company has applied judgements 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 realizable 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.** Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.
- d.** Contingent liabilities – At each balance sheet date basis the management estimate, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding guarantees and litigations. However, the actual future outcome may be different from this estimate.
- e.** 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 future taxable income against which the deferred tax assets can be utilized.

Shriprop Projects Private Limited
Summary of significant accounting policies and other explanatory information (continued)
(All amounts in ₹ million, unless otherwise stated)

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	Vehicles	Shuttering material (*)	Computers	Total
Gross carrying amount					
At 01 April 2020	0.33	3.97	55.87	0.09	60.26
Adjustments (#)	-	-	(4.96)	-	(4.96)
At 31 March 2021	0.33	3.97	50.91	0.09	55.30
Disposals	-	-	(30.71)	-	(30.71)
At 31 March 2022	0.33	3.97	20.20	0.09	24.59
Accumulated depreciation					
Upto 01 April 2020	0.24	1.37	25.75	0.09	27.45
Charge for the year	0.06	0.49	12.85	-	13.40
Upto 31 March 2021	0.30	1.86	38.60	0.09	40.85
Charge for the year	0.02	0.50	7.37	-	7.89
Adjustments for disposals	-	-	(27.78)	-	(27.78)
Upto 31 March 2022	0.32	2.36	18.19	0.09	20.96
Carrying amount (net)					
At 31 March 2021	0.03	2.11	12.31	-	14.45
At 31 March 2022	0.01	1.61	2.01	-	3.63

(*) Includes depreciation inventorized amounting to ₹ 7.37 million (31 March 2021: ₹ 12.85 million)

(#) In earlier years, the Company has capitalized GST input tax credit (ITC) of ₹ 4.96 million on purchase of an item in 'Property, plant and equipment'. During the previous year, the Company has availed such ITC with corresponding adjustment to 'Balances with government authorities'.

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 years 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.

Shriprop Projects Private Limited
Summary of significant accounting policies and other explanatory information (continued)
(All amounts in ₹ million, unless otherwise stated)

	31 March 2022	31 March 2021				
3 Other financial assets						
Non-current						
(Unsecured, considered good)						
Security deposits	0.21	0.03				
	0.21	0.03				
4 Non-current tax assets (net)						
Advance tax, net of provision for income tax	5.51	4.74				
	5.51	4.74				
5 Inventories (*)						
(Valued at cost or Net realizable value, which ever is lower)						
Properties under development	2,850.65	2,512.14				
	2,850.65	2,512.14				
(*) Details of assets pledged are as per note no.25						
6 Trade receivables (*)						
Trade receivables considered good - Secured	96.20	237.82				
	96.20	237.82				
Less : Allowance for doubtful debts	-	-				
	96.20	237.82				
(*) Details of assets pledged are as per note no.25						
Trade receivables aging as at 31 March 2022	Outstanding for following periods from due date of payment					
Particulars	Less than 6 months	6months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables- considered good	71.01	16.52	8.68	-	-	96.20
Trade receivables aging as at 31 March 2021	Outstanding for following periods from due date of payment					
Particulars	Less than 6 months	6months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables- considered good	96.77	16.41	112.87	11.78	-	237.82
7 Cash and cash equivalents						
Cash on hand					0.59	0.55
Balances with banks (*)						
In escrow accounts					31.89	0.45
In current accounts					17.07	21.24
					49.55	22.24
(*) Details of assets pledged are as per note no.25						
Note:						
The Company had available ₹ 50.00 million (31 March 2021: ₹ 75.00 million) of undrawn committed borrowing facilities						
8 Other financial assets						
Current						
Refundable deposit to land owner					96.89	96.89
Other receivables					0.74	1.62
					97.63	98.51
9 Other current assets						
Advances for purchase of goods and rendering services					92.89	47.09
Other receivables from land owner					14.99	16.67
Unbilled revenue					18.41	22.27
Balance with government authorities					15.85	10.44
Prepaid expenses					69.24	67.83
					211.38	164.30

Shriprop Projects Private Limited
Summary of significant accounting policies and other explanatory information (continued)
(All amounts in ₹ million, unless otherwise stated)

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
10 Equity share capital				
Authorized share capital				
Equity shares of ₹ 10 each	10,000	0.10	10,000	0.10
	10,000	0.10	10,000	0.10
Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 10 each	10,000	0.10	10,000	0.10
	10,000	0.10	10,000	0.10

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

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Equity shares				
Authorized share capital				
Balance at the beginning of the year	10,000	0.10	10,000	0.10
Add: Changes during the year	-	-	-	-
Balance at the end of the year	10,000	0.10	10,000	0.10

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

	31 March 2022		31 March 2021	
	Number	% of holding	Number	% of holding
Name of equity shareholder				
Equity shares				
Shriram Properties Limited (Holding Company) (^)	10,000	100%	10,000	100%

(^*) includes 1 equity share held by a nominee of Shriram Properties Limited

c. Rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 each. Equity holder of equity share is entitled to one vote per share. The Company declares and pays dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting. 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. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the five years immediately preceding the reporting date

The Company has neither issued any bonus shares or shares without consideration other than cash nor there has been any buy back of shares during five years immediately preceding 31 March 2022.

e. Details of shares holding by promoters

	31 March 2022		31 March 2021	
	Number	change in % of holding during the year	Number	change in % of holding during the year
Promoter's name				
Equity shares				
Shriram Properties Limited (Holding Company) (^)	10,000	100%	10,000	100%

(^*) includes 1 equity share held by a nominee of Shriram Properties Limited

	31 March 2022	31 March 2021
11 Other equity		
Measurement of below market rate financial instruments at fair value (*)	6.25	6.25
Capital contribution (^)	64.60	-
Retained earnings	(88.06)	(86.35)
	(17.21)	(80.10)

(*) Represents accounting for corporate guarantee provided by the Holding company

(^*) The Company had an outstanding loan balance of ₹ 64.60 million payable to Shriram Properties Limited, Holding Company. The loan carried market interest rate of 15% p.a and was repayable on demand. During the year ended 31 March 2022, based on mutual discussion, the Holding Company has approved waiver of the aforesaid outstanding loan balance, including interest charge for the year, and such 'Gain on extinguishment of financial liability' has been treated as 'Capital contribution' directly in equity as it is arising out of transaction with shareholder.

	31 March 2022	31 March 2021
12 Borrowings		
Current		
Secured		
Debentures		
Series A, 16.25%, 350 (31 March 2021: 325), redeemable non-convertible debentures of ₹ 1,000,000 each	337.87	320.00
Unsecured loans		
Loans from related parties (Refer note 33)	-	32.78
	337.87	352.78

Note:

- The Company has utilized the proceeds from issue of non-convertible debentures for the specific purpose for which it was taken at the balance sheet date.
- The Company does not have any charge which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

Shriprop Projects Private Limited
Summary of significant accounting policies and other explanatory information (continued)
(All amounts in ₹ million, unless otherwise stated)

12 Borrowings (continued)
Disclosure of Security

SI.No	Particulars	Nature of security	Repayment details	Effective interest rate	31 March 2022	31 March 2021
Current borrowings						
1	Redeemable Non-convertible Debentures (Secured)					
	Motilal Oswal Finvest Limited	a) First and exclusive charge by way of pledge of 100% of the Share capital of Shriprop Projects Private Limited on a Fully Diluted basis.	The Principal on the Series A NCD's shall be repaid in six instalments as follows, 10% of the Principal on 31 December 2022, 10% of the Principal on 31 March 2023, 15% of the Principal on 30 June 2023, 15% of the Principal on 30 September 2023, 25% of the Principal on 31 December 2023 and 25% of the Principal on 31 March 2024	16.25%	350.00	326.25
		b) First and exclusive charge over land and structure thereon of the project 'Southern Crest' located at Bengaluru, Karnataka.				
		c) First exclusive charge by way of mortgage by deposit of title deeds (and registration thereof) on the land at Project 'Southern Crest' located at Bengaluru, Karnataka.				
		d) Corporate Guarantee of Shriram Properties, Holding Company.				
	Unamortized loan processing fees				(8.00)	-
	Unamortized guarantee premium				(4.13)	(6.25)
					337.87	320.00
2	Shriram Properties Limited (Unsecured)	Unsecured	Repayable on demand	15.00%	-	32.78
					-	32.78
					337.87	352.78

Shriprop Projects Private Limited
Summary of significant accounting policies and other explanatory information (continued)
(All amounts in ₹ million, unless otherwise stated)

13 Trade payables	31 March 2022	31 March 2021
Total outstanding due of micro enterprises and small enterprises (refer note below)	5.13	5.34
Total outstanding due of creditors other than micro enterprises and small enterprises	112.26	113.80
	117.39	119.14

Note

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSME Act'). Accordingly, the disclosure in respect of amounts payable to such enterprises as at 31 March 2022 has been made in the financial statements based on the information received and available with the Company. The Company has not received any claim for interest from any supplier as at the balance sheet date. The disclosures as required under section 22 of MSMED Act, 2006 under the Chapter on Delayed Payments to Micro and Small Enterprises is as below:

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 year; (#)		
- Principal	5.22	5.95
- Interest	0.19	0.09
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 year;	Nil	Nil
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 year) but without adding the interest specified under this Act;	Nil	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.19	0.09
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.	Nil	Nil

(#) Includes the amounts reported in note 13 and 14 to the financial statements

Undisputed trade payables ageing schedule as at 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	3.28	1.01	0.84	-	5.13
Others	79.36	20.64	12.09	0.17	112.26

Undisputed trade payables ageing schedule as at 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	4.50	0.84	-	-	5.34
Others	99.31	14.49	-	-	113.80

14 Other financial liabilities	31 March 2022	31 March 2021
Current		
Refund due to customers	1.08	-
Other payables (^)	6.48	15.15
	7.56	15.15

(^*) Includes ₹ 0.09 million (31 March 2021: ₹ 0.61 million) towards payable to Micro and Small Enterprises

15 Current tax liabilities (net)		
Provision for income tax, net of advance tax and tax deducted at source	11.50	11.50
	11.50	11.50

16 Other current liabilities		
Advances received from customers	2,696.93	2,379.35
Statutory dues payable	2.36	1.19
Payable to land owner(*)	158.26	255.12
	2,857.55	2,635.66

(*) Pertains to obligation to land owners under joint development arrangement

Shriprop Projects Private Limited

Summary of significant accounting policies and other explanatory information (continued)

(All amounts in ₹ million, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
17 Revenue from operations		
Sale of constructed / developed properties	101.35	54.28
	101.35	54.28
18 Other income		
Profit on sale of property, plant and equipment	4.14	-
Commission income	7.83	5.50
Miscellaneous income	0.82	1.49
	12.79	6.99
19 Changes in inventories		
Inventory at the beginning of the year	2,512.14	2,290.33
Inventory at the end of the year	2,850.65	2,512.14
	(338.51)	(221.81)
20 Finance costs (*)		
Finance expense:		
Interest expense		
- on non-convertible debentures	55.31	1.30
- on loan from related party (refer note 33)	9.92	59.55
- on others	0.54	1.08
Interest on MSME	0.03	0.09
Loan processing charges	3.30	0.80
Guarantee commission expense (refer note 33)	2.07	0.05
	71.17	62.87
Finance income:		
Unwinding of discount relating to refundable security deposits	-	11.52
	-	11.52
Finance cost, net	71.17	51.35
(*) Includes finance expense inventorized amounting to ₹ 70.60 million (31 March 2021: ₹ 50.13 million)		
21 Impairment losses		
Impairment losses in value of other financial assets	1.22	2.15
	1.22	2.15
22 Other expenses (*)		
Legal and professional charges (^)	3.64	2.77
Power and fuel expenses	1.38	2.02
Printing and stationery	0.03	0.01
Rates and taxes	0.66	0.43
Repairs and maintenance	0.43	0.11
Advertisement and sales promotion expenses	6.72	11.96
Traveling and conveyance expenses	0.02	0.01
Insurance expenses	0.50	2.78
Manpower supply charges	5.49	3.31
Security expenses	0.43	0.51
Compensation paid	3.40	-
Miscellaneous expenses	0.89	0.57
	23.59	24.48
(*) Includes expenses inventorised amounting to ₹ 7.67 million (31 March 2021: ₹ 10.37 million)		
(^) Payment to auditor (on accrual basis, excluding GST) [included in legal and professional charges]		
As Auditor		
Audit fee		
-Statutory audit	0.70	0.70
-Tax audit	0.10	0.10
	0.80	0.80

Shriprop Projects Private Limited
Summary of significant accounting policies and other explanatory information (continued)
(All amounts in ₹ million, unless otherwise stated)

23 Income tax

	Year ended 31 March 2022	Year ended 31 March 2021
A. Tax expense comprises of:		
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the statement of profit or loss	-	-

B. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% (31 March 2021: 25.17%) and the reported tax expense in profit or loss are as follows:

Reconciliation of effective tax rate

Accounting loss before tax	(1.71)	(24.06)
Effective tax rate in India	25.17%	25.17%

At India's statutory income tax rate	(0.43)	(6.06)
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Adjustments:

Unrecorded deferred tax asset on current year other temporary differences	(1.04)	(2.90)
Unrecorded deferred tax asset on current year business losses	0.81	8.65
Tax effect of non-deductible expenses	0.66	0.31

Income tax expense

-	-
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C. Deferred tax

Deferred tax assets 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 utilized. The Company has unabsorbed losses amounting to ₹ 70.83 million as at 31 March 2022 (₹ 131.77 million as at 31 March 2021), on which deferred tax asset is not recognized.

24 Loss per share (EPS)

	Year ended 31 March 2022	Year ended 31 March 2021
Weighted average number of shares outstanding during the year	10,000	10,000
Net loss attributable to equity shareholders	(1.71)	(24.06)
Loss per share (₹):		
Basic and diluted	(171.00)	(2,406.00)
Nominal value- ₹ 10 per equity share		

25 Assets pledged as security

The carrying amounts of assets pledged are:

Current assets

Financial assets (First charge)

Trade receivables	96.20	237.82
Balance with banks in escrow accounts	31.89	0.45

Non-financial assets (First charge)

Inventories	2,850.65	2,512.14
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Total assets pledged as security

2,978.74	2,750.41
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Shriprop Projects Private Limited
Summary of significant accounting policies and other explanatory information (continued)
(All amounts in ₹ million, unless otherwise stated)

26 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	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Security deposits	3	-	-	0.21	0.21	0.21
Trade receivables	6	-	-	96.20	96.20	96.20
Cash and cash equivalents	7	-	-	49.55	49.55	49.55
Other financial assets	8	-	-	97.63	97.63	97.63
Total financial assets		-	-	243.59	243.59	243.59
Financial liabilities :						
Borrowings	12	-	-	337.87	337.87	337.87
Trade payables	13	-	-	117.39	117.39	117.39
Other financial liabilities	14	-	-	7.56	7.56	7.56
Total financial liabilities		-	-	462.82	462.82	462.82

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

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Security deposits	3	-	-	0.03	0.03	0.03
Trade receivables	6	-	-	237.82	237.82	237.82
Cash and cash equivalents	7	-	-	22.24	22.24	22.24
Other financial assets	8	-	-	98.51	98.51	98.51
Total financial assets		-	-	358.60	358.60	358.60
Financial liabilities :						
Borrowings	12	-	-	352.78	352.78	352.78
Trade payables	13	-	-	119.14	119.14	119.14
Other financial liabilities	14	-	-	15.15	15.15	15.15
Total financial liabilities		-	-	487.07	487.07	487.07

Notes to financial instruments

- i. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

ii. 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: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability

iii. Financial assets and liabilities measured at fair value - recurring fair value measurements

The Company does not have any financial instruments which are measured at fair value either through statement of profit and loss or through other comprehensive income.

Shriprop Projects Private Limited
Summary of significant accounting policies and other explanatory information (continued)
(All amounts in ₹ million, unless otherwise stated)

27 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk 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 and cash equivalents, trade receivables and other financial assets	Ageing analysis and recoverability assessment
Liquidity risk	Borrowings, trade payables 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 of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such interest rate risk, credit risk and investment of excess liquidity.

A Credit risk

Credit risk arises from cash and cash equivalents, trade receivables and other financial assets.

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.

a. Low credit risk

b. High credit risk

The Company provides for expected credit loss based on the following:

Asset group	Description	Provision for expenses credit loss (*)	31 March 2022	31 March 2021
Low credit risk	Cash and cash equivalents and secured trade receivables	Life time expected credit loss	145.75	260.06
High credit risk	Other financial assets	Life time expected credit loss or fully provided for	97.84	98.54

(*) 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 ongoing 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	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	96.20	-	96.20
Security deposit	0.21	-	0.21
Cash and cash equivalents	49.55	-	49.55
Other financial assets	97.63	-	97.63

31 March 2021

Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	237.82	-	237.82
Security deposit	0.03	-	0.03
Cash and cash equivalents	22.24	-	22.24
Other financial assets	98.51	-	98.51

Expected credit loss for trade receivables under simplified approach

Trade receivables are secured in a form that registry of sold residential units is not processed till the time the Company does not receive the entire payment.

During the years presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

Shriprop Projects Private Limited
Summary of significant accounting policies and other explanatory information (continued)
(All amounts in ₹ million, unless otherwise stated)

27 Financial risk management (Continued)

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 maintaining 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. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

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

31 March 2022	Less than 1 year	1 year to 5 years	5 years and above	Total	Carrying amount
Non-derivatives					
Borrowings	126.23	311.40	-	437.63	337.87
Trade payables	86.24	31.15	-	117.39	117.39
Other financial liabilities	7.56	-	-	7.56	7.56
Total	220.03	342.55	-	562.58	462.82

31 March 2021	Less than 1 year	1 year to 5 years	5 years and above	Total	Carrying amount
Non-derivatives					
Borrowings	87.67	406.41	-	494.07	352.78
Trade payables	98.88	20.26	-	119.14	119.14
Other financial liabilities	15.15	-	-	15.15	15.15
Total	201.70	426.67	-	628.36	487.07

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 IndAS 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 does not have any variable rate borrowings. Hence, the Company does not have exposure to interest rate risk.

28 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 years ended 31 March 2022 and 31 March 2021.

29 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	31 March 2022	31 March 2021
Short term borrowings	337.87	352.78
Less : Cash and cash equivalents	(49.55)	(22.24)
Net debt	288.32	330.54
Total equity	(17.11)	(80.00)
Gearing ratio	(16.85)	(4.13)

The Company is an SPV of Shriram Properties Limited (the "Holding Company"). 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 call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

Shriprop Projects Private Limited**Summary of significant accounting policies and other explanatory information (continued)**

(All amounts in ₹ million, unless otherwise stated)

30 Other commitments and contingencies**31 March 2022****31 March 2021****Claims against the Company not acknowledged as debts****Income tax matters**

Nil

Nil

During the current year, the Income Tax Authorities have disputed certain allowances claimed by the Company and this has resulted in adjustment to carry forward of business losses pertaining to assessment year 2017-18 and demand of ₹ 24.22 million pertaining to assessment year 2019-20. The Company is contesting the adjustments, which are pending before National Faceless Appeal Centre. Based on the advice from independent tax experts and the development on the appeals, the management is confident that loss disallowed/ demand raised will not be sustained on completion of the appellate proceedings and accordingly, pending the decision by the appellate authorities, no provision has been made in these financial statements.

Commitments

The Company has entered into joint development agreements with owners of land for its construction and development. Under the agreements the Company is required to pay certain payments/ deposits to the owners of the land and share in built up area in exchange of undivided share in land as stipulated under the agreements.

31 There are no employees in the Company, Hence Disclosures as required under IndAS 19 - 'Employee Benefits' is not applicable to the Company.

32 Segmental Information

The Company is engaged in the development and construction of residential properties which is considered to be the only reportable business segment as per IndAS 108, 'Segment Reporting'. The Company operates primarily in India and there is no other significant geographical segment. The Company has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated and hence the Company does not have any concentration risk.

33 Related party disclosures**Nature of relationship****(i) Parties where control exists**

Shriram Properties Limited

Holding company

(ii) Key management personnel

K. R. Ramesh

Director

Krishna Veeraraghavan

Director

Rajesh Yashwant Shirwatkar

Director

(iii) Balances with related parties as on date are as follows

Nature of transaction	Shriram Properties Limited	
	As at 31 March 2022	As at 31 March 2021
Loans taken	-	32.78
Guarantee received	400.00	400.00

(iv) The transactions for the years with the related parties are as follows

Nature of transaction	Shriram Properties Limited	
	Year ended 31 March 2022	Year ended 31 March 2021
Loan taken	96.45	207.61
Loan repaid	74.54	754.98
Loan balance waived by the Holding company	64.60	-
Interest expense	9.92	59.55
Guarantee commission expense	2.07	0.05
Guarantee received	-	400.00

Shriprop Projects Private Limited
Summary of significant accounting policies and other explanatory information (continued)
(All amounts in ₹ million, unless otherwise stated)

34 Additional disclosures under IndAS 115 (Revenue from contract with customers)

A. Reconciliation of revenue recognized with contract revenue:

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contract revenue		
Sale of constructed / developed properties	101.35	54.28
Commission income	7.83	5.50
Revenue recognized	109.18	59.78

B. 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
Contract assets		
Unbilled revenue	18.41	22.27
Total contract assets	18.41	22.27
Contract liabilities		
Advance from customers	2,696.93	2,379.35
Payable to land owner	158.26	255.12
Total contract liabilities	2,855.19	2,634.47
Receivables		
Trade receivables	96.20	237.82
Total receivables	96.20	237.82

Contract asset is the right to consideration that is conditional upon factors other than the passage of time. Contract assets are initially recognized for revenue earned from property under development rendered but yet to be billed to customers. Upon billing of invoice, the amounts recognized as contract assets are reclassified to trade receivables.

Contract liabilities include amount received from customers as per the installments stipulated in the buyer agreement to deliver properties once the properties are completed and control is transferred to customers.

C. Significant changes in the contract liabilities balances during the year as follows:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Contract liabilities		Contract liabilities	
	Advances from consumers	Payable to land owner	Advances from consumers	Payable to land owner
Opening balance	2,379.35	255.12	2,049.27	308.46
Additions /adjustments during the year	317.58	-	330.08	-
Revenue recognized during the year	-	(96.86)	-	(53.34)
Closing balance	2,696.93	158.26	2,379.35	255.12

D. Significant changes in the contract assets balances during the year as follows:

Particulars	Unbilled revenue	
	As at 31 March 2022	As at 31 March 2021
	Opening balance	22.27
Commission income recognized during the year	7.83	5.50
Revenue recognized during the year	4.49	0.94
Amount billed during the year	(16.18)	(3.36)
Closing balance	18.41	22.27

E. 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 ₹ 3,261.86 million (31 March 2021 is ₹ 3,179.17 million). The same is expected to be recognized within 1 to 4 years.

Shriprop Projects Private Limited
Summary of significant accounting policies and other explanatory information
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35 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	0.99	0.97	2.45%	NA
Debt Equity Ratio	Total Debt	Shareholders equity	(19.75)	(4.41)	347.80%	refer note - a
Debt Service Coverage Ratio	Earnings available for debt service (Net Profit after taxes+Interest+Non cash operating expenses+other adjustments)	Debt service (Interest and lease payments + Principal repayments)	1.15	0.08	1373.54%	refer note - b
Return on Equity Ratio	Net profit after taxes	Average shareholders equity	NA	NA	NA	Return on equity ratio is not applicable as the Company has negative net worth.
Inventory Turnover ratio	Cost of revenue	Average Inventory	0.04	0.03	29.92%	refer note - c
Trade Receivables Turnover Ratio	Revenue from operations excluding other operating revenue	Average trade receivables	0.61	0.22	181.23%	refer note - c
Trade payables Turnover Ratio	Material and contract cost	Average trade Payables	2.96	2.17	36.76%	refer note - c
Net Capital Turnover Ratio	Revenue from operations	Working capital (Current assets - Current liabilities)	(3.83)	(0.55)	600.15%	
Net Profit Ratio	Net profit after taxes	Revenue from operations	(0.02)	(0.44)	(96.19%)	refer note - c
Return on Capital Employed	EBIT	Capital employed (Net worth + Total Debt - Deferred tax asset)	0.24	0.16	55.99%	refer note - c

Note

- The change in the ratio is on account of waiver off loan by the Holding company in current year which was accounted as deemed capital contribution directly in equity. Refer note 11.
- The improvement in debt service coverage ratio is on account of repayment of major portion loan availed from the holding company in previous year and waiver off loan by the Holding company in current year
- The Company has incurred significant material and construction cost during the current year resulting in increase in project's percentage of completion. This has resulted in increase in revenue and cost of revenue and the corresponding trade receivables and payables. The same resulted in change in inventory turnover ratio, trade receivables turnover ratio, trade payables turnover ratio, net capital turnover ratio, net profit ratio and return on capital employed.

Shriprop Projects Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ million, unless otherwise mentioned)

36 Other statutory information

- (i) The Company has not advanced or provided loan to or invested funds in any entities including foreign entities (Intermediaries) or to any other persons, with the understanding that the Intermediary shall:
- (a) 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
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Company has not received any fund from any persons or entities, including foreign entities (funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) 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
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

37 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.

As per our report of even date attached

For Walker Chandio & Co LLP

Chartered Accountants
Firm Registration
No.:001076N/N500013

Sd/-

Nikhil Vaid

Partner

Membership No.: 213356

Hyderabad

28 May 2022

For Abarna & Ananthan

Chartered Accountants
Firm Registration
No.: 000003S

Sd/-

Mohan Rao Gadath

Partner

Membership No.: 203737

Bengaluru

28 May 2022

**For and on behalf of the Board of Directors of
Shriprop Projects Private Limited**

Sd/-

Rajesh Y Shirwatkar

Director

DIN: 02882293

Bengaluru

28 May 2022

Sd/-

K.R. Ramesh

Director

DIN: 02058969

Bengaluru

28 May 2022