

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

BOARDS' REPORT

To the Members,

Your Directors have pleasure in presenting the 15th Annual Report of the Company on the business and operations of the Company, together with the Audited Financial Statements for the year ended March 31, 2023.

1. FINANCIAL SUMMARY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY:

(All amounts in ₹ millions, unless otherwise stated)

	2022-23	2021-22
Revenue from operations	2,625.39	102.16
Other Income	28.42	11.98
Total Income	2,653.81	114.14
Total Expenditure	2,672.68	115.85
Profit before tax/(Loss)	(18.87)	(1.71)
Provision for taxation	-	-
MAT Credit Entitlement	-	-
Add/ (Less): Deferred Tax	-	-
Profit after tax & extraordinary items/(Loss)	(18.87)	(1.71)

Review of Operations and overview

The Company has a turnover of Rs. 2,625.39 Mn as on March 31, 2023 and has made a Loss of Rs. 18.87 Mn, when compared to previous year the turnover of Rs. 101.35 Mn and made a Loss of Rs. 1.71 Mn.

2. DIVIDEND:

The Board of Directors of your Company has decided that it would be prudent, not to recommend any Dividend for the financial year 2022-2023.

3. TRANSFER TO RESERVES:

The Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year.

4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

5. MATERIAL CHANGES AND COMMITMENTS FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT, IF ANY:

There have been no material changes and commitments affecting the financial position of your Company which has occurred between March 31, 2023, and the date of this Board's Report.

6. ANNUAL RETURN:

The provisions of Section 134 (3) (a) of the Companies Act 2013 prescribes the Company to mention the web address, if any, where the Annual Return referred to in sub section (3) of Section 92 of the Act has been placed.

Since the Company has not had any website, the extract of the annual return for the year ended March 31, 2023, has been annexed to this report.

7. NATURE OF BUSINESS ACTIVITIES AND CHANGES THEREOF:

During the year, there has been no change in the nature of Business of the Company.

8. CHANGES IN SHARE CAPITAL:

During the year, there has been no change in the Share Capital of the Company.

The Company has not issued any equity shares with differential rights during the year and hence no information as per provisions of Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

The Company has not issued any sweat equity shares during the year and hence no information as per provisions of Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

The Company has not issued any Employee Stock Options Scheme during the year and hence no information as per provisions of Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 is furnished.

9. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any subsidiary, joint venture or associate companies.

10. DEPOSITS:

During the year, your Company neither accepted any deposits nor there were any amounts outstanding at the beginning of the year which were classified as 'Deposits' in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

11. DIRECTOR'S AND KEY MANAGERIAL PERSONNEL (KMPs):

Prof. R Vaidyanathan was appointed as Non-Executive, Independent Additional Director by the Board of Directors on June 21, 2023 till the conclusion of ensuing Annual General Meeting, ratification of his appointment would be placed at the ensuing Annual General Meeting. Apart from this, there were no changes in composition of the Board.

12. DIRECTORS RETIRING BY ROTATION:

During the year, Mr. Krishna Veeraraghavan (DIN: 06620405) retires by rotation. Mr. Krishna Veeraraghavan being eligible has offered himself for re-appointment. The Board recommends his re-appointment as Director of the Company as set out in the notice calling Annual General Meeting.

13. MEETINGS OF THE BOARD OF DIRECTORS:

There were 5 (Five) Meetings of the Board of Directors held during the Financial Year 2022-23 i.e., on May 28, 2022, August 12, 2022, September 16, 2022, November 14, 2022, February 14, 2023 in compliance with the requirements of the Companies Act, 2013 & SS -1 (Secretarial Standards on Board Meetings) issued by The Institute of Company Secretaries of India (ICSI).

14. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions contained in sub-sections (3)(c) and (5) of Section 134 of the Companies Act, 2013, the Directors of your Company confirm that: -

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures, wherever applicable;
- b) the directors had selected such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the losses of the Company for the year ended on that date;
- c) the directors have taken proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) the annual accounts of the Company have been prepared on a going concern basis;
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. REMUNERATION OF DIRECTORS AND EMPLOYEES OF COMPANIES:

There are no employees drawing remuneration more than the limits prescribed under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

16. PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The details of the loans borrowed, guarantees provided and investments made by the Company during the year are provided under notes to accounts to the financial statements.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The related party transactions undertaken during the financial year are detailed in Notes to Accounts of the financial Statements.

18. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant and material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

There was no instance of one-time settlement with any Bank or Financial Institution.

19. CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company, hence the Company was not required to spend under CSR during the financial year.

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

The Company has not actively engaged in the consumption of energy or absorption of technology. The Company is however aware of its responsibilities and has at every available opportunity used and implemented such measures so as to enable energy conservation.

(A) CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy:

The Company lays great emphasis on savings in the cost of energy consumption. Therefore, achieving reduction in per unit consumption of energy is an ongoing exercise in the Company. The effective measures like education, training, publicity, messaging through use of social media have been taken to minimize the loss of energy as far as possible.

The Company does not have any internal generation of power (captive, surplus or otherwise) and the amount spent during the financial year 2022-23 is Nil.

(ii) Steps taken by the Company for utilizing alternate sources of energy:

Presently, the Company does not have any alternate sources of energy for internal generation of power (captive, surplus or otherwise). However, the management of the Company is exploring an alternative source of energy like solar, wind, thermal or otherwise for internal generation of power for captive purposes.

(iii) Capital investment on energy conservation equipment:

The Company has not made any capital investment on energy conservation equipment/s.

(B) TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT

(i) The efforts made towards technology absorption:

The Company is always in pursuit of finding the ways and means to improve the performance, quality and cost effectiveness of its services. The technology used by the Company is updated as a matter of continuous exercise.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

The Company has not derived any material benefits in cost reduction against technology absorption.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

The Company has not imported any technology during the last three years reckoned from the beginning of the financial year.

(iv) The expenditure incurred on Research and Development:

The Company does not have a separate independent research and development activity. As such, no material amount of expenditure was incurred on research and development activity of the Company.

(C) FOREIGN EXCHANGE EARNINGS / OUTGO

During the financial year, the total Foreign Exchange Inflow and Outflow during the year is as follows:

(in INR)

Particulars	As on 31.03.2023	As on 31.03.2022
Income in Foreign Currency	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil

21. INTERNAL FINANCIAL CONTROL:

The Company has in place the policies and procedures for ensuring the orderly and efficient conduct of its 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 disclosures.

22. STATUTORY AUDITORS:

M/s. Walker Chandiook & Co LLP (Firm Registration No. 001076N/N500013) were appointed as Joint Statutory Auditors of the Company for a period of 5 years at the annual general meeting held in the year 2022 to hold office till the conclusion of Annual General Meeting to be held in the year 2027.

M/s. Abarna & Ananthan, Chartered Accountants, Bangalore (Firm Registration Number 000003S) were appointed as the Statutory Auditors of the Company in the Annual General Meeting held on August 16, 2019, to hold office till the conclusion of the Annual General Meeting to be held for the financial year 2023-24.

There are no qualifications, reservations, adverse remarks and disclaimers of the Statutory Auditors in their report on Financial Statements for the Financial Year ended March 31, 2023.

23. FRAUD REPORTING:

During the Financial Year 2022-23, the Statutory Auditors have not reported any incident of fraud to the Board of Directors of the Company pursuant to provisions of Section 143(12) of the Companies Act, 2013.

24. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company does not have any employees, hence the provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable.

25. SECRETARIAL STANDARDS:

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) as may be amended from time to time.

26. MAINTENANCE OF COST RECORDS:

During the Financial Year 2022-23, the Company was not required to maintain any cost records and to appoint any Cost Auditor as Section 148(1) of the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014 were not applicable to the Company.

27. RISK MANAGEMENT POLICY:

The Company has developed and implemented a risk management framework detailing the various risks faced by the Company and methods and procedures for identification, monitoring and mitigation of such risks. The risk management function is complimentary to the internal control mechanism of the Company and supplements the audit function.

28. ADDITIONAL INFORMATION:

The additional information required to be given under the Companies Act, 2013 and the Rules made thereunder, has been laid out in the Notes attached to and forming part of the Financial Statements. The Notes to the Financial Statements referred to the Auditors’ Report are self-explanatory and therefore do not call for any further explanation.

29. ACKNOWLEDGMENTS:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, government authorities, customers, vendors and members during the year. Your directors also wish to place on record their deep sense of appreciation for the committed services by the Company’s executives, staff and workers.

For and on behalf of Shriprop Projects Private Limited

	SD/-	SD/-
	_____	_____
Date: August 14, 2023	Rajesh Yashwant Shirwatkar	K R Ramesh
Place: Bengaluru	Director	Director
	DIN: 02882293	DIN: 02058969

ANNEXURE TO BOARD REPORT

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2023
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	U45202KA2008PTC046145
ii	Registration Date	21/04/2008
iii	Name of the Company	Shriprop Projects Private Limited
iv	Category/Sub-category of the Company	Company limited by shares
v	Address of the Registered office & contact details	No. 31, T. Chowdaiah Road, 2nd Main, Sadhashivnagar, Bangalore- 560080
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	INTEGRATED REG. MGT.SER.PVT. LTD

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover
1	Construction development of townships, housing, built up infrastructures	41001- As per NIC Code 2008	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SL NO	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Shriram Properties Limited	L72200TN2000PLC044560	Holding	100%	Section 2(46)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies corporates									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs									
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs									
c) Others (specify)									
SUB TOTAL (B)(2):	0	0	0	0	0	0	0	0	Nil
Total Public Shareholding (B)= (B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	10000	0	10000	100	10000	0	10000	100	Nil

Shriprop Homes Private Limited holds 1 Equity Share as Beneficial holder of Shriram Properties Limited

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Shriram Properties Limited	10000	100	Nil	10000	100	Nil	Nil
							-	
	Total						-	

CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS

(iii) NO CHANGE

NO CHANGE

Sl.No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1					
2					
3					
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0		
	At the end of the year	0	0		

V INDEBTEDNESS

in Millions

Indebtedness of the Company including interest outstanding/accrued but not due for payment					
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtness at the beginning of the financial year					
i) Principal Amount	337.87	-			337.87
ii) Interest due but not paid					
iii) Interest accrued but not due					
Total (i+ii+iii)	337.87	-			337.87
Change in Indebtedness during the financial year					
Additions	-	-			-
Reduction	-53.81	-			-53.81
Net Change					
Indebtedness at the end of the financial year					
i) Principal Amount	284.06	-			284.06
ii) Interest due but not paid					
iii) Interest accrued but not due					
Total (i+ii+iii)	284.06	-			284.06

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.		
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2	Stock option		
3	Sweat Equity		
4	Commission as % of profit others (specify)		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount	
1	Independent Directors					
	(a) Fee for attending board committee meetings					
	(b) Commission					
	(c) Others, please specify					
	Total (1)					
2	Other Non Executive Directors					
	(a) Fee for attending board committee meetings					
	(b) Commission					
	(c) Others, please specify.					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Cieling as per the Act.					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
1	Gross Salary	CEO	Company Secretary	CFO	Total	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.					
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	as % of profit					
	others, specify					
5	Others, please specify					
	Total					

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeall made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

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

SD/-	SD/-
K.R.Ramesh	Rajesh Yashwant Shirwatkar
Director	Director
(DIN:02058969)	(DIN: 02882293)

Place:Bengaluru
Date: 14/08/2023

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 2023, 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 notes to the financial statements, including 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 2023, 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 Director's 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 will 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.

The Director's 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 and Those Charged with Governance 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.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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.
9. 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;
 - 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 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.
10. 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

11. 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.
12. 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.
13. 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;
 - 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 are disqualified as on 31 March 2023 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 2023 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 32 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;
 - 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 2023;
 - 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 2023;
 - iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 38 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 person or entity, 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 38 to the financial statements, no funds have been received by the Company from any person or entity, 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.

- v. The Company has not declared or paid any dividend during the year ended 31 March 2023; and
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Nikhil Vaid
Partner
Membership No.: 213356
UDIN: 23213356BGXLZK9063

Hyderabad
29 May 2023

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

Sd/-
S Ananthan
Partner
Membership No.: 026379
UDIN: 23036379BGXDAV4042

Bengaluru
29 May 2023

Annexure I referred to in Paragraph 12 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 2023

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 stock of units in completed projects and 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)

(a) The Company has provided loans to Others during the year as per details given below:

(₹ in millions)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount provided/granted during the year:				
- Others (*)	Nil	Nil	568.11	Nil
Balance outstanding as at balance sheet date in respect of above cases:				
- Others (*)	Nil	Nil	147.79	Nil

(*) includes Holding company and unrelated parties

- (b) In our opinion, and according to the information and explanations given to us, the terms and conditions of the grant of all loans are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us, loans granted by the Company amounting to ₹ 122.00 million, the schedule of repayment of principal and payment of interest has been stipulated and are not due for repayment currently. Further loans granted by the Company amounting to ₹ 25.79 million are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. Further, such loans and interest thereon have not been demanded for repayment as on date.

- (d) There is no amount which is overdue for more than 90 days in respect of loans amounting to ₹ 147.79 million granted to such companies, firms, LLPs or other parties.
- (e) The Company has not granted any loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans that existed as at the beginning of the year.
- (f) The Company has granted loans which are repayable on demand as per details below:

(₹ in millions)

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans			
- Repayable on demand (A)	396.11	396.11	Nil
- Agreement does not specify any terms or period of repayment (B)	Nil	Nil	Nil
Total (A+B)	396.11	396.11	Nil
Percentage of loans to the total loans	69.72%	69.72%	

- (iv) As the Company is engaged in providing infrastructural facilities as specified in Schedule VI of the Act, provisions of section 186 except sub-section (1) of the Act are not applicable to the Company. Further, the Company has not entered into any transaction covered under section 185 and 186(1) of the Act.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits 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, undisputed statutory dues including goods and services tax, income-tax and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. 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:

(₹ in millions)

Name of the statute	Nature of dues	Amount	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	2017-18	National Faceless Appeal Centre	
		Nil (*)	Nil	2015-16		

(*) 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 previously 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.

- (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, money raised by way of term loans were applied for the purposes for which these were obtained.
 - (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
 - (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 and on the basis of our examination of the records of the Company, 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 no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government 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) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (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 its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the 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.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred cash losses in the current financial year as well as 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: 23213356BGXLZK9063

Hyderabad
29 May 2023

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

Sd/-
S Ananthan
Partner
Membership No.: 026379
UDIN: 23036379BGXDAV4042

Bengaluru
29 May 2023

Annexure II to 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 2023

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 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance 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.

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 2023, 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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-

Nikhil Vaid
Partner
Membership No.: 213356
UDIN: 23213356BGXLZK9063

Hyderabad
29 May 2023

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

Sd/-

S Ananthan
Partner
Membership No.: 026379
UDIN: 23036379BGXDAV4042

Bengaluru
29 May 2023

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 2023
 (All amounts in ₹ million, unless otherwise stated)

	Note	As at 31 March 2023	As at 31 March 2022
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	2.01	3.63
(b) Financial assets			
(i) Other financial assets	3	0.03	0.21
(c) Non-current tax assets (net)	4	28.72	5.51
Total non-current assets		30.76	9.35
Current assets			
(a) Inventories	5	643.75	2,850.65
(b) Financial assets			
(i) Investments	6	6.97	-
(ii) Trade receivables	7	23.67	96.20
(iii) Cash and cash equivalents	8	38.09	49.55
(iv) Loans	9	147.79	-
(v) Other financial assets	10	70.31	97.63
(c) Other current assets	11	121.98	211.38
Total current assets		1,052.56	3,305.41
Total assets		1,083.32	3,314.76
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	0.10	0.10
(b) Other equity	13	(36.08)	(17.21)
Total equity		(35.98)	(17.11)
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	284.06	337.87
(ii) Trade payables	15		
(a) Total outstanding dues of micro and small enterprises		14.93	6.67
(b) Total outstanding dues of creditors other than (ii) (a) above		118.03	110.72
(iii) Other financial liabilities	16	30.91	7.56
(b) Current tax liabilities (net)	17	11.50	11.50
(c) Other current liabilities	18	659.87	2,857.55
Total current liabilities		1,119.30	3,331.87
Total equity and liabilities		1,083.32	3,314.76

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

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

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

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

sd/-
Nikhil Vaid
 Partner
 Membership No.: 213356

 Hyderabad
 29 May 2023

sd/-
S Ananthan
 Partner
 Membership No.: 026379

 Bengaluru
 29 May 2023

sd/-
Rajesh Y Shirwatkar
 Director
 DIN: 02882293

 Bengaluru
 29 May 2023

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

 Bengaluru
 29 May 2023

Shriprop Projects Private Limited
Statement of Profit and Loss for the year ended 31 March 2023
(All amounts in ₹ million, unless otherwise stated)

	Note	Year ended 31 March 2023	Year ended 31 March 2022
Revenue			
Revenue from operations	19	2,625.39	102.16
Other income	20	28.42	11.98
Total income		2,653.81	114.14
Expenses			
Material and contract cost		318.90	350.49
Changes in inventories	21	2,206.90	(338.51)
Finance costs	22	67.69	71.17
Depreciation expense	2	0.52	7.89
Impairment losses	23	32.17	1.22
Other expenses	24	46.50	23.59
Total expenses		2,672.68	115.85
Loss before tax		(18.87)	(1.71)
Tax expense	25	-	-
Loss after tax		(18.87)	(1.71)
Other comprehensive income		-	-
Total comprehensive loss for the year		(18.87)	(1.71)
Loss per equity share	26		
Basic and diluted (₹)		(1,887.00)	(171.00)

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

For Abarna & Ananthan

Chartered Accountants

Firm's Registration No.: 000003S

For and on behalf of the Board of Directors of

Shriprop Projects Private Limited

sd/-

Nikhil Vaid

Partner

Membership No.: 213356

Hyderabad

29 May 2023

sd/-

S Ananthan

Partner

Membership No.: 026379

Bengaluru

29 May 2023

sd/-

Rajesh Y Shirwatkar

Director

DIN: 02882293

Bengaluru

29 May 2023

sd/-

K.R. Ramesh

Director

DIN: 02058969

Bengaluru

29 May 2023

Shriprop Projects Private Limited
Statement of Cash Flows for the year ended 31 March 2023
(All amounts in ₹ million, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flow from operating activities		
Loss before tax	(18.87)	(1.71)
Adjustments to reconcile loss before tax to net cash flows		
Depreciation expense	0.52	7.89
Finance costs	67.69	71.17
Impairment losses	32.17	1.22
Profit on sale of property, plant and equipment	(6.79)	(4.14)
Gain arising from financial instruments designated as FVTPL	(0.23)	-
Interest income	(0.67)	-
Operating profit before working capital changes	73.82	74.43
Working capital adjustments:		
Decrease / (Increase) in inventories	2,206.90	(338.51)
Decrease in trade receivables	70.36	141.62
Decrease / (increase) in loans and other assets	90.01	(46.38)
Increase / (decrease) in trade payables	15.57	(1.75)
(Decrease) / increase in other liabilities	(2,174.33)	213.13
Cash flow generated from operations	282.33	42.54
Income tax paid (net)	(23.21)	(0.77)
Net cash flow generated from operating activities	259.12	41.77
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(0.29)	-
Proceeds from sale of property, plant and equipment	8.18	7.07
Loan to related parties	(25.79)	-
Loan to other body corporates	(122.00)	-
Interest income received	0.67	-
Purchase of mutual funds	(6.74)	-
Net cash flow (used in) / generated from investing activities	(145.97)	7.07
C. Cash flows from financing activities		
Proceeds from borrowings	330.00	-
Repayment of borrowings	(34.78)	-
(Redemption of) / proceeds from non-convertible debentures	(350.00)	25.00
Loans availed from related parties (net)	-	21.90
Finance cost paid	(69.83)	(68.43)
Net cash used in financing activities	(124.61)	(21.53)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(11.46)	27.31
Cash and cash equivalents at the beginning of the year	49.55	22.24
Cash and cash equivalents at the end of the year (Refer Note 8)	38.09	49.55

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

Particulars	As at 1 April 2021	Cash flow	Non cash changes		As at 31 March 2022
			Accrued interest & amortisation of transaction cost	Waiver of loan balance by the Holding company (refer note13)	
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

Particulars	As at 1 April 2022	Cash flow	Non cash changes		As at 31 March 2023
			Accrued interest & amortisation of transaction cost		
Non-convertible debentures	337.87	(350.00)	12.13	-	-
Term loan from others	-	295.22	(11.16)	-	284.06
Total	337.87	(54.78)	0.97	-	284.06

As per our report of even date

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

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

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

sd/-
Nikhil Vaid
Partner
Membership No.: 213356
Hyderabad
29 May 2023

sd/-
S Ananthan
Partner
Membership No.: 026379
Bengaluru
29 May 2023

sd/-
Rajesh Y Shirwatkar
Director
DIN: 02882293
Bengaluru
29 May 2023

sd/-
K.R. Ramesh
Director
DIN: 02058969
Bengaluru
29 May 2023

Shriprop Projects Private Limited
Statement of Changes in Equity for the year ended 31 March 2023
(All amounts in ₹ million, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at 01 April 2021	0.10
Changes in equity share capital during the year	-
Balance as at 31 March 2022	0.10
Changes in equity share capital during the year	-
Balance as at 31 March 2023	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 2021	(86.35)	-	-	(86.35)
Loss for the year	(1.71)	-	-	(1.71)
Measurement of below market rate financial instruments at fair value (*)	-	6.25	-	6.25
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)
Loss for the year	(18.87)	-	-	(18.87)
Balance as at 31 March 2023	(106.93)	6.25	64.60	(36.08)

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

(^) Represents the waiver of loan by the Holding company during the year. Refer note 13

As per our report of even date attached.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's 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

sd/-
S Ananthan
Partner
Membership No.: 026379

sd/-
Rajesh Y Shirwatkar
Director
DIN: 02882293

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

Hyderabad
29 May 2023

Bengaluru
29 May 2023

Bengaluru
29 May 2023

Bengaluru
29 May 2023

Shriprop Projects Private Limited

Notes to the financial statements for the year ended 31 March 2023

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 at No. 31, 2nd Main Road, T. Chowdaiah Road, Sadashivanagar, Bengaluru- 560080, 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 2023 were authorized and approved for issue by the Board of Directors on 29 May 2023.

b. Basis of preparation of financial statements

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

Going concern:

As at 31 March 2023, the Company has accumulated losses aggregated to ₹ 106.93 million. The Company has been generating operating cash flows from their operation. Further, based on of the long-term business strategy and business plan, duly approved by the Board of Directors, the Company will continue to generate positive cash flows going forward. 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 is satisfied that there are no events or conditions that may cast a significant doubt on the ability of the Company to continue as a going concern and hence the assets and liabilities have been recorded in the financial statements on the basis that the Company will be able to realize its assets and discharge its liabilities, in the normal course of business.

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.

d. Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023. The Company has evaluated the amendment and the impact of the amendment is expected to be immaterial upon the financial statements.

e. 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.

1.2 Significant accounting policies (contd.)

f. 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.

g. Revenue recognition

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

Revenue is recognised on satisfaction of performance obligation upon transfer of control of residential units to customers in an amount that reflects the consideration the 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 contracts with customers

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

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

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

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

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

Interest income

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

Commission income

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

h. 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.

1.2 Significant accounting policies (contd.)

i. 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.

j. 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.

k. 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.

l. 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 are 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.

m. 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.

1.2 Significant accounting policies (contd.)

n. 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 recognised as a finance cost.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised 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 recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

o. Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value, except trade receivables which are initially measured at transaction price. 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.

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.

p. 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.

1.2 Significant accounting policies (contd.)

q. 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 recognised 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 recognised less cumulative amortization.

r. 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.

s. 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.

t. 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.

u. 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 realisable value of inventory involves estimates based on prevailing market conditions, current prices and expected date of commencement and completion of the project, the estimated future selling price, cost to complete projects and selling cost.
- c. 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
Notes to the financial statements for the year ended 31 March 2023
(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 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
Additions	0.29	-	-	-	0.29
Disposals	-	-	(18.94)	-	(18.94)
At 31 March 2023	0.62	3.97	1.26	0.09	5.94
Accumulated depreciation					
Upto 01 April 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
Charge for the year	0.02	0.49	0.01	-	0.52
Adjustments for disposals	-	-	(17.55)	-	(17.55)
Upto 31 March 2023	0.34	2.85	0.65	0.09	3.93
Carrying amount (net)					
At 31 March 2022	0.01	1.61	2.01	-	3.63
At 31 March 2023	0.28	1.12	0.61	-	2.01

(*) Includes depreciation inventorized amounting to ₹ Nil (31 March 2022: ₹ 7.37 million) during the year ended 31 March 2023.

Note

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 2023 and 31 March 2022.

c. Property, plant and equipment pledged as security

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

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

Shriprop Projects Private Limited
Notes to the financial statements for the year ended 31 March 2023
(All amounts in ₹ million, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
3 Other financial assets		
Non-current		
(Unsecured, considered good)		
Security deposits	0.03	0.21
	0.03	0.21
4 Non-current tax assets (net)		
Advance tax, net of provision for income tax	28.72	5.51
	28.72	5.51
5 Inventories (*)		
(Valued at cost or Net realisable value, which ever is lower)		
Properties under development	198.59	2,850.65
Properties held for sale	445.16	-
	643.75	2,850.65
(*) Details of assets pledged are as per note no.27		
6 Investments		
Current		
Investments carried at fair value through profit or loss (FVTPL)		
Investment in mutual fund		
217,837 units (31 March 2022: Nil) in Aditya Birla Sunlife Medium Term Plan - Growth Regular	6.97	-
	6.97	-
Aggregate amount of quoted investments and market value thereof	6.97	-
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-
7 Trade receivables (*)		
Trade receivables	23.67	96.20
	23.67	96.20
Break up of security details		
Trade receivables considered good - secured	11.65	96.20
Trade receivables considered good - unsecured	12.02	-
	23.67	96.20

(*) Details of assets pledged are as per note no.27

Trade receivables aging as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	9.15	4.94	8.42	1.16	-	23.67

Trade receivables aging as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	71.00	16.52	8.68	-	-	96.20

	As at 31 March 2023	As at 31 March 2022
8 Cash and cash equivalents		
Cash on hand	0.54	0.59
Balances with banks (*)		
In escrow accounts	3.94	31.89
In current accounts	33.61	17.07
	38.09	49.55

(*) Details of assets pledged are as per note no.27

Note:

The Company had available ₹ Nil (31 March 2022: ₹ 50.00 million) of undrawn committed borrowing facilities

Shriprop Projects Private Limited
Notes to the financial statements for the year ended 31 March 2023
(All amounts in ₹ million, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022		
9 Loans				
Current				
Loan to related parties (refer note 35)	25.79	-		
Loan to others	122.00	-		
	147.79	-		
Details of loans - unsecured				
Loan receivables considered good	147.79	-		
	147.79	-		
Loans and advances to Directors / KMP / Related parties repayable on demand				
	As at 31 March 2023	As at 31 March 2022		
Type of borrower	Amount outstanding	Percentage of total	Amount outstanding	Percentage of total
Promoter	25.79	17.45%	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related parties	-	-	-	-
	25.79	17.45%	-	-
			As at 31 March 2023	As at 31 March 2022
10 Other financial assets				
Current				
Refundable deposit to land owner			100.00	96.89
Other receivables			0.31	0.74
			100.31	97.63
Less: Provision for doubtful receivables			(30.00)	-
			70.31	97.63
11 Other current assets				
Advances other than capital advances				
Other advances				
Advances for purchase of goods and rendering services			66.45	92.89
Other receivables from land owner			-	14.99
Others				
Unbilled revenue			31.47	18.41
Balance with government authorities			7.43	15.85
Prepaid expenses			16.63	69.24
			121.98	211.38

Shriprop Projects Private Limited
Notes to the financial statements for the year ended 31 March 2023
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12 Equity share capital	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
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

Equity shares	31 March 2023		31 March 2022	
	Number	Amount	Number	Amount
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. 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.

c. Details of shareholder holding more than 5% share capital and shares held the Holding company and promoters

Name of equity shareholder	31 March 2023		31 March 2022	
	Number	% of holding (*)	Number	% of holding
Shriram Properties Limited (Holding Company) (^)	10,000	100%	10,000	100%

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

(*) there has been no change in the percentage of shares held by the promoters during the reporting periods

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 year 31 March 2023. The Company does not have any shares reserved for issue under

13 Other equity	As at 31 March 2023	As at 31 March 2022
	Measurement of below market rate financial instruments at fair value	6.25
Deemed capital contribution	64.60	64.60
Retained earnings	(106.93)	(88.06)
	(36.08)	(17.21)

Nature of reserves

(a) Measurement of below market rate financial instruments at fair value

Represents accounting for corporate guarantee provided by the Holding company

(b) Deemed capital contribution

During the previous year, 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. 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 'Deemed Capital Contribution' and recorded directly in the equity as it is arising out of transaction with shareholders.

(c) Retained earnings

Retained earnings represents the accumulated undistributed earnings of the Company as at balance sheet date

14 Borrowings (*)	As at 31 March 2023	As at 31 March 2022
	Current	
Secured		
From others	284.06	-
Debentures		
Series A, 16.25%, Nil (31 March 2022: 325), redeemable non-convertible debentures of ₹ 1,000,000 each	-	337.87
	284.06	337.87

Note:

- The Company has utilized the proceeds from borrowings 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

Notes to the financial statements for the year ended 31 March 2023

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14 Borrowings (continued)

Disclosure of Security

SI.No	Particulars	Nature of security	Repayment details	Effective interest rate	31 March 2023	31 March 2022
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
		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.				
2	Term loan from Others					
	Arka Fincap Limited	a) First and exclusive charge over land and buildings & structures thereon and hypothecation of receivables from the project 'Southern crest' located at Bengaluru, Karnataka.	12 Quarters from the date of first draw down, i.e. 22 September 2022 after a moratorium period of 2 quarters from the date of first disbursement	12.25% - 13.00%	295.22	-
		b) First exclusive charge by way of mortgage by deposit of title deeds (and registration thereof) on 10 acres of the land of Bengal Shriram Hitech City Private Limited, Uttarpara, West Bengal.				
		c) Corporate Guarantee of Bengal Shriram Hitech City Private Limited, Fellow subsidiary company.				
	Unamortised loan processing fees				(11.16)	(7.99)
	Unamortised guarantee premium				-	(4.14)
					284.06	337.87
					284.06	337.87

Shriprop Projects Private Limited
Notes to the financial statements for the year ended 31 March 2023
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15 Trade payables	As at	As at
	31 March 2023	31 March 2022
Total outstanding due of micro enterprises and small enterprises (refer note below)	14.93	6.67
Total outstanding due of creditors other than micro enterprises and small enterprises	118.03	110.72
	132.96	117.39

Note: Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	31 March 2023	31 March 2022
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; (#)		
- Principal	16.29	6.57
- Interest	0.27	0.19
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	0.27	0.19
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 15 and 16 to the financial statements

Trade Payables ageing schedule:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
MSME	7.38	3.90	2.73	0.92	14.93
Others	81.48	6.92	18.21	11.42	118.03
As at 31 March 2022					
MSME	3.34	1.00	2.33	-	6.67
Others	80.42	20.23	10.07	-	110.72

16 Other financial liabilities	As at	As at
	31 March 2023	31 March 2022
Current		
Other payable to Land owner	15.37	-
Refund due to customers	4.54	-
Other payables (^)	11.00	7.56
	30.91	7.56

(^*) Includes ₹ 1.63 million (31 March 2022: ₹ 0.09 million) towards payable to Micro and Small Enterprises

17 Current tax liabilities (net)	As at	As at
	31 March 2023	31 March 2022
Provision for income tax, net of advance tax and tax deducted at source	11.50	11.50
	11.50	11.50

18 Other current liabilities	As at	As at
	31 March 2023	31 March 2022
Revenue received in advance	563.68	2,696.93
Others		
Statutory dues payable	1.61	2.36
Payable to land owner(*)	94.58	158.26
	659.87	2,857.55

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

Shriprop Projects Private Limited
Notes to the financial statements for the year ended 31 March 2023
(All amounts in ₹ million, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
19 Revenue from operations (\$)		
a Sale of constructed / developed properties	2,620.51	101.35
b Other operating income		
Transfer fees	2.19	0.59
Holding charges	2.15	-
Others	0.54	0.22
	4.88	0.81
	2,625.39	102.16
(\$) Disaggregated revenue information		
- Revenue recognised at a point of time	4.88	0.81
- Revenue recognised over a period of time	2,620.51	101.35
	2,625.39	102.16
20 Other income		
Interest income on		
- loan given to body corporates	0.67	-
Gain arising from financial instruments designated as FVTPL	0.23	-
Profit on sale of property, plant and equipment	6.79	4.14
Commission income	20.73	7.84
	28.42	11.98
21 Changes in inventories		
Inventory at the beginning of the year	2,850.65	2,512.14
Inventory at the end of the year	643.75	2,850.65
	2,206.90	(338.51)
22 Finance costs (*)		
Finance expense:		
Interest expense		
- term loans	20.91	-
- on non-convertible debentures	27.63	55.31
- on loan from related party (refer note 35)	-	9.92
- on others	-	0.54
Interest on MSME (refer note 15)	0.08	0.03
Loan processing charges	14.54	3.30
Loan foreclosure charges	3.50	-
Guarantee commission expense (refer note 35)	4.14	2.07
	70.80	71.17
Finance income:		
Unwinding of discount relating to refundable security deposits	3.11	-
	3.11	-
Finance cost, net	67.69	71.17
(*) Includes finance expense inventorized amounting to ₹ 56.76 million (31 March 2022: ₹ 70.60 million) during the year ended 31 March 2023		
23 Impairment losses		
Impairment losses in value of other financial assets	32.17	1.22
	32.17	1.22

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Notes to the financial statements for the year ended 31 March 2023
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	Year ended 31 March 2023	Year ended 31 March 2022
24 Other expenses (*)		
Rent	0.72	-
Legal and professional charges (^)	6.70	3.64
Power and fuel expenses	4.49	1.38
Printing and stationery	0.08	0.03
Rates and taxes	0.45	0.66
Repairs and maintenance	1.55	0.43
Advertisement and sales promotion expenses	19.24	6.72
Traveling and conveyance expenses	0.06	0.02
Insurance expenses	0.71	0.50
Manpower supply charges	6.06	5.49
Security expenses	2.39	0.43
Compensation paid	-	3.40
Miscellaneous expenses	4.05	0.89
	46.50	23.59

(*) Includes expenses inventorised amounting to ₹ 14.24 million (31 March 2022: ₹ 7.67 million)

(^) Payment to auditor (on accrual basis, excluding GST) [included in legal and professional charges]

As Auditor

-Statutory audit fee	0.70	0.70
-Tax audit fee	0.10	0.10
	0.80	0.80

25 Income tax

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 2022: 25.17%) and the reported tax expense in profit or loss are as follows:

Reconciliation of effective tax rate

Accounting loss before tax	(18.87)	(1.71)
Effective tax rate in India	25.17%	25.17%
At India's statutory income tax rate	(4.75)	(0.43)
Adjustments:		
Unrecorded deferred tax asset on current year other temporary differences	6.76	(1.04)
Utilisation of brought forward losses of previous year on which deferred tax asset was not created	(3.07)	-
Unrecorded deferred tax asset on current year business losses	-	0.81
Tax effect of non-deductible expenses	1.06	0.66
Income tax expense	-	-

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 ₹ 59.47 million as at 31 March 2023 (₹ 70.31 million as at 31 March 2022), on which deferred tax asset is not recognised.

26 Loss per share (EPS)

	Year ended 31 March 2023	Year ended 31 March 2022
Weighted average number of shares outstanding during the year	10,000	10,000
Net loss attributable to equity shareholders	(18.87)	(1.71)
Loss per share (₹):		
Basic and diluted	(1,887.00)	(171.00)
Nominal value- ₹ 10 per equity share		

27 Assets pledged as security

The carrying amounts of assets pledged are:

Current assets

Financial assets (First charge)

Trade receivables	23.67	96.20
Balance with banks in escrow accounts	3.94	31.89

Non-financial assets (First charge)

Inventories	643.75	2,850.65
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Total assets pledged as security

	671.36	2,978.74
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Notes to the financial statements for the year ended 31 March 2023
(All amounts in ₹ million, unless otherwise stated)

28 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2023 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Investments	6	6.97	-	-	6.97	6.97
Security deposits	3	-	-	0.03	0.03	0.03
Trade receivables	7	-	-	23.67	23.67	23.67
Cash and cash equivalents	8	-	-	38.09	38.09	38.09
Loans	9	-	-	147.79	147.79	147.79
Other financial assets	10	-	-	70.31	70.31	70.31
Total financial assets		6.97	-	279.89	286.86	286.86
Financial liabilities :						
Borrowings	14	-	-	284.06	284.06	284.06
Trade payables	15	-	-	132.96	132.96	132.96
Other financial liabilities	16	-	-	30.91	30.91	30.91
Total financial liabilities		-	-	447.93	447.93	447.93

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	7	-	-	96.20	96.20	96.20
Cash and cash equivalents	8	-	-	49.55	49.55	49.55
Other financial assets	10	-	-	97.63	97.63	97.63
Total financial assets		-	-	243.59	243.59	243.59
Financial liabilities :						
Borrowings	14	-	-	337.87	337.87	337.87
Trade payables	15	-	-	117.39	117.39	117.39
Other financial liabilities	16	-	-	7.56	7.56	7.56
Total financial liabilities		-	-	462.82	462.82	462.82

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. Measurement of fair value of financial instruments

The Company's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialist for complex valuations, wherever necessary. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

Investment in mutual funds

The fair values of mutual funds are measured with reference to the fair value of the underlying assets.

The following table shows the fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 March 2023 and 31 March 2022:

31 March 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in mutual funds	6.97	-	-	6.97
31 March 2022				
Financial assets				
Investment in mutual funds	-	-	-	-

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29 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 2023	31 March 2022
Low credit risk	Cash and cash equivalents and secured trade receivables	Life time expected credit loss	49.74	145.75
High credit risk	Other financial assets & Loans	Life time expected credit loss or fully provided for	260.15	97.84

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

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

Credit risk exposure

Provision for expected credit losses

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

31 March 2023

Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment
Trade receivables	23.67	-	23.67
Security deposit	0.03	-	0.03
Cash and cash equivalents	38.09	-	38.09
Loans	147.79	-	147.79
Other financial assets	100.31	30.00	70.31

31 March 2022

Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment
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

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.

Reconciliation of loss allowance provision - Other financial assets

	Other financial assets
Loss allowance on 1 April 2021	-
Allowance for expected credit loss	-
Loss allowance on 31 March 2022	-
Allowance for expected credit loss	30.00
Loss allowance on 31 March 2023	30.00

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29 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 analyse 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 2023	Less than 1 year	1 year to 5 years	5 years and above	Total	Carrying amount
Non-derivatives					
Borrowings	40.98	328.18	-	369.16	284.06
Trade payables	92.67	40.29	-	132.96	132.96
Other financial liabilities	30.91	-	-	30.91	30.91
Total	164.56	368.47	-	533.03	447.93

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

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.

Particulars	31 March 2023	31 March 2022
Variable rate borrowing	295.22	-
Fixed rate borrowing	-	350.00
Total borrowings	295.22	350.00

Interest rate risk

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	31 March 2023	31 March 2022
Interest rates – increase by 50 basis points (50 bps)	(0.84)	-
Interest rates – decrease by 50 basis points (50 bps)	0.84	-

30 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 2023 and 31 March 2022.

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31 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 2023	31 March 2022
Short term borrowings	284.06	337.87
Less : Cash and cash equivalents	(38.09)	(49.55)
Net debt	245.97	288.32
Total equity	(35.98)	(17.11)
Gearing ratio	(6.84)	(16.85)

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

(ii) Debt is defined long term and short term borrowings and current maturities of non-current borrowings

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 2023 and 31 March 2022.

32 Other commitments and contingencies

Claims against the Company not acknowledged as debts

Income tax matters

24.23

Nil

During the current year and earlier years, the Income Tax Authorities have disputed certain allowances claimed/ incomes offered by the Company and resultant carry forward of business losses pertaining to assessment year 2016-17 and 2018-19. The Company is contesting these 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 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.

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

34 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.

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35 Related party disclosures

	Nature of relationship
(i) Parties exercising control	
Shriram Properties Limited	Holding company
(ii) Key management personnel	
K. R. Ramesh	Director
Krishna Veeraraghavan	Director
Rajesh Yashwant Shirwatkar	Director
(iii) Other related parties	
Bengal Shriram Hitech City Private Limited	Fellow subsidiary
Shriprop Developers Private Limited	Fellow subsidiary
Shriprop Builders Private Limited	Fellow subsidiary
Shrivision Homes Private Limited	Fellow subsidiary
Shriprop Structures Private Limited	Fellow subsidiary
Shriprop Properties Private Limited	Joint venture of Holding company
Shriprop Living Space Private Limited	Joint venture of Holding company
SPL Towers Private Limited	Joint venture of Holding company

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

Name of the related party	Nature of balance	As at	
		31 March 2023	31 March 2022
Shriram Properties Limited	Loans given	25.79	-
	Guarantee received	-	400.00
Bengal Shriram Hitech City Private Limited	Security received	102.66	-

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

Name of the related party	Nature of transaction	Year ended	
		31 March 2023	31 March 2022
Shriram Properties Limited	Loan taken	-	96.45
	Loan repaid	-	74.54
	Loan given	396.11	-
	Loan given, repaid	370.32	-
	Loan balance waived by the Holding company	-	64.60
	Interest expense	-	9.92
	Guarantee commission expense	4.14	2.07
	Guarantee released	400.00	-
Bengal Shriram Hitech City Private Limited	Security received	102.66	-
	Cross charge of marketing expense	0.09	0.54
Shriprop Developers Private Limited	Sale of shuttering material	0.24	0.42
	Cross charge of marketing expense	-	0.15
Shriprop Builders Private Limited	Sale of shuttering material	-	0.24
	Purchase of lift	0.24	-
Shrivision Homes Private Limited	Sale of shuttering material	-	0.13
Shriprop Structures Private Limited	Cross charge of marketing expense	0.06	0.49
Shriprop Properties Private Limited	Sale of shuttering material	1.01	1.71
Shriprop Living Space Private Limited	Sale of shuttering material	6.73	3.61
	Cross charge of marketing expense	-	0.15
SPL Towers Private Limited	Sale of shuttering material	-	4.56
	Cross charge of marketing expense	-	0.15

Shriprop Projects Private Limited
Notes to the financial statements for the year ended 31 March 2023
(All amounts in ₹ million, unless otherwise stated)

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

A. Reconciliation of revenue recognised with contract revenue:

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contract revenue		
Sale of constructed / developed properties	2,620.51	101.35
Commission income	20.73	7.84
Revenue recognised	2,641.24	109.19

B. Contract balances

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

Particulars	As at 31 March 2023	As at 31 March 2022
Contract assets		
Unbilled revenue	31.47	18.41
Total contract assets	31.47	18.41
Contract liabilities		
Advance from customers	563.68	2,696.93
Payable to land owner	94.58	158.26
Total contract liabilities	658.26	2,855.19
Receivables		
Trade receivables	23.67	96.20
Total receivables	23.67	96.20

Contract asset is the right to consideration that is conditional upon factors other than the passage of time. Contract assets are initially recognised for revenue earned from property under development rendered but yet to be billed to customers. Upon billing of invoice, the amounts recognised 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 2023		As at 31 March 2022	
	Contract liabilities		Contract liabilities	
	Advance from customers	Payable to land owner	Advance from customers	Payable to land owner
Opening balance	2,696.93	158.26	2,379.35	255.12
Additions /adjustments during the year	422.22	-	317.58	-
Revenue recognised during the year	(2,555.47)	(63.68)	-	(96.86)
Closing balance	563.68	94.58	2,696.93	158.26

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

Particulars	Unbilled revenue	
	As at 31 March 2023	As at 31 March 2022
Opening balance	18.41	22.27
Commission income recognised during the year	20.73	7.84
Revenue recognised during the year	1.36	4.49
Amount billed during the year	(9.03)	(16.19)
Closing balance	31.47	18.41

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 instalment 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 2023 is ₹ 720.52 million (31 March 2022 is ₹ 3,261.86 million). The same is expected to be recognised within 1 to 4 years.

Shriprop Projects Private Limited
Notes to the financial statements for the year ended 31 March 2023
(All amounts in ₹ million, unless otherwise mentioned)

37 Ratios required as per Schedule III requirements

Ratio Name	Numerator	Denominator	Ratio (2022-23)	Ratio (2021-22)	% of change	Explanation
Current Ratio	Current Assets	Current Liabilities	0.94	0.99	-5.21%	NA
Debt Equity Ratio	Total Debt	Shareholders equity	(7.89)	(19.75)	-60.02%	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)	1.12	1.15	-2.51%	NA
Return on Equity Ratio	Net profit after taxes	Average shareholders equity	NA	NA	NA	NA
Inventory Turnover ratio	Cost of revenue	Average Inventory	1.45	0.04	3712.14%	refer note - b
Trade Receivables Turnover Ratio	Revenue from operations excluding other operating revenue	Average trade receivables	43.80	0.61	7061.02%	refer note - b
Trade payables Turnover Ratio	Material and contract cost	Average trade Payables	2.55	2.96	-14.03%	NA
Net Capital Turnover Ratio	Revenue from operations	Working capital (Current assets - Current liabilities)	(39.34)	(3.86)	918.86%	refer note - b
Net Profit Ratio	Net profit after taxes	Revenue from operations	(0.01)	(0.02)	-57.06%	refer note - c
Return on Capital Employed	EBIT	Capital employed (Net worth + Total Debt - Deferred tax asset)	0.32	0.24	28.63%	refer note - c

Note

- The increase is on account of repayment of debt during the current year.
- The improvement in the inventory turnover ratio, trade receivables turnover ratio and net capital turnover ratio is on account of recognition of revenue from sale of constructed properties to customers during the current year, as the registration process in commenced for a portion of the project.
- Though the company earned profit during the year through first time revenue recognition from the project, due to impairment recorded in certain receivables, the company has incurred a net loss. This has resulted in decrease in net profit ratio and return on capital employed.

Shriprop Projects Private Limited
Notes to the financial statements for the year ended 31 March 2023
(All amounts in ₹ million, unless otherwise mentioned)

38 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.

39 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2023 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's Registration
No.:001076N/N500013

sd/-

Nikhil Vaid

Partner

Membership No.: 213356

Hyderabad
29 May 2023

For Abarna & Ananthan

Chartered Accountants
Firm's Registration
No.: 000003S

sd/-

S Ananthan

Partner

Membership No.: 026379

Bengaluru
29 May 2023

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

sd/-

Rajesh Y Shirwatkar

Director

DIN: 02882293

Bengaluru
29 May 2023

sd/-

K.R. Ramesh

Director

DIN: 02058969

Bengaluru
29 May 2023