

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
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## Independent Auditor's Report

To the Members of Bengal Shriram Hitech City Private Limited

## Report on the Audit of the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of Bengal Shriram Hitech City Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its loss (financial performance 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 is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Board of 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 do not express any form of assurance conclusion thereon.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with Identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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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.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management for the Financial Statements

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibility for Audit of Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism 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 system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



*Signature*

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on Other Legal and Regulatory Requirements

10. The provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
11. As required by the Companies (Auditor's Report) Order, 2016 ("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.
12. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the 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 is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
  - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 28 June 2019 as per Annexure II expressed 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 37 to the financial statements, has disclosed the impact of pending litigations on financial position as at 31 March 2019;



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- 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 2019;
- 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 2019; and
- iv. the disclosure requirements relating to holdings as well as dealing in specified bank notes were applicable for the period from 08 November 2016 to 30 December 2016 which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No.: 108840

Mumbai

28 June 2019



# Walker Chandio & Co LLP

**Annexure I to the Independent Auditor's Report of even date to the members of Bengal Shriram Hitech City Private Limited, on the financial statements for the year ended 31 March 2019**

## **Annexure I**

### **Independent Auditor's Report on the Companies (Auditor's Report) Order, 2016 ('the Order') under Sub-section 11 of Section 143 of the Companies Act, 2013 ('the Act')**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) The company is primarily engaged in the business of real estate development and related services and holds inventories only in the form of land and properties under development. Thus, paragraph 3(ii) of the order is not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) 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/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.



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# Walker Chandiok & Co LLP

## Annexure I to the Independent Auditor's Report of even date to the members of Bengal Shriram Hitech City Private Limited, on the financial statements for the year ended 31 March 2019

- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been slight delay in few cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

### Statement of arrears of statutory dues outstanding for more than six months

Name of the Statute	Nature of the dues	Amount (₹ in millions)	Period to which the amount relates	Due Date	Date of Payment
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	0.03	May 2019	15 June 2018	17 April 2019

- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, goods and services tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

### Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in million)	Amount paid under Protest (₹ in million)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	0.56	-	AY 2012-13	Income Tax Appellate Tribunal, Bangalore
The Income Tax Act, 1961	Income Tax	0.03	-	AY 2013-14	Income Tax Appellate Tribunal, Bangalore
The Income Tax Act, 1961	Income Tax	Nil*	-	AY 2014-15	Income Tax Appellate Tribunal, Bangalore

\*No tax liability, however the disallowance is under appeal.

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.



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# Walker Chandiok & Co LLP

## Annexure I to the Independent Auditor's Report of even date to the members of Bengal Shriram Hitech City Private Limited, on the financial statements for the year ended 31 March 2019

- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the company since the company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No: 001076N/N500013

Adi P. Sethna

Partner

Membership No: 108840

Mumbai

28 June 2019



# Walker Chandiook & Co LLP

**Annexure II to the Independent Auditor's Report of even date to the members of Bengal Shriram Hitech City Private Limited on the financial statements for the year ended 31 March 2019**

## **Annexure II**

### **Independent Auditor's Report on the Internal Financial Controls 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 Bengal Shriram Hitech City Private Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR 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') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, 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 IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 IFCoFR.



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**Annexure II to the Independent Auditor's Report of even date to the members of Bengal Shriram Hitech City Private Limited on the financial statements for the year ended 31 March 2019**

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

6. A company's IFCoFR 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 IFCoFR 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 over Financial Reporting**

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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 over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on audit of Interim 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

  
**Adi P. Sethna**

Partner

Membership No.: 108840

Mumbai

28 June 2019





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**Bengal Shriram Hitech City Private Limited**  
**Regd office: 40/43, 8th Main, 4th Cross, Sadashivnagar, Bangalore-560080**  
**CIN: U45203KA2006PTC040975**  
**Email ID: companysecretary@shriramproperties.com**

**Balance Sheet as at 31 March 2019**  
**(All amounts in ₹ millions, unless otherwise stated)**

	Note	As at 31 March 2019	As at 31 March 2018 (Restated)	As at 1 April 2017 (Restated)
<b>I ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	2	108.08	122.64	4.15
(b) Other intangible assets	3	0.05	0.22	0.41
(c) Financial assets				
(i) Investments	4	10.89	-	-
(ii) Loans	5A	2.67	2.56	1.10
(iii) Other financial assets	6	-	17.37	0.37
(d) Non-current tax assets (net)	7	4.82	4.62	4.26
(e) Other non-current assets	8A	31.08	19.08	17.98
<b>Total non-current assets</b>		<b>157.59</b>	<b>166.49</b>	<b>28.27</b>
<b>Current assets</b>				
(a) Inventories	9	5,619.69	4,651.66	4,147.08
(b) Financial assets				
(i) Trade receivables	10	262.73	11.06	-
(ii) Cash and cash equivalents	11	132.95	14.13	90.01
(iii) Bank balances other than (ii) above	12	131.83	-	4.00
(iv) Loans	5B	2.20	1.01	2.11
(c) Other current assets	8B	350.43	311.12	114.94
<b>Total current assets</b>		<b>6,499.83</b>	<b>4,988.98</b>	<b>4,358.14</b>
<b>TOTAL ASSETS</b>		<b>6,657.42</b>	<b>5,155.47</b>	<b>4,386.41</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	13	493.65	493.65	493.65
(b) Other equity	14	1,436.85	1,630.25	1,785.98
<b>Total equity</b>		<b>1,930.50</b>	<b>2,123.90</b>	<b>2,279.63</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	15A	0.72	0.37	-
(b) Provisions	16A	2.78	1.84	1.23
<b>Total non-current liabilities</b>		<b>3.50</b>	<b>2.21</b>	<b>1.23</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	15B	2,017.02	2,312.04	1,674.95
(ii) Trade payables	17			
a. Total outstanding due of micro and small enterprises		0.71	-	-
b. Total outstanding dues other than (ii)a above		115.19	174.01	17.34
(iii) Other financial liabilities	18	659.69	18.05	8.89
(b) Provisions	16B	0.70	1.11	1.45
(c) Other current liabilities	19	1,930.11	524.15	402.92
<b>Total current liabilities</b>		<b>4,723.42</b>	<b>3,029.36</b>	<b>2,105.55</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,657.42</b>	<b>5,155.47</b>	<b>4,386.41</b>

**Significant accounting policies**

1.2

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

As per report of even date.

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No.: 108840

Mumbai  
28 June 2019



**For and behalf of the board of directors of Bengal Shriram Hitech City Private Limited**

M Murali

Director

DIN: 00030096

Bengaluru

27 June 2019

Krishna Veeraraghavan

Director

DIN: 06620496

Bengaluru

27 June 2019

Suresh Sarawagi

Chief Financial Officer

Bengaluru

27 June 2019

Ramaswamy K

Company Secretary

ACS No.: 28580

Bengaluru

27 June 2019



**Bengal Shriram Hitech City Private Limited**  
**Statement of Profit and Loss for the year ended 31 March 2019**  
**(All amounts in ₹ millions, unless otherwise stated)**

	Note	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
<b>Revenue</b>			
Other income	20	4.51	0.58
<b>Total income</b>		<b>4.51</b>	<b>0.58</b>
<b>Expenses</b>			
Land cost		-	3.05
Material and construction costs		622.22	261.46
Changes in inventories	21	(968.03)	(504.58)
Employee benefits expense	22	65.62	45.64
Finance expense, net	23	277.49	238.21
Depreciation and amortisation expense	2&3	18.90	3.14
Other expenses	24	181.81	109.92
<b>Total expenses</b>		<b>198.01</b>	<b>156.84</b>
<b>Loss before tax</b>		<b>(193.50)</b>	<b>(156.26)</b>
Tax expense	25	-	-
<b>Loss after tax</b>		<b>(193.50)</b>	<b>(156.26)</b>
<b>Other comprehensive income</b>			
(a) Items that will not be reclassified to profit or loss			
(i) Re-measurement of gains on defined benefit plans		0.10	0.53
<b>Total other comprehensive income for the year</b>		<b>0.10</b>	<b>0.53</b>
<b>Total comprehensive loss for the year</b>		<b>(193.40)</b>	<b>(155.73)</b>
<b>Loss per equity share (Nominal value ₹ 10 per share)</b>	26		
Basic and Diluted (₹)		(5.39)	(4.35)

**Significant accounting policies** 1.2  
The accompanying notes referred to above form an integral part of the financial statements

As per report of even date.

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

**Adi P. Sethna**  
Partner  
Membership No. : 108840

Mumbai  
28 June 2019



**For and behalf of the board of directors of Bengal Shriram Hitech City Private Limited**

**M Murali**  
Director  
DIN: 00030096

Bengaluru  
27 June 2019

**Krishna Veeraraghavan**  
Director  
DIN: 06620405

Bengaluru  
27 June 2019

**Suresh Sarawagi**  
Chief Financial Officer

Bengaluru  
27 June 2019

**Ramaswamy K**  
Company Secretary  
ACS No. :28580

Bengaluru  
27 June 2019



**Bengal Shriram Hitech City Private Limited**  
**Cash Flow Statement for the year ended 31 March 2019**  
(All amounts in ₹ millions, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
<b>Cash flows from operating activities:</b>		
<b>Loss before tax</b>	<b>(193.50)</b>	<b>(156.26)</b>
<b>Adjustments to reconcile loss before tax to net cash flows</b>		
Depreciation and amortisation	18.90	3.14
Foreign exchange loss, net	9.76	0.85
(Profit) on sale of fixed assets	(0.03)	(0.13)
Provision no longer required written back	-	(0.03)
Finance expense, net	277.49	238.21
<b>Operating cash flow before working capital changes</b>	<b>112.62</b>	<b>85.78</b>
<b>Working capital changes :</b>		
(Increase) in inventories	(968.03)	(504.58)
(Increase) in loans and advances and other assets	(52.62)	(202.41)
(Increase) in trade receivables	(251.67)	(11.06)
(Decrease)/increase in trade payables	(58.11)	156.68
Increase in current liabilities and provisions	2,037.81	130.89
<b>Cash flows generated from/(used in) operating activities</b>	<b>820.00</b>	<b>(344.70)</b>
Tax paid	(0.20)	(0.36)
<b>Net cash flows generated from / (used in) operating activities</b>	<b>819.80</b>	<b>(345.06)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(4.23)	(121.44)
Proceeds from sale of property, plant and equipment	0.08	0.13
Net investment in bank deposits	(113.80)	(12.83)
Interest received	1.31	3.42
Investment in subsidiary	(0.10)	-
<b>Net cash flows (used in) investing activities</b>	<b>(116.74)</b>	<b>(130.72)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from long term loan	0.87	250.55
Repayments of long term loan	(26.80)	-
Proceeds from short term loan	200.00	-
Proceeds from letter of credit (net of process)	34.18	111.24
Repayment of buyers credit	(121.85)	-
Repayment of borrowings from related parties (net)	(559.76)	106.79
Finance cost paid	(110.89)	(68.68)
<b>Net cash flows generated/(used in) from financing activities</b>	<b>(584.25)</b>	<b>399.90</b>
Net increase/(decrease) in cash and cash equivalents	118.82	(75.88)
Cash and cash equivalents at beginning of the year	14.13	90.01
<b>Cash and cash equivalents at end of the year (Refer Note 11)</b>	<b>132.95</b>	<b>14.13</b>

**Note:**

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

Liabilities	01-April-2017	Cash flow	Non cash changes			31-March-2018
			Amortisation of processing fee	Foreign exchange movements	Accrued interest	
Borrowings (*)	361.62	250.55	2.05	-	-	614.22
Buyers credit	-	111.24	-	0.85	-	112.09
Loan from related party	1,307.01	106.79	-	-	172.48	1,586.28

Liabilities	01-April-2018	Cash flow	Non cash changes			31-March-2019
			Amortisation of processing fee	Foreign exchange movements	Accrued interest	
Borrowings (*)	614.22	174.07	2.05	-	-	790.33
Buyers credit	112.09	(121.85)	-	9.76	-	-
Letter of credit	-	34.18	-	-	-	34.18
Loan from related party	1,586.28	(559.76)	-	-	167.16	1,193.68

(\*) Includes current maturities of long-term borrowings classified under "Other current financial liabilities"

As per our report of even date attached.

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

**For and behalf of the board of directors of Bengal Shriram Hitech City Private Limited**

**Adi P. Sethna**  
Partner  
Membership No.: 108840

Mumbai  
28 June 2019



**M Murali**  
Director  
DIN: 00030096

Bengaluru  
27 June 2019

**Krishna Veeraraghavan**  
Director  
DIN: 06620405

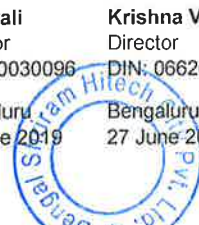
Bengaluru  
27 June 2019

**Suresh Sarawagi**  
Chief Financial Officer

Bengaluru  
27 June 2019

**Ramaswamy K**  
Company Secretary  
ACS No.: 28580

Bengaluru  
27 June 2019



**Bengal Shriram Hitech City Private Limited**  
**Statement of changes in equity for the year ended 31 March 2019**  
**(All amounts in ₹ millions, unless otherwise stated)**

**A. Equity share capital**

Particulars	Amount
<b>Balance as at 1 April 2017</b>	<b>493.65</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2018</b>	<b>493.65</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2019</b>	<b>493.65</b>

**B. Other equity**

Particulars	Reserves and surplus		
	Securities premium	Retained earnings	Total
<b>Balance as at 1 April 2017 (Restated)</b>	2,780.11	(994.13)	1,785.98
Loss for the year (Restated)	-	(156.26)	(156.26)
Other comprehensive income	-	0.53	0.53
<b>Balance as at 31 March 2018 (Restated)</b>	<b>2,780.11</b>	<b>(1,149.86)</b>	<b>1,630.25</b>
Loss for the year	-	(193.50)	(193.50)
Other comprehensive income	-	0.10	0.10
<b>Balance as at 31 March 2019</b>	<b>2,780.11</b>	<b>(1,343.26)</b>	<b>1,436.85</b>

As per report of even date

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

**Adi P. Sethna**  
Partner  
Membership No.:108840

Mumbai  
28 June 2019



For and behalf of the board of directors of Bengal Shriram Hitech City Private Limited

**M Murali**  
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27 June 2019

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27 June 2019

**Ramaswamy K**  
Company Secretary  
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Bengaluru  
27 June 2019





**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**

**1 Company overview and significant accounting policies**

**1.1 Company overview**

Bengal Shriram Hitech City Private Limited ('the Company'), was incorporated on 17 November 2006. The registered office of the Company is located at Bengaluru, Karnataka, India. The Company is engaged in the business of development and sale of real estate projects.

**1.2 Significant accounting policies**

**a. Basis of preparation of financial statements**

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

**Going Concern**

During the year ended 31 March 2019, the Company has continued to incur losses and has incurred a net loss of ₹ 193.50 million which resulted in substantial erosion of net worth at that date. The Company accumulated losses aggregated to ₹ 1,343.20. While these factors would normally indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as going concern. However, in the current year, the Company has not commenced recognising revenue. The Company shall recognise revenue only when all the performance obligations of the contract are met as per Ind- AS 115 which generally coincides with registration of flats. Hence the Company expects to recognise profits once the registration begins. The company has generated positive cash flows in the current year from their operations and based on the long term strategy and future business plan, duly approved by the Board of Directors, the Company is expecting to generate positive cash flows going forward also. Accordingly the financials are prepared on going concern basis.

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, except for share based payment transactions that are within the scope of Ind AS 102, 'Share-based Payment', leasing transactions that are within the scope of Ind AS 17, 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 'Inventories', or value in use in Ind AS 36 'Impairment of assets'.

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

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

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

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

**b. 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 2019 were authorized and approved for issue by the Board of Directors on 27 June 2019.

**c. 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.

**d. 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 year. 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.



**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**

**e. New Standards adopted by the Company**

**(i) Ind AS 115 - Revenue from contracts with customers**

MCA has notified Ind AS 115 - Revenue from contracts with customer, mandatorily applicable from 01 April 2018 either based on a full retrospective or modified retrospective application. The standard requires the Company to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

As required by Ind AS 115, the Company has affected this standard retrospectively from 01 April 2017.

As at 01 April 2017	Reported	Adjustments	Restated
<b>Equity</b>			
Other equity	1,781.09	4.89	1,785.98
<b>As at 31 March 2018</b>	<b>Reported*</b>	<b>Adjustments</b>	<b>Restated</b>
<b>Assets</b>			
Other current assets	309.07	2.05	311.12
<b>Equity</b>			
Other equity	1,623.43	6.82	1,630.25
<b>Current liabilities</b>			
Borrowings	2,316.81	-	2,312.04

\* Certain previous year numbers have been regrouped/reclassified to conform to the current year's classification (refer note 38)

The table below represents impact on revenue and change in inventory and net profit for the year ended 31 March 2018 had the earlier policy for revenue recognition been continued:

For the year ended 31 March 2018	Audited	Adjustments	Restated
Other expenses	111.85	(1.93)	109.92
<b>Net profit for the year</b>	<b>(158.19)</b>	<b>(1.93)</b>	<b>(160.12)</b>

The application of the new accounting policy has required management to make the following judgments:

**Satisfaction of performance obligations**

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Company has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets to customer, the Company does not create an asset with an alternative use to the Company and usually has an enforceable right to payment for performance completed to date. In these circumstance the Company recognises revenue over time. Where this is not the case revenue is recognised at a point in time.

**Determination of transaction prices**

The Company is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Company assess the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract. In determining the impact of variable consideration the Company uses the "most-likely amount" method in IndAS 115, whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

**Transfer of control in contracts with customers**

In cases where the Company determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the assets that is the subject of the contract is transferred to the customer. In the case of contracts to sell real estate assets this is generally when the unit has been registered through a sale deed and legal enforceable right to collect payment is established.

In addition, the application of Ind AS 115 has resulted in the following estimation process:

**Allocation of transaction price to performance obligation in contracts with customers**

The Company has elected to apply the input method in allocating the transaction price to performance obligations where revenue is recognised over time. The Company considers that the use of the input method which requires revenue recognition on the basis of the Company's efforts to the satisfaction of the performance obligation provides the best reference of revenue actually earned. In applying the input method the Company estimates the cost to complete the projects in order to determine the amount of revenue to be recognised. These estimates include the cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.



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**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**

**1.2 Significant accounting policies (continued)**

**(ii) Ind AS 21 - The effects of changes in foreign exchange rates**

MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, mandatorily applicable from 1 April 2018. The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. However, there is no impact on the financial statements on application of this amendment.

**f. Foreign currency transactions**

**(a) Initial recognition**

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

**(b) Conversion**

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

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

**g. Current versus non-current classification (continued)**

(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.



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**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**

**1.2 Significant accounting policies (continued)**

**h. Revenue recognition**

**Revenue from projects**

The Company has adopted Ind AS 115 with effect from 01 April 2018. However as required by Ind AS 115 (refer note 1.2 (e)), the standard has been effected retrospectively with effect from 01 April 2017 and accordingly prior year financial for the year ended 31 March 2018 has been restated. The Company has applied the following accounting policy in the preparation of its financial statements:

**Revenue from contracts with customers**

The Company recognises revenue from contracts with customers based on a five step model as set out in IndAS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

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.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

**Revenue from Joint Development Agreement (JDA) executed with land owner**

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.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

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

**Interest Income**

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

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



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**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**

**1.2 Significant accounting policies (continued)**

**i. Inventories**

**Properties under development**

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.

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

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

**Recognition and initial measurement**

Properties plant and equipment are stated at their cost of acquisition. 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 fixed assets 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 except shuttering materials whose life is estimated as 7 years. Residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Furniture and fixtures	10 years
Office equipment	5 years
Computer equipment	3 years
Vehicles	8 years
Plant and machinery	10 years
Shuttering Material	7 years

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

The Company based on technical assessment made by technical expert and management estimated, depreciates shuttering material over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

**De-recognition**

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

**k. Intangible assets**

**Recognition and initial measurement**

Intangible assets (software) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and 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 (amortization)**

The cost of capitalized software is amortized over a period of 3 years from the date of its acquisition on a straight line basis.

**l. 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 capitalisation 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 capitalisation 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.

**m. 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.



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**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**

**1.2 Significant accounting policies (continued)**

**n. Leases**

**Operating leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Payments made under operating leases are recognised in statement of profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expenses over the term of the lease.

**o. Employee benefits**

**Defined contribution plan**

The Company's contribution to provident fund is charged to the statement of profit and loss. The Company's contributions towards provident fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan, in accordance with Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

**Defined benefit plan**

The liability recognized in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries who use the projected unit credit method to calculate the defined benefit obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Actuarial gain or loss arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income in the year in which such gain or loss arise.

**Compensated Absences**

The Company also provides benefit of vacation pay to its employees. Liability in respect of vacation pay becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss or inventorized as a part of project under development, as the case may be in the year in which such gains or losses arise.

The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

**Other short-term benefits**

Short-term employee benefits comprising employee costs including performance bonus is recognized in the statement of profit and loss on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**p. 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.

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

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.



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**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**

**1.2 Significant accounting policies (continued)**

**q. 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.

**r. Provisions, contingent assets and contingent liabilities**

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

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

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**s. Financial instruments**

**Financial assets**

**Initial recognition and measurement**

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

**Subsequent measurement**

**Debt Instruments**

**Debt instruments at amortized cost**

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the

**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.

**De-recognition of financial assets**

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



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**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**

**1.2 Significant accounting policies (continued)**

**t. 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 are 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.

**Financial guarantee contracts**

Financial guarantee contracts 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.

**u. Impairment**

**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.

**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.

**v. 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.

**w. 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 related parties are in nature of current accounts. Hence, the transaction has been shown on a net basis in the cash flow statement.



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**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**

**1.3 Significant estimates in applying accounting policies**

- a. Revenue from contracts with customers - The company has applied judgements as detailed in note 2.1(e) that significantly affect the determination of the amount and timing of revenue from contracts with customers.
- b. Net realizable value of inventory - The determination of net realisable value of inventory involves estimates based on prevailing market conditions, current prices and expected date of commencement and completion of the project, the estimated future selling price, cost to complete projects and selling cost.
- c. Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.
- d. Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other assets.
- e. Defined Benefit Obligation (DBO) – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- f. Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- g. Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.
- h. Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.
- i. Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.
- j. Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.



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**1.4 Amendments to accounting standards not yet effective and have not been adopted early by the Company**

**Ind AS 23 – Borrowing Costs**

On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 23, 'Borrowing costs'. The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The effective date of application of this amendment is annual year beginning on or after April 1, 2019. The effect on the financial statements is being evaluated.

**Ind AS 116 - Leases**

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 116 - Leases. Ind AS 116 will replace the existing lease standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and required the lessee to recognize assets and liabilities for all leases with a term more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The standard also contains enhanced disclosure requirements for lessee. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date of adoption of Ind AS 116 is annual years beginning on or after 01 April 2019. The Company is evaluating the requirements and effect on the financial statement of the new standard.

**Ind AS 12, Income Taxes**

On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The effective date of application of this amendment is annual year beginning on or after April 1, 2019. The Company does not expect this amendment to have any impact to the financial statements.

**Ind AS 12, Appendix C - Uncertainty over Income Tax treatments**

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C - Uncertainty over Income Tax treatments which is to be applied while performing the determination of taxable profits (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or planned to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date of adoption of Ind AS 12, Appendix C is annual years beginning on or after 01 April 2019. The Company is evaluating the requirements and the effect on the financial statements of the new standard.

**Amendment to Ind AS 19, plan amendment, curtailment or settlement**

On 30 March 2019 the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- (a) To use updated assumptions to determine current service cost and net interest for the remainder of the year after a plan amendment, curtailment or settlement; and
- (b) To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of impact of the asset ceiling.

The effective date of adoption of Ind AS 19, plan amendment, curtailment or settlement is annual years beginning on or after 01 April 2019. The Company is evaluating the requirements and the effect on the financial statements of the new standard.



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**Bengal Shriram Hitech City Private Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

(All amounts in ₹ millions, 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 period is as follows:

Particulars	Shuttering material	Furniture and fixtures	Vehicles	Office equipment	Computers	Plant and machinery	Total
<b>Gross carrying amount</b>							
At 01 April 2017	-	0.47	1.00	2.24	1.67	0.76	6.14
Additions	119.50	-	0.76	0.38	0.78	-	121.42
Disposals/Adjustments	-	(0.11)	-	(0.75)	-	-	(0.86)
<b>At 31 March 2018</b>	<b>119.50</b>	<b>0.36</b>	<b>1.76</b>	<b>1.87</b>	<b>2.45</b>	<b>0.76</b>	<b>126.70</b>
Additions	1.34	0.05	0.96	0.37	1.47	-	4.19
Disposals/Adjustments	-	-	(0.87)	(0.12)	-	-	(0.99)
<b>At 31 March 2019</b>	<b>120.84</b>	<b>0.41</b>	<b>1.85</b>	<b>2.12</b>	<b>3.92</b>	<b>0.76</b>	<b>129.90</b>
<b>Accumulated depreciation</b>							
At 01 April 2017	-	0.09	0.67	0.54	0.64	0.05	1.99
Charge for the year	1.40	0.08	0.25	0.47	0.65	0.08	2.93
Adjustments for disposals	-	(0.11)	-	(0.75)	-	-	(0.86)
<b>At 31 March 2018</b>	<b>1.40</b>	<b>0.06</b>	<b>0.92</b>	<b>0.26</b>	<b>1.29</b>	<b>0.13</b>	<b>4.06</b>
Charge for the year (*)	17.14	0.04	0.16	0.53	0.74	0.08	18.69
Adjustments for disposals	-	-	(0.87)	(0.06)	-	-	(0.93)
<b>At 31 March 2019</b>	<b>18.54</b>	<b>0.10</b>	<b>0.21</b>	<b>0.73</b>	<b>2.03</b>	<b>0.21</b>	<b>21.82</b>
<b>Net block</b>							
At 31 March 2018	118.10	0.30	0.84	1.61	1.16	0.63	122.64
At 31 March 2019	102.30	0.31	1.64	1.39	1.89	0.55	108.08

(\*) includes depreciation inventorized amounting to ₹ 17.14 million (31 March 2018 - Nil).

**a. Contractual obligations**

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

**b. Capitalized borrowing cost**

There are no borrowing costs capitalized during the year ended 31 March 2019 and 31 March 2018.

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

Details of properties pledged are as per note no.27

**3 Other intangible assets**

Details of the Company's other intangible assets and reconciliation of their carrying amounts from beginning to end of reporting period is as follows:

Particulars	Computer software	Total
<b>Gross carrying amount</b>		
At 01 April 2017	0.64	0.64
Additions	0.02	0.02
Disposals/adjustments	-	-
<b>At 31 March 2018</b>	<b>0.66</b>	<b>0.66</b>
Additions	0.04	0.04
Disposals/adjustments	-	-
<b>At 31 March 2019</b>	<b>0.70</b>	<b>0.70</b>
<b>Accumulated amortization</b>		
At 01 April 2017	0.23	0.23
Charge for the year	0.21	0.21
Disposals/adjustments	-	-
<b>At 31 March 2018</b>	<b>0.44</b>	<b>0.44</b>
Charge for the year	0.21	0.21
Disposals/adjustments	-	-
<b>At 31 March 2019</b>	<b>0.65</b>	<b>0.65</b>
<b>Net block</b>		
At 31 March 2018	0.22	0.22
At 31 March 2019	0.05	0.05



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**Bengal Shriram Hitech City Private Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**
**(All amounts in ₹ millions, unless otherwise stated)**

	As at 31 March 2019	As at 31 March 2018
<b>4 Non-current investments</b>		
Investment valued at cost unless stated otherwise (fully paid)		
Unquoted		
Investment in equity shares of subsidiary		
SPL Estates Private Limited	10.89	-
9,999 (31 March 2018: Nil) fully paid equity shares of ₹ 10 each	10.89	-
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	10.89	-
Aggregate amount of impairment in value of investments	-	-
<b>5 Loans</b>		
<b>A Non-current</b>		
Unsecured, considered good		
Security deposits	2.67	2.56
	2.67	2.56
<b>B Current</b>		
Unsecured, considered good		
Other advances	2.20	1.01
	2.20	1.01
<b>6 Other financial assets</b>		
<b>Non-current</b>		
Bank deposits with maturity of more than twelve months (refer note 12)	-	17.37
	-	17.37
<b>7 Non-current tax assets (net)</b>		
Advance income tax	4.82	4.62
	4.82	4.62
<b>8 Other assets</b>		
<b>A Non-current</b>		
Security deposits	31.08	19.08
	31.08	19.08
<b>B Current</b>		
Advance for project	156.10	141.73
Prepaid expenses	24.72	10.45
Balances with statutory authorities	72.61	68.94
Other deposits	97.00	90.00
	350.43	311.12
<b>9 Inventories</b>		
<b>Properties under development (*)</b>		
Land cost	3,078.24	3,017.35
Material and construction cost	2,541.45	1,634.31
	5,619.69	4,651.66
(*) Details of assets pledged are as per note 27		
<b>10 Trade receivables (*)</b>		
<b>Break up of security details</b>		
Receivables considered good- Secured	262.73	11.06
Receivables considered good- Unsecured	-	-
Receivables which have significant increase in credit risk	-	-
	262.73	11.06
Receivable credit impaired	-	-
	262.73	11.06

(\*) Details of assets pledged are as per note 27



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**Bengal Shriram Hitech City Private Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019****(All amounts in ₹ millions, unless otherwise stated)****11 Cash and cash equivalents**

	As at 31 March 2019	As at 31 March 2018
Cash on hand	0.21	0.48
Balances with banks		
In current accounts	112.74	13.65
Bank deposits with original maturity upto three months	20.00	-
	<b>132.95</b>	<b>14.13</b>

**Note:**

As at 31 March 2019, the Company had available ₹180 millions (31 March 2018: ₹417 million) of undrawn committed borrowing facilities.

**12 Other bank balances**

Bank deposits		
With maturity of more than three months and upto twelve months	131.83	-
With maturity of more than twelve months	-	17.37
	<b>131.83</b>	<b>17.37</b>
Less: Non-current bank balances in fixed deposit accounts (refer note 6)	-	(17.37)
	<b>131.83</b>	<b>-</b>

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**Bengal Shriram Hitech City Private Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**
**(All amounts in ₹ millions, unless otherwise stated)**
**13 Equity share capital**

Authorised	As at 31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
Class A 'Equity share capital of face value of ₹ 10 each	21,500,000	215.00	21,500,000	215.00
Class B 'Equity share capital of face value of ₹ 10 each	12,500,000	125.00	12,500,000	125.00
Class C 'Equity share capital of face value of ₹ 10 each	1,500,000	15.00	1,500,000	15.00
Class D 'Equity share capital of face value of ₹ 10 each	750,000	7.50	750,000	7.50
Class 'A' compulsorily convertible cumulative preference shares of ₹ 10 each	13,500,000	135.00	13,500,000	135.00
	<b>49,750,000</b>	<b>497.50</b>	<b>49,750,000</b>	<b>497.50</b>
<b>Issued, subscribed and fully paid up</b>				
Class A 'Equity share capital of face value of ₹ 10 each	21,500,000	215.00	21,500,000	215.00
Class B 'Equity share capital of face value of ₹ 10 each	12,500,000	125.00	12,500,000	125.00
Class C 'Equity share capital of face value of ₹ 10 each	1,135,398	11.35	1,135,398	11.35
Class D 'Equity share capital of face value of ₹ 10 each	750,000	7.50	750,000	7.50
Class 'A' compulsorily convertible cumulative preference shares of ₹ 10 each	13,480,000	134.80	13,480,000	134.80
	<b>49,365,398</b>	<b>493.65</b>	<b>49,365,398</b>	<b>493.65</b>

**i Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**
**Equity shares**

	As at 31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
<b>Class A</b>				
Balance at the beginning of the year	21,500,000	215.00	21,500,000	215.00
Movement during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>21,500,000</b>	<b>215.00</b>	<b>21,500,000</b>	<b>215.00</b>
<b>Class B</b>				
Balance at the beginning of the year	12,500,000	125.00	12,500,000	125.00
Movement during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>12,500,000</b>	<b>125.00</b>	<b>12,500,000</b>	<b>125.00</b>
<b>Class C</b>				
Balance at the beginning of the year	1,135,398	11.35	1,135,398	11.35
Movement during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,135,398</b>	<b>11.35</b>	<b>1,135,398</b>	<b>11.35</b>
<b>Class D</b>				
Balance at the beginning of the year	750,000	7.50	750,000	7.50
Movement during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>750,000</b>	<b>7.50</b>	<b>750,000</b>	<b>7.50</b>
<b>Preference shares</b>				
<b>Class A</b>				
Balance at the beginning of the year	13,480,000	134.80	13,480,000	134.80
Movement during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>13,480,000</b>	<b>134.80</b>	<b>13,480,000</b>	<b>134.80</b>



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**Bengal Shriram Hitech City Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

(All amounts in ₹ millions, unless otherwise stated)

**ii Details of shareholder holding more than 5% share capital**

(a) Name of the equity shareholder	Number of shares	% holding in the class	Number of shares	% holding in the class
<b>Class A</b>				
Shriram Properties Limited	21,498,000	99.99%	21,498,000	99.99%
<b>Class B</b>				
Shriram Properties Limited	12,500,000	100.00%	12,500,000	100.00%
<b>Class C</b>				
Shriram Properties Limited	1,135,398	100.00%	1,135,398	100.00%
<b>Class D</b>				
Shriram Properties Limited	750,000	100.00%	750,000	100.00%

(b) Name of the preference shareholder	Number of shares	% holding in the class	Number of shares	% holding in the class
<b>Class A</b>				
Shriram Properties Limited	13,480,000	100.00%	13,480,000	100.00%

**(iii) Rights, preferences and restrictions attached to each class of equity**

**(a) Class A equity shares**

Class A equity shares shall be entitled to one vote per equity share outstanding. Each Class A equity share shall be entitled to receive equal dividends. These shares are subject to the limitations on transfer specified in the Articles of Association. No dividends may be paid in respect of the Class A equity shares and no buy backs or redemptions of the Class A equity shares shall be allowed while any of the Class B equity shares, Class C equity shares and Class D equity shares remain outstanding.

**(b) Class B, Class C and Class D equity shares**

Class B, Class C and Class D equity shares shall not be entitled to vote on matters brought for a vote of the shareholders of the Company, except that no modification to the rights and obligations of Class B, Class C or Class D equity shares shall be made by the Company without the approval of the holders of the respective class of equity shares. These shares are subject to the limitations on transfer specified in the Articles of Association. In the event of a merger or amalgamation of the Company with another company, the holders of the Class B, Class C and Class D equity shares shall be entitled to receive an instrument providing substantially similar economic rights as they currently enjoy.

**Class B** equity shares shall be subject to re-purchase by the Company at a per share price of not less than the par value thereof.

**Class C** equity shares shall be subject to re-purchase by the Company at a price equal to the par value thereof or such other price as may be determined by the Company.

In the event of a public offering or sale of all the shares of the Company to third party, the Class C shares will convert, prior to such event, into such number of Class A equity shares which shall equal the aggregate par value of the Class C shares. The holder of Class C equity shares [other than Shriram Properties Limited (formerly Shriram Properties Private Limited) ("SPL")] shall not be entitled to sell/ transfer such shares without prior written consent of SPL. SPL or any person/(s) nominated by it shall at all times be entitled to purchase from the holders of Class C equity shares (other than SPL), such shares at a price mutually agreed but not exceeding the aggregate par value of such shares. The Company may at any time at its option, convert all or any of the Class C equity shares into Class A equity shares, the value of which shall be equal to par value of such shares so converted. In case of liquidation/ winding up of the Company, the Class C equity share holders shall be entitled to receive the par value of such shares held.

Further, **Class D** equity shares shall be entitled to a dividend distribution of Rs 1,512.50 million before any dividend is paid on Class A voting shares, which shall be paid pursuant to the distribution priority as specified in the share holder's agreement dated 27 September 2008 (as amended). Class B and C equity shares do not have any dividend rights.

**(iv) Rights attached to the preference shares:**

**Class A preference shares**

The Class A preference shares shall be convertible at the election of the Company into Class A equity shares at the conversion rate of 0.000178 per share at any time after the tenth anniversary of the date of issuance of the Class A preference shares. Prior to any liquidation or winding up of the Company, the Class A preference shares shall be automatically converted into Class A equity shares at the aforesaid conversion rate. On the twentieth anniversary of the date of issuance of the Class A preference shares, the Class A preference shares that remain outstanding on that date shall be automatically converted into Class A equity shares at the aforesaid conversion rate.

**(v) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the year of five years immediately preceding the reporting date:**

There have been no buy-back of shares, issue of bonus share and issue of shares pursuant to contrant without payment being received iin cash for the periof of five years immediately preceding the reporting date.



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**Bengal Shriram Hitech City Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

(All amounts in ₹ millions, unless otherwise stated)

**14 Other equity**

**Reserve and surplus**

Securities Premium Reserve  
Retained earnings

As at 31 March 2019	As at 31 March 2018
2,780.11	2,780.11
(1,343.26)	(1,149.86)
<b>1,436.85</b>	<b>1,630.25</b>

**(i) Nature and purpose of other reserves**

**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act 2013.

**15 Borrowings (\*)**

**A Non-current**

**Secured loans**

**Term loans**

From banks

Less: Amount disclosed under other financial liabilities (refer note 18)

As at 31 March 2019	As at 31 March 2018
1.17	0.55
(0.45)	(0.18)
<b>0.72</b>	<b>0.37</b>

**B Current**

**Secured loans**

**Term loans**

From others

Buyers credit facility

Letter of credit facility

**Unsecured loans**

Loans and advances from related parties (refer note (a) and note 33)

789.16	613.67
-	112.09
34.18	-
1,193.68	1,586.28
<b>2,017.02</b>	<b>2,312.04</b>

a Tenure in terms of repayment have not been specified and hence, the loan is considered as repayable on demand.

(\*) Refer note 27 for assets pledged as security against borrowings.



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**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise stated)**

**15 Borrowings (Continued)**

Note on security						
SI.No	Particulars	Nature of security	Repayment details	Interest Rate	31 March 2019	31 March 2018
<b>Non-Current borrowings</b>						
<b>Term loans from Banks (secured)</b>						
1	IndusInd Bank Ltd	First charge by hypothecation of vehicle (Maruti New Ertiga Smart Hybrid VDI BS IV).	Repayable in 47 monthly instalments starting from 21-Oct-18	8.54%	0.76	-
2	IndusInd Bank Ltd	First charge by hypothecation of vehicle (M&M Bolero Power Plus SLE 2WD 7STR BS IV)	Repayable in 47 monthly instalments starting from 21-Oct-17	9.22%	0.41	0.55
<b>Total Term loans from Banks (secured)</b>					<b>1.17</b>	<b>0.55</b>
<b>Current borrowings</b>						
<b>Term loans from others (secured)</b>						
1	LIC Housing Finance Corporation	Registered mortgage of L.R. Khatian nos. 1677 & 11721, J.L. no. 6 & 7 in Mouza Khorda and Konnagar under Police Station Uttarpara in the district of Hoogly within the limits of the Kanaipur Gram Panchayet and bounded as under: On the north: by plot Nos. 4474(P) of Mouza Konnagar and plot Nos. 1904 of Mouza Kordhabehera. On the east: By plot Nos. 4474(P) of Mouza Konnagar. On the south: By plot Nos. 4474(P) of Mouza Konnagar. On the west: By plot Nos. 4475(P) of Mouza Konnagar containing an area of 15.03 acres freehold land and structures thereon of the Project. Security cover at any point of time shall not be less than 1.50 times of the loan amount. Corporate Guarantee given by M/s Shriram Properties Limited.	Repayable in 24 monthly instalments starting from 01 June 2019	13% to 13.6%	793.44	620.00
Unamortized upfront fees on borrowing					(4.28)	(6.33)
					<b>789.16</b>	<b>613.67</b>
<b>Buyer's Credit (Other credit facility)</b>						
2	Punjab National Bank	Hypothecation of MFE Aluminium Formwork System including necessary accessories for residential project "Grand One" at Shriram Grand City Uttarpara, Hooghly, West Bengal, India. Mortgage of 7.55 acres of vacant land and creation of exclusive first charge on the same. Corporate Guarantee of M/s Shriram Properties Limited.	Repayable within 3 years from date of sanction i.e 28 December 2017	11.5% to 12%	-	112.09
<b>Letter of Credit</b>					-	<b>112.09</b>
3	Punjab National Bank	Hypothecation of MFE Aluminium Formwork System including necessary accessories for residential project "Grand One" at Shriram Grand City Uttarpara, Hooghly, West Bengal, India. Mortgage of 7.55 acres of vacant land and creation of exclusive first charge on the same. Corporate Guarantee of M/s Shriram Properties Limited.	All the LCs are repayable before end of July 2019	-	34.18	-
					<b>34.18</b>	-
<b>Loans and advances from related parties (Unsecured loans)</b>						
4	Shriram Properties Limited	Repayable on demand		13.00%	1,193.68	1,586.28
					<b>1,193.68</b>	<b>1,586.28</b>



**Bengal Shriram Hitech City Private Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

(All amounts in ₹ millions, unless otherwise stated)

**16 Provisions**
**A Non-current**

Provision for employee benefits:  
Gratuity (refer note 31)

As at 31 March 2019	As at 31 March 2018
2.78	1.84
<b>2.78</b>	<b>1.84</b>

**B Current**

Provision for employee benefits:  
Gratuity (refer note 31)  
Compensated absences

0.05	0.27
0.65	0.84
<b>0.70</b>	<b>1.11</b>

**17 Trade payables - current**

Dues to micro enterprises and small enterprises (\*)  
Dues to creditors other than micro enterprises and small enterprises

0.71	-
115.19	174.01
<b>115.90</b>	<b>174.01</b>

**(\*) Disclosures of dues to Micro, Small and Medium enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSME Act'). Accordingly, the disclosure in respect of amounts payable to such enterprises as at 31 March 2019 has been made in the financial statements based on the information received and available with the Company. The Company has not received any claim for interest from any supplier as at the balance sheet date. The disclosures as required under Section 22 of MSMED Act, 2006 under the Chapter on Delayed Payments to Micro, Small and Medium Enterprises is as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	0.71	-
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;	-	-
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;	-	-
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

**18 Financial liabilities**
**Current**

Current maturities of non-current borrowings (refer note 15A)  
Other payables  
Security Deposit  
Interest accrued but not due

0.45	0.18
59.24	17.23
600.00	-
-	0.64
<b>659.69</b>	<b>18.05</b>

**19 Other current liabilities**

Payable to statutory authorities  
Deferred income  
Advance from customers  
Security deposits (refer note 33)  
Advances received towards joint development agreement (refer note 33)

13.16	4.58
10.79	-
1,368.16	281.57
110.00	110.00
428.00	128.00
<b>1,930.11</b>	<b>524.15</b>



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**Bengal Shriram Hitech City Private Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**
**(All amounts in ₹ millions, unless otherwise stated)**
**20 Other income**

	Year ended 31 March 2019	Year ended 31 March 2018
Profit on sale of fixed assets	0.03	0.13
Provision no longer required written back	-	0.03
Miscellaneous income	4.48	0.42
	<b>4.51</b>	<b>0.58</b>

**21 Changes in inventories**

Inventory at the beginning of the year	4,651.66	4,147.08
Inventory at the end of the year	5,619.69	4,651.66
	<b>(968.03)</b>	<b>(504.58)</b>

**22 Employee benefits expense**

Salaries and wages	58.51	41.50
Contribution to provident fund and other funds	2.60	1.72
Staff welfare expenses	3.69	1.73
Gratuity	0.82	0.69
	<b>65.62</b>	<b>45.64</b>

**23 Finance expense, net (\*)**
**Finance expense:**
**Interest**

- on term loans	95.76	66.63
- on loan from related party	167.16	172.48
- on buyers credit	12.54	0.64
Loan and other processing charges	4.00	2.05
	<b>279.46</b>	<b>241.80</b>

**Finance income:**
**Interest income**

- fixed deposit	1.97	3.57
- others	-	0.02
	<b>1.97</b>	<b>3.59</b>

**Finance expense, net**

	<b>277.49</b>	<b>238.21</b>
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(\*) Includes finance expense capitalized amounting to ₹ 265.68 millions for the year ended 31 March 2019 (31 Mar 2018 - ₹ 237.57 millions)



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**Bengal Shriram Hitech City Private Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

(All amounts in ₹ millions, unless otherwise stated)

**24 Other expenses**

	Year ended 31 March 2019	Year ended 31 March 2018
Bank charges	5.17	1.98
Audit fees (*)	0.83	0.83
Communication expenses	1.83	2.01
Insurance expenses	0.19	0.08
Legal and professional charges	14.79	7.66
Power and fuel expenses	1.66	1.69
Printing and stationery	0.81	0.45
Rates and taxes	62.69	0.58
Rent expenses (refer note 32)	3.95	4.21
Repairs and maintenance		
Buildings	0.01	0.82
Others	5.73	2.26
Advertisement and sales promotion	63.68	72.81
Brokerage expenses	2.67	-
Security expenses	4.55	6.10
Traveling and conveyance expenses	8.95	4.21
Foreign exchange loss, net	-	0.85
Miscellaneous expenses	2.15	0.89
Site expenses	2.15	2.49
	<b>181.81</b>	<b>109.92</b>

**(\*) Payment to auditors (on accrual basis, excluding GST)**
**As auditor:**

Audit fee	0.80	0.80
Reimbursement of expenses	0.03	0.03
	<b>0.83</b>	<b>0.83</b>

**25 Income tax**
**A. Income tax expense reported in the statement of profit and loss**

Nil Nil

**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 26% and the reported tax expense in profit or loss are as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Accounting profit before tax from continuing operations	(193.50)	(156.26)
<b>Accounting profit before income tax</b>	<b>(193.50)</b>	<b>(156.26)</b>
At India's statutory income tax rate of 26.00% (31 March 2018 : 25.75%)	(50.31)	(40.24)
Less: Unrecorded deferred tax asset on carry forward losses and other temporary differences	50.31	40.24
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

**C. Deferred tax assets and liabilities**

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 utilised. Due to lack of convincing evidence, the Company has not recorded deferred tax asset on deductible temporary differences which primarily includes the carry forward business losses and unabsorbed depreciation amounting to ₹1,114.45 million (31 March 2018- ₹1,044.90 million) as at 31 March 2019. The above losses will expire over 1-8 years.



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**Bengal Shriram Hitech City Private Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**  
(All amounts in ₹ millions, unless otherwise stated)**26 Earnings per share (EPS)**

The Company's Earnings per Share ("EPS") is determined based on the net profit attributable to the shareholders of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

The following reflects the income and share data used in the basic and diluted EPS computations:

	Year ended 31 March 2019	Year ended 31 March 2018
<b>Loss attributable to equity holders of the parent:</b>		
Weighted average number of equity shares for basic EPS (*)	(193.49)	(156.25)
Class A equity shares		
Class B equity shares	21,498,000	21,498,000
Class C equity shares	12,500,000	12,500,000
Class D equity shares	1,135,398	1,135,398
	750,000	750,000
<b>Weighted average number of equity shares</b>	<b>35,883,398</b>	<b>35,883,398</b>
<b>Earnings per share:</b>		
Basic and Diluted (₹) (refer note below)	(5.39)	(4.35)

**(\*) Note:**

Preference shares has not been considered to compute weighted average number of shares as they are anti-dilutive in nature.

**27 Assets pledged as security**

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

**Non-current****First charge****Financial assets**

Trade receivables

**Non-financial assets**

Shuttering material

Vehicles

**Current****Non-financial assets****First charge**

Inventories\*

**Total current assets pledged as securities**

	262.73	11.06
	102.30	118.10
	1.52	0.71
	2,436.53	922.03
	<b>2,803.08</b>	<b>1,051.90</b>



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**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, 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 2019 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
<b>Financial assets :</b>						
Loans	5A & 5B	-	-	4.87	4.87	4.87
Trade receivables	10	-	-	262.73	262.73	262.73
Cash and cash equivalents including other bank balances	11&12	-	-	264.78	264.78	264.78
<b>Total financial assets</b>		-	-	<b>532.38</b>	<b>532.38</b>	<b>532.38</b>
<b>Financial liabilities :</b>						
Borrowings (*)	15A & 15B	-	-	2,018.19	2,018.19	2,018.19
Trade payables	17	-	-	115.90	115.90	115.90
Other financial liabilities	18	-	-	659.24	659.24	659.24
<b>Total financial liabilities</b>		-	-	<b>2,793.33</b>	<b>2,793.33</b>	<b>2,793.33</b>

(\*) including current maturities of long term debt

The carrying value and fair value of financial instruments by categories as at 31 March 2018 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
<b>Financial assets :</b>						
Loans	5A & 5B	-	-	3.57	3.57	3.57
Trade receivables	10	-	-	11.06	11.06	11.06
Cash and cash equivalents including other bank balances	11&12	-	-	14.13	14.13	14.13
Other financial assets	6	-	-	17.37	17.37	17.37
<b>Total financial assets</b>		-	-	<b>46.13</b>	<b>46.13</b>	<b>46.13</b>
<b>Financial liabilities :</b>						
Borrowings*	15A & 15B	-	-	2,312.59	2,312.59	2,312.59
Trade payables	17	-	-	174.01	174.01	174.01
Other financial liabilities	18	-	-	17.87	17.87	17.87
<b>Total financial liabilities</b>		-	-	<b>2,504.47</b>	<b>2,504.47</b>	<b>2,504.47</b>

\* including current maturities of long term debt

**i. Notes to financial instruments**

The management assessed that the fair value of cash and cash equivalents, loans, other financial assets, trade payables, short term borrowings 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:** 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)

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

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



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**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise stated)**

**29 Financial risk management**

**Financial risk factors**

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk 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 equivalent, trade receivables, financial assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Foreign currency	Recognised financial liabilities not denominated in Indian Rupees (INR)	Sensitivity analysis
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 principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

**A. Credit risk**

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and 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.

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. 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 provides for expected credit loss based on the following:

Asset group	Description	Provision for expenses credit loss (*)	31 March 2019	31 March 2018
Low credit risk	Cash and cash equivalent, other bank balances, trade receivables, loans, other financial assets and financial guarantees	12 months expected credit loss/life time expected credit	532.38	45.12
High credit risk	Loans and other financial assets	Life time expected credit loss or fully provided for	-	-

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

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

**Credit risk exposure**

**Provision for expected credit losses**

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

31 March 2019 Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	262.73	-	262.73
Loans	4.87	-	4.87
Cash and cash equivalents	132.95	-	132.95
Other bank balances	131.83	-	131.83



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**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**  
(All amounts in ₹ millions, unless otherwise stated)

**29 Financial risk management (continued)**

31 March 2018 Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	11.06	-	11.06
Loans	2.56	-	2.56
Cash and cash equivalents	14.13	-	14.13
Other financial assets	17.37	-	17.37

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

Trade receivables are secured in a form that registry of sold residential/commercial units is not processed till the time the Company does not receive the entire payment. Hence, as the Company does not have significant credit risk, it does not present the information related to ageing pattern. The company has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated.

During the periods 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.

**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 2019	Less than 1 year	1 year to 5 years	5 years and above	Total
<b>Non-derivatives</b>				
Borrowings	1,657.88	475.69	-	2,133.57
Trade payables	-	-	-	-
Other financial liabilities	659.24	-	-	659.24
<b>Total</b>	<b>2,317</b>	<b>475.69</b>	<b>-</b>	<b>2,792.81</b>
31 March 2018	Less than 1 year	1 year to 5 years	5 years and above	Total
<b>Non-derivatives</b>				
Borrowings	1,670.73	832.02	-	2,502.75
Trade payables	-	-	-	-
Other financial liabilities	17.87	-	-	17.87
<b>Total</b>	<b>1,688.60</b>	<b>832.02</b>	<b>-</b>	<b>2,520.62</b>

**c. Market risk**

**a. Interest rate risk**

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

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

	31 March 2019	31 March 2018
Variable rate borrowing (*)	824.51	614.22
Fixed rate borrowing	1,193.68	1,586.28
<b>Total borrowings</b>	<b>2,018.19</b>	<b>2,200.50</b>

(\*) includes adjustment of unamortised processing fees



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**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise stated)**

**29 Financial risk management (continued)**

**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 2019	31 March 2018
Interest rates – increase by 50 basis points (50 bps)	(3.52)	(2.45)
Interest rates – decrease by 50 basis points (50 bps)	3.52	2.45

**b. Foreign currency risk**

The company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the company's functional currency.

**Foreign currency risk exposure**

**Particulars**

**Financial liabilities**

Foreign currency loan in USD (including interest accrued)

31 March 2019		31 March 2018	
Amount (in \$)	Amount (in ₹)	Amount (in \$)	Amount (in ₹)
-	-	1.72	112.73

**Sensitivity**

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments.

**Particulars**

	31 March 2019	31 March 2018
Increase by 5%	-	6.00
Decrease by 5%	-	(6.00)

**30 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 2019	31 March 2018
Long term borrowings	0.72	0.37
Current maturities of non-current borrowings	0.45	0.18
Short term borrowings	2,017.02	2,312.04
Less: Cash and cash equivalents	(132.95)	(14.13)
Less : Bank balances other than cash and cash equivalents	(131.83)	-
<b>Net debt</b>	<b>1,753.41</b>	<b>2,298.46</b>
Total equity	1,930.50	2,123.90
Gearing ratio	0.91	1.08

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

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

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately 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 2019 and 31 March 2018.



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**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise stated)**

**31 A. Defined benefit plan**

The Company has gratuity and vacation pay as defined benefit retirement plans for its employees. The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As at 31 March 2019 and 31 March 2018 the plan assets were invested in insurer managed funds.

The following tables set out the funded status of gratuity plans and the amount recognized in Company's financial statements:

	31 March 2019	31 March 2018
	Gratuity	Gratuity
<b>1 The amounts recognized in the Balance Sheet are as follows:</b>		
Present value of the obligation as at the end of the year	2.83	2.11
Fair value of plan assets as at the end of the year	-	-
Net liability recognized in the Balance Sheet	<b>2.83</b>	<b>2.11</b>
<b>2 Changes in the present value of defined benefit obligation</b>		
Defined benefit obligation as at beginning of the year		
Service cost	2.11	1.95
Interest cost	0.64	0.54
Actuarial losses/(gains) arising from	0.18	0.15
- change in demographic assumptions	(0.02)	-
- change in financial assumptions	(0.25)	(0.53)
- experience variance (i.e. Actual experiences assumptions)	0.17	-
Benefits paid	-	-
Defined benefit obligation as at the end of the year	<b>2.83</b>	<b>2.11</b>
<b>3 Fair value of planned assets as at the end of the year</b>		
Non-current	-	-
Current	2.78	1.84
	0.05	0.27
<b>Assumptions used in the above valuations are as under:</b>		
Interest rate	7.78%	7.45%
Discount rate	7.78%	7.45%
Salary increase	4.14%	5.00%
Attrition rate	3.43%	14.58%
Retirement age	58 years	58 years

**4 Net gratuity cost**

31 March 2019	31 March 2018
Gratuity	Gratuity
Service cost	0.64
Net interest cost on the net defined benefit liability	0.18
Components of defined benefit costs recognized in Statement of Profit and Loss	<b>0.82</b>

**5 Other comprehensive income**

31 March 2019	31 March 2018
Change in financial assumptions	(0.25)
Change in demographic assumptions	(0.02)
Experience variance (i.e. actual experience versus assumptions)	0.17
Components of defined benefit costs recognized in other comprehensive income	<b>(0.10)</b>

**6 Experience adjustments**

Defined benefit obligation at the end of the year	2.83	2.11
Plan assets	-	-
Surplus/(deficit)	2.83	2.11
Experience adjustments on plan liabilities	0.17	-
Experience adjustments on plan assets	-	-

**7 Maturity Profile of Defined Benefit Obligation**

Year	31 March 2019	31 March 2018
a) April 2018 - March 2019	-	0.29
b) April 2019 - March 2020	0.06	0.25
c) April 2020 - March 2021	0.07	0.22
d) April 2021 - March 2022	0.06	0.18
e) April 2022 - March 2023	0.06	0.18
f) April 2023 onwards	6.78	2.16
	<b>7.03</b>	<b>3.28</b>



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**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise stated)**

**31 Defined benefit plan (contd.)**

**B. Defined contribution plan**

The Company makes contribution of statutory provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Scheme as per the Employees' State Insurance Act, 1948. This is a defined contribution and contribution made was ₹ 2.60 millions for the year ended 31 March 2019 (31 March 2018 - ₹ 1.72 millions).

**C. Compensated absences**

**Assumptions used in accounting for vacation pay:**

Interest rate	7.78%	7.45%
Discount rate	7.78%	7.45%
Salary increase	4.14%	5.00%
Attrition rate	3.43%	14.58%
Retirement age	58 years	58 years

**D. Sensitivity analysis**

**Description of risk exposures**

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

**Interest Rate Risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

**Liquidity Risk:** This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation Risk:** The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic Risk:** The company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 2.00 million).

**Asset Liability Mismatching or Market Risk:** the duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

**Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

**Gratuity**

	31-Mar-19		31-Mar-18	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1.0%)	10.61%	-9.23%	5.46%	-5.01%
Salary growth rate (- / + 1.0%)	-9.57%	10.86%	-4.64%	4.97%
Attrition rate (- / + 1.0%)	-1.15%	0.92%	0.48%	-0.48%

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis. There is no change in the method of valuation for the prior period.

**32 Leases**

**Operating lease**

The lease expense for cancellable and non-cancellable operating leases was ₹ 3.95 millions for the year ended 31 March 2019 (31 March 2018 - ₹ 4.21 millions). Lease commitments under the non-cancellable operating leases as at the balance sheet date is Nil.



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**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise stated)**

**33 Related party transactions**

**(i) Names of the related parties and description of relationship**

**(a) Party exercising control**

Shriram Properties Limited  
SPL Estates Private Limited

**Relationship**

Holding company  
Subsidiary company

**(b) Entities controlled/significantly influenced by key management personnel (other related parties)**

Shriprop Properties Private Limited  
SPL Properties BNE Private Limited (upto 21 September 2018)  
Twentyfirst Century Infrastructure Private Limited (upto 21 September 2018)

Fellow subsidiary  
Other related party  
Other related party

**(c) Key management personnel (KMP)**

M Murali  
Krishna Veeraraghavan  
Sundaram Balasubramanian  
Vaidyanathan Ramamurthy (w.e.f. 9 July 2018)

Director  
Director  
Whole time director  
Independent director

**(ii) Balances with related parties**

Related party and transaction	31 March 2019			31 March 2018		
	Holding company	Other related parties	KMP	Holding company	Other related parties	KMP
<b>Borrowings</b>						
Shriram Properties Limited	1,193.68	-	-	1,586.28	-	-
<b>Deposit given</b>						
Twentyfirst Century Infrastructure Private Ltd	-	-	-	-	40.00	-
<b>Corporate guarantee given</b>						
SPL Estates Private Limited	-	400.00	-	-	-	-
<b>Security deposit received</b>						
Shriprop Properties Private Limited	-	600.00	-	-	-	-
<b>Advance received</b>						
SPL Estates Private Limited	-	300.00	-	-	-	-
<b>Expenses incurred on behalf of subsidiary</b>						
SPL Estates Private Limited	-	3.10	-	-	-	-

**(iii) Transactions during the year**

Related party and transaction	31 March 2019			31 March 2018		
	Holding company	Other related parties	KMP	Holding company	Other related parties	KMP
<b>Remuneration/perquisites paid</b>						
Sundaram Balasubramanian	-	-	0.58	-	-	4.98
<b>Corporate guarantee given</b>						
SPL Estates Private Limited	-	400.00	-	-	-	-
<b>Loan taken</b>						
Shriram Properties Limited	250.35	-	-	294.70	-	-
<b>Loan repaid</b>						
Shriram Properties Limited	642.95	-	-	13.13	-	-
<b>Interest expense on borrowings</b>						
Shriram Properties Limited	167.16	-	-	172.48	-	-
<b>Deposit given</b>						
SPL Properties BNE Private Limited	-	12.00	-	-	-	-
Twentyfirst Century Infrastructure Private Ltd	-	-	-	-	30.00	-
<b>Security deposit received</b>						
Shriprop Properties Private Ltd	-	600.00	-	-	-	-
<b>Advance received</b>						
SPL Estates Private Limited	-	300.00	-	-	-	-
<b>Expenses incurred on behalf of the company</b>						
SPL Estates Private Limited	-	3.10	-	-	-	-





**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise stated)**

**34 Reclassification**

Certain previous year numbers have been regrouped/ reclassified to conform to the current year's classification. Significant reclassifications are given below:

Particulars	31 March 2018 Reported	Regrouping	31 March 2018 (Regrouped)
Borrowings	2,316.81	(4.77)	2,312.04
Other current assets	309.07	(4.77)	304.30

**35 Disclosures required under Ind AS 115 (Revenue from contract with customers)**

**a. Contract balances**

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

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Contract assets</b>	-	-
<b>Contract liabilities</b>		
Advance from customers	1,368.16	281.57
<b>Total contract liabilities</b>	<b>1,368.16</b>	<b>281.57</b>
<b>Receivables</b>		
Trade receivables	262.73	11.06
<b>Total receivables</b>	<b>262.73</b>	<b>11.06</b>

Contract asset is the right to consideration that is conditional upon factors other than the passage of time. Contract assets are initially recognised for revenue earned from property under development rendered but yet to be billed to customers. Upon billing of invoice, the amounts recognised as contract assets are reclassified to trade receivables. During the year ended 31 March 2019 and 31 March 2018, the Company does not have any contract assets (conditional upon factors other than passage of time).

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.

**b. Significant changes in the contract liabilities balances during the year are as follows:**

Particulars	Contract liabilities Advances from customers	
	As at 31 March 2019	As at 31 March 2018
Opening balance	281.57	162.73
Addition during the year	1,086.59	118.84
Revenue recognised during the year	-	-
<b>Closing balance</b>	<b>1,368.16</b>	<b>281.57</b>

- c. The performance obligation of the Company in case of sale of residential plots and apartments and commercial office space is satisfied once the project is completed and control is transferred to the customers. The customer makes the payment for contracted price as per the installment stipulated in the customers's Agreement.  
The transaction price of the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2019 is ₹2,800.32 million. The same is expected to be recognised within 1 to 4 years.

**d. Reconciliation of revenue recognised with contract revenue:**

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Contract revenue	-	-
<b>Revenue recognised</b>	<b>-</b>	<b>-</b>



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**Bengal Shriram Hitech City Private Limited**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise stated)**

**36 Segmental information**

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

**37 Other commitments and contingencies :**

**A. Contingent liabilities**

- The Company is involved in a legal case on land for environmental issues. The same is pending with the Writ Court and scheduled for hearings shortly. After considering the circumstances and legal advice received, the management believes that this case will not adversely affect its financial statements.
- The Company received tax demands from the Income tax authorities, arising on disallowance of business loss due to non-commencement of business for the fiscal years ended 31 March 2012, 2013 and 2014. The Company is contesting the above demands and considering the facts and nature of disallowances the management believes that the final outcome of the disputes should be in favour of the Company and will not have any material adverse effect on the financial position and results of operations.

**B. Financial guarantees**

Guarantee given by the company on behalf of subsidiary (refer note 33)

31 March 2019	31 March 2018
400.00	-

**38 Corporate social responsibility expenses**

Since the Company does not meet the criteria specified in Section 135 of the Companies Act, 2013, the Company is not required to spend any amount on activities related to corporate social responsibility for the year ended 31 March 2019 and 31 March 2018.

**39 Events occurring after the reporting date**

No adjusting or significant non-adjusting events have occurred between 31 March 2019 and the date of authorization of these financial statements.

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

**Adi P. Sethna**  
Partner  
Membership No.: 108840

Mumbai  
28 June 2019



**For and behalf of the board of directors of Bengal Shriram Hitech City Private Limited**

**M Murali**  
Director  
DIN: 00030096

Bengaluru  
27 June 2019

**Krishna Veeraraghavan**  
Director  
DIN: 06620405

Bengaluru  
27 June 2019

**Suresh Sarawagi**  
Chief Financial Officer

Bengaluru  
27 June 2019

**Ramaswamy K**  
Company Secretary  
ACS No.: 28580

Bengaluru  
27 June 2019

