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Independent Auditor's Report

To the Members of Global Entropolis (Vizag) Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Global Entropolis (Vizag) 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 Act, 2013 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 profit (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.

Emphasis of Matter

4. As discussed in Note 41 to the financial statements, the comparative financial information for the year ended 31 March 2018 and the Balance sheet as at 01 April 2017 have been restated to correct a misstatement in respect of revenue and cost recognition in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. Our opinion is not modified with respect to this matter.

Information other than the Financial Statements and Auditor's Report thereon

5. 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.

   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

6. 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), changes in equity and cash flows 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.

7. 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

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

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9. 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.

   - 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.

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

Report on Other Legal and Regulatory Requirements

11. 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.

12. 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.

13. 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;

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Chartered Accountants

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;

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 36 to the financial statements, has disclosed the impact of pending litigations on its financial position;

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 CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

Annexure I to the Independent Auditor's Report of even date to the members of Global Entropolis (Vizag) 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) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(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 not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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Annexure I to the Independent Auditor's Report of even date to the members of Global Entropolis (Vizag) 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 not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of 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
The Central Goods and Service Tax Act, 2017	Goods and Service Tax	3.72	FY 2017-18	Various dates	21 April 2019
The Central Goods and Service Tax Act, 2017	Goods and Service Tax	2.88	April 2018 to Sep 2018	Various dates	21 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	10.79	5.40	FY 2011-12	Income Tax Appellate Tribunal, Bangalore
The Income Tax Act, 1961	Income Tax	7.77	1.17	FY 2013-14	Income Tax Appellate Tribunal, Bangalore
The Income Tax Act, 1961	Income Tax	Nil*	-	FY 2014-15	Commissioner of Income Tax Appeals
The Finance Act, 1994	Service Tax	109.44	5.63	FY 2008-09 to FY 2014-15	Customs, Excise and Service Tax Appellate Tribunal, Hyderabad
The Finance Act, 1994	Service tax	3.49	0.14	FY 2012-13 to FY 2014-15	Commissioner of Central Excise (Appeals), Visakhapatnam
The Finance Act, 1994	Service tax	29.87	1.12	July 2012 to Sep 2013	Commissioner of Custom, Central Excise and Service Tax, Vishakhapatnam
The Finance Act, 1994	Service tax	31.19	-	Oct 2012 to Sep 2015	Commissioner of Central Tax(Audit), Visakhapatnam
The Finance Act, 1994	Service tax	11.65	-	Oct 2012 to Sep 2015	Commissioner of Central Tax(Audit), Visakhapatnam
The Finance Act, 1994	Service tax	12.72	-	FY 2015 -16	Commissioner of Central Tax(Audit), Visakhapatnam

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

Walker Chandiok & Co LLP BENGALURU Chartered Accountants

Annexure I to the Independent Auditor's Report of even date to the members of Global Entropolis (Vizag) Private Limited, on the financial statements for the year ended 31 March 2019

(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 purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization 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.

(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 CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

Annexure II to the Independent Auditor's Report of even date to the members of Global Entropolis (Vizag) 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 Global Entropolis (Vizag) 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.

WALKER CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

Annexure II to the Independent Auditor's Report of even date to the members of Global Entropolis (Vizag) 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 all 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 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

WALKER CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

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Global Entropolis (Vizag) Private Limited
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CIN: U45202KA2008PTC045671
Email ID: companysecretary@shriramproperties.com
Ph No. 080 - 4022 9999

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

Assets	Note	As at 31 March 2019	As at 31 March 2018 (Restated)	As at 01 April 2017 (Restated)
Non-current assets				
(a) Property, plant and equipment	2	3.10	10.61	9.13
(b) Intangible assets	3	0.51	0.75	1.19
(c) Financial assets				
(i) Loans	4(a)	0.68	1.12	0.66
(ii) Other financial assets	5(a)	1,886.32	1,717.52	1,509.80
(d) Non-current tax assets, net	6	13.47	13.47	13.47
(e) Deferred tax assets (net)	7	532.94	651.68	-
(f) Other non-current assets	8(a)	1.97	1.46	1.46
Total non-current assets		2,438.99	2,396.61	1,535.71
Current assets				
(a) Inventories	9	1,864.21	2,077.95	2,095.27
(b) Financial assets				
(i) Investments	10	57.90	-	-
(ii) Trade receivables	11	1,118.67	1,093.43	646.06
(iii) Cash and cash equivalents	12	35.59	19.93	6.11
(iv) Bank balances other than (iii) above	13	8.45	21.14	18.57
(v) Loans	4(b)	55.23	142.75	0.79
(vi) Other financial assets	5(b)	43.21	0.03	0.28
(c) Other current assets	8(b)	165.81	141.94	86.85
Total current assets		3,349.07	3,497.17	2,853.93
Total assets		5,788.06	5,893.78	4,389.64
Equity and liabilities				
Equity				
(a) Equity share capital	14	130.24	130.24	221.07
(b) Other equity	15	482.01	259.23	(732.68)
Total equity		612.25	389.47	(511.61)
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	16(a)	1,426.86	-	-
(b) Provisions	19(a)	3.77	2.07	1.08
Total non-current liabilities		1,430.63	2.07	1.08
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	16(b)	1,174.83	1,978.24	1,611.01
(ii) Trade payables	17			
(a) total outstanding dues of micro and small enterprises		1.23	-	-
(b) total outstanding dues other than (ii)(a) above		201.98	227.08	208.56
(iii) Other financial liabilities	18	124.02	147.90	144.57
(b) Provisions	19(b)	1.69	1.76	2.12
(c) Current tax liabilities, net		21.63	67.70	-
(d) Other current liabilities	20	2,219.80	3,079.56	2,933.91
Total current liabilities		3,745.18	5,502.24	4,900.17
Total equity and liabilities		5,788.06	5,893.78	4,389.64
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 Chandiok & 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 Global Entropolis (Vizag) Private Limited

M Murali
Director
DIN: 00030096

Bengaluru
27 June 2019

Balaji R
Chief Financial Officer & Director
DIN No.:07831896

Bengaluru
27 June 2019

Harish Kumar S.

S. Harish Kumar
Company Secretary
ACS No.:50028

Bengaluru
27 June 2019

WALKER CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

Global Entropolis (Vizag) Pvt. Ltd.

Global Entropolis (Vizag) 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)
Revenue			
Revenue from operations	21	1,314.27	1,121.36
Other income	22	271.64	214.50
Total Income		1,585.91	1,335.86
Expenses			
Land cost		6.61	-
Material and construction cost	23	520.21	305.73
Changes in inventories	24	258.28	18.69
Employee benefits expense	25	42.47	39.08
Finance expense, net	26	365.89	218.42
Depreciation and amortization	27	1.88	2.23
Impairment losses		6.01	-
Other expenses	28	70.39	183.29
Total expenses		1,271.74	767.44
Profit before tax		**314.17**	**568.42**
Tax expense	29		
Current tax (includes income tax relating to prior year ₹1.24 million (March 2018:Nil)		30.32	97.49
Deferred tax charge/(credit)		118.74	(651.68)
Profit after tax		165.11	1,122.61
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
(i) Re-measurement of loss on defined benefit plans		(0.76)	(0.17)
Total other comprehensive income for the year		(0.76)	(0.17)
Total comprehensive income for the year		164.35	1,122.44
Earnings per share (Nominal value per share)	30		
Basic and Diluted (₹)		12.68	51.07

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 Chandiok & 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 Global Entropolis (Vizag) Private Limited

HARISH KUMAR B.

M Murali
Director
DIN:00030096

Bengaluru
27 June 2019

Balaji R
Chief Financial Officer & Director
DIN No.:07831896

Bengaluru
27 June 2019

S. Harish Kumar
Company Secretary
ACS No.:50028

Bengaluru
27 June 2019

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * BENGALURU

Global Entropolis (Vizag) Pvt. Ltd. *

Global Entropolis (Vizag) 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)
A. Cash flow from operating activities		
Profit before tax	314.17	568.42
Adjustments for		
Depreciation and amortization expense	1.88	2.23
Provision for doubtful debtors	6.01	-
Finance expense, net	365.89	218.42
Loss on sale of property, plant and equipment	2,35	1.05
Liabilities no longer required written back	(30.60)	-
Profit on sale of mutual funds	(1.64)	-
Fair value gain on financial instruments at FVTPL	(2.66)	-
Interest income on loan to related parties	-	(6.58)
Unwinding of discount of receivables	(235.00)	(206.59)
Operating profit before working capital changes	420.40	576.95
(Increase) in trade receivables	(31.25)	(240.78)
Decrease in trade payables	6.73	18.52
(Increase) in loans	0.63	(0.85)
Decrease in inventories	217.82	17.32
Decrease/(Increase) in other financial assets	53.91	(207.47)
(Increase) in other current/ non-current assets	(24.38)	(55.09)
(Increase)/decrease in other current liabilities	(859.76)	145.65
(Increase)/decrease in financial liabilities	(30.00)	3.53
Decrease in provisions	0.87	0.46
Cash (used in) / generated from operations	(245.03)	258.24
Income tax paid (net)	(80.03)	(36.54)
Net cash flows (used in) / generated from operating activities	(325.06)	221.70
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(0.58)	(4.65)
Purchase of intangible assets	(0.02)	-
Proceeds from sale of property, plant and equipment	0.03	0.33
Loans to related parties, net of repayment	94.50	(141.57)
Purchase of mutual funds	(148.83)	-
Proceeds from sale of mutual funds	95.24	-
Interest income received	2.82	6.58
Movement in bank deposits, not considered as cash and cash equivalents	(17.01)	(2.57)
Net cash generated from / (used in) investing activities	26.16	(141.88)

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Global Entropolis (Vizag) Pvt. Ltd.

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Global Entropolis (Vizag) 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)
C. Cash flows from financing activities		
Proceeds from secured term loans	1,500.00	500.04
Repayment of secured term loans	(1,583.81)	(20.80)
Buy-back of equity shares	-	(221.36)
Proceeds/ (Repayment) of borrowings from related parties, net	624.87	(153.95)
Finance charges paid	(226.50)	(169.93)
Net cash generated from / (used in) financing activities	**314.56**	**(66.00)**
Net (decrease)/increase in cash and cash equivalents (A + B + C)	15.66	13.82
Cash and cash equivalents at the beginning of the year	19.93	6.11
Cash and cash equivalents at the end of the year	**35.59**	**19.93**
Components of cash and cash equivalents		
Cash and cash equivalents (as per note 12 to the financial statements)	35.59	19.93
Total cash and cash equivalents	**35.59**	**19.93**

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

Liabilities	01 April 2017	Cash flow	Non cash changes			31 March 2018
			Adjustment of processing fee	Adjustment for guarantee commission	Accrued interest	
Borrowings from Bank and others	1,094.81	479.24	3.25	-	-	1,577.30
Loan from related party	516.20	(153.95)	-	-	38.69	400.94

Liabilities	01 April 2018	Cash flow	Non cash changes			31 March 2019
			Adjustment of processing fee	Adjustment for guarantee commission	Accrued interest	
Borrowings from Bank and others	1,577.30	(83.81)	(18.44)	(48.19)	-	1,426.86
Loan from related party	400.94	624.87	-	-	149.02	1,174.83

As per report of even date

For Walker Chandiok & 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 Global Entropolis (Vizag) Private Limited

M Murali
Director
DIN:00030096

Bengaluru
27 June 2019

Balaji R
Chief Financial Officer & Director
DIN No.:07831896

Bengaluru
27 June 2019

Harish Kumar
S. Harish Kumar
Company Secretary
ACS No.:50028

Bengaluru
27 June 2019

WALKER CHANDIOK & CO LLP
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Global Entropolis (Vizag) Pvt. Ltd.

Global Entropolis (Vizag) 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	As at 01 April 2017	Movement during the year	As at 31 March 2018	Movement during the year	As at 31 March 2019
Equity share capital (refer note 14)	221.07	(90.83)	130.24	-	130.24
	221.07	(90.83)	130.24	-	130.24

B. Other equity

Particulars	Reserves and surplus: Securities premium	Reserves and surplus: Retained earnings	Reserves and surplus: Measurement of below market rate financials liability at fair value (*)	Total
Balance as at 01 April 2017	2,654.43	(3,387.11)	-	(732.68)
Capital reduction	(130.53)	-	-	(130.53)
Profit for the year (Restated)	-	1,122.61	-	1,122.61
Other Comprehensive loss for the year	-	(0.17)	-	(0.17)
Balance as at 31 March 2018 (Restated)	2,523.90	(2,264.67)	-	259.23
Profit for the year	-	165.11	-	165.11
Contribution made during the year (*)	-	-	58.43	58.43
Other Comprehensive loss for the year	-	(0.76)	-	(0.76)
Balance as at 31 March 2019	2,523.90	(2,100.32)	58.43	482.01

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

As per report of even date

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

Adi P. Sethna
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WALKER CHANDIOK & CO LLP
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Global Entropolis (Vizag) Pvt. Ltd.

Global Entropolis (Vizag) Private Limited
Summary of significant accounting policies and other explanatory information

1 Company overview and significant accounting policies

1.1 Company overview

Global Entropolis (Vizag) Private Limited ('Global Vizag' or 'the Company') was incorporated on is 19 March 2008 under the provisions of erstwhile companies Act, 1956. The company is principally engaged in developing and sale of residential townships including villas and apartments. The Company has been engaged to develop an integrated residential township in Visakhapatnam district in Andhra Pradesh. The Company was incorporated on 19 March 2008 in the state of Karnataka. The Company is a wholly owned subsidiary of Shriram Properties Limited (formerly known as Shriram Properties Private Limited).

1.2 Significant accounting policies

a. Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (as amended) 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.

b. 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.

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 market data (unobservable inputs)

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 period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.3.

e. New Standards adopted by the Company

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.

The impact of the new standards for the periods presented are as per Note 42

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 handed over to the customer though a registered sale deed.

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.

The impact of the new standards for the periods presented are given as per note 42

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Global Entropolis (Vizag) Pvt. Ltd. *

1.2 Significant accounting policies (continued)

f. Foreign currency transactions

(a) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency on 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 on 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

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

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

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

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

(iii) A liability is classified as current when:

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

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

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

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

h. Revenue recognition

The Company has adopted Ind AS 115 with effect from 01 April 2018. However as required by Ind AS 115, 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 promised goods or service 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 company 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 company 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 is recognised in the statement of profit & loss 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 recognised over and above the amount due as per payment plans agreed with the customers. Progress billings which exceed the costs and recognised profits to date on projects under construction are disclosed under other current liabilities. Any billed amount that has not been collected is disclosed under trade receivables and is net of any provisions for amounts doubtful of recovery.

Administrative Fees:

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

Sale of development rights

Sale of development rights is recognized in the financial year in which the agreements of sale are executed and there exists no uncertainty in the ultimate collection of consideration from buyers.

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h. Revenue recognition (cont'd)

Development management income

The Company has been entering into Development and project management agreements with land owners. Accounting for income from such projects, measured at fair value, is done on accrual basis as per the terms of the agreement.

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.

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.

i. Inventories

Raw materials

Inventory includes raw materials used for the construction activity of the Company. Raw materials are valued at the lower of cost and net realizable value with the cost being determined on a 'First In First Out' basis.

Properties under development

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

Properties held for sale

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

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

j. Property, Plant and Equipment (PPE)

Recognition and initial measurement

Properties plant and equipment are stated at their cost of acquisition. On transition to Ind AS i.e., on 01 April 2015 , the Company had elected to measure all its property, plant and equipment at the previous GAAP carrying value (deemed cost) The cost comprises purchase price, borrowing cost if capitalization criteria are met, any expected costs of decommissioning and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement

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

Depreciation and useful lives

Depreciation/amortization on 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. Residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Office equipments	5 years
Furniture and fixtures	10 years
Vehicles	8 years
Electrical fittings	10 years
Computer equipment	3 years

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

De-recognition

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

Intangible assets

Computer software

Recognition and Initial measurement

Computer 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

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.

De-recognition

An intangible asset is derecognised 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 derecognised.

Global Entropolis (Vizag) Pvt. Ltd.

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Global Entropolis (Vizag) Private Limited
Summary of significant accounting policies and other explanatory information

k. Borrowing cost

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

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

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

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

l. Cash and cash equivalents

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

m. 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. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

n. 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 Company has funded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability is recognised in the balance sheet for defined benefit plan, as the present value of the defined benefit obligation (DBO) at the reporting date is less than the fair value of the plan assets. 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 and the fair value of plan assets. 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 recognised immediately in profit or loss as past service cost.

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

Compensated absences

The Company also provides benefit of compensated absences to its employees. Liability in respect of compensated absences 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 inventoried 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 the 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 recognised 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.

o. 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 an 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.

p. 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.

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Global Entropolis (Vizag) Pvt. Ltd.

q. 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.

r. Financial instruments

Financial assets

Initial recognition and measurement

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

Subsequent measurement

Debt Instruments

Debt instruments at amortized cost

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

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

Debt Instruments at fair value through other comprehensive Income (FVTOCI)

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

Debt Instruments at Fair value through profit and loss (FVTPL)

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

Equity investments

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

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

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Investment in mutual funds

Investment in mutual funds are measured at fair value through profit or loss (FVTPL).

De-recognition of financial assets

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

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.

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s. Impairment of financial assets

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

t. Impairment of non-financial assets

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

u. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is principally engaged in providing infrastructure services which includes developing and sale of residential townships including villas and apartments, which is the only reportable segment. The Company operates primarily in India and there is no other significant geographical segment.

v. Cash flow statement

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

The loans to/ from related parties are in nature of current accounts. Hence, the transaction has been shown on a net basis in the cash flow statement.

1.3 Significant estimates in applying accounting policies

a. Revenue from contracts with customers - The Company has applied judgements as detailed in note 1.2(g) 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. Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

g. Contingent liabilities – At each balance sheet date based on the management estimate, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding guarantees and litigations. However, the actual future outcome may be different from this estimate. Refer note 36 for disclosures on contingent liabilities.

h. 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.

i. 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.

j. Provisions – At each balance sheet date based on 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.

k. 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.

l. Control over development management arrangements – The Company has entered into certain agreements to provide development management services for projects with unrelated parties.

Management has assessed its involvement in such projects to assess control in such projects in accordance with Ind AS 110, 'Financial Statements'. As the Company does not have the rights to make decisions around all the relevant activities of the project's principal purpose and as the relevant decisions would require the consent of other parties, the management has concluded that the agreement gives the aforesaid parties control of the arrangement and the Company is acting as an agent for such parties and hence does not possess control over the projects.

Global Entropolis (Vizag) Private Limited
Summary of significant accounting policies and other explanatory information
(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	Computers	Furniture and fixtures	Vehicles	Office equipment	Electrical fittings	Total
Gross carrying amount						
As at 1 April 2017	2.13	7.75	1.15	1.65	0.21	12.89
Additions	0.40	2.14	0.60	0.93	0.58	4.65
Disposals	(0.19)	(1.32)	(0.37)	(1.01)	(0.21)	(3.10)
As at 31 March 2018	2.34	8.57	1.38	1.57	0.58	14.44
Additions	0.28	0.12	-	0.02	0.14	0.56
Disposals	(0.20)	(7.89)	-	(0.05)	(0.36)	(8.50)
As at 31 March 2019	2.42	0.80	1.38	1.54	0.36	6.50
Accumulated depreciation						
As at 1 April 2017	1.16	1.03	0.28	1.23	0.06	3.76
Charge for the year	0.39	0.84	0.21	0.31	0.04	1.79
Disposals	(0.11)	(0.53)	(0.14)	(0.84)	(0.10)	(1.72)
As at 31 March 2018	1.44	1.34	0.35	0.70	-	3.83
Charge for the year	0.28	0.99	0.22	0.07	0.06	1.62
Disposals	(0.05)	(1.92)	-	(0.05)	(0.03)	(2.05)
As at 31 March 2019	1.67	0.41	0.57	0.72	0.03	3.40
Net block						
As at 31 March 2018	0.90	7.23	1.03	0.87	0.58	10.61
As at 31 March 2019	0.75	0.39	0.81	0.82	0.33	3.10

a. **Contractual obligations**
There are no contractual commitments pending for the acquisition of property, plant and equipment as at 31 March 2019.

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

c. **Details of assets pledged**
No assets have been pledged as at the 31 March 2019.

3 Intangible assets

Particulars	Computer software	Total
Gross carrying amount		
As at 1 April 2017	1.97	1.97
Additions	-	-
Disposals	-	-
As at 31 March 2018	1.97	1.97
Additions	0.02	0.02
Disposals	-	-
As at 31 March 2019	1.99	1.99
Accumulated amortization		
As at 1 April 2017	0.78	0.78
Charge for the year	0.44	0.44
Disposals	-	-
As at 31 March 2018	1.22	1.00
Charge for the year	0.26	0.26
Disposals	-	-
As at 31 March 2019	1.48	1.48
Net block		
As at 31 March 2018	0.75	0.75
As at 31 March 2019	0.51	0.51

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1.4 New amendments to accounting standards not yet effective and have not been adopted early by the Company

Standards, not yet effective and have not been adopted early by the Company

Certain new standards, amendments to standards and interpretations are not yet effective for annual years beginning after 01 April 2018, and have not been applied in preparing these financial statements. New standards, amendments to standards and interpretations that could have potential impact on the financial statements of the Company are:

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 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 recognise 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 periods beginning on or after 01 April 2019. The Company is evaluating the requirements of the new standard and 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 recognise 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 periods beginning on or after 01 April 2019. The Company is evaluating the requirements of the new standard and the effect on the financial statements is being evaluated.

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

On March 30, 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:

* To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
* To recognise 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 periods beginning on or after 01 April 2019. The Company is evaluating the requirements of the new standard and the effect on the financial statements is being evaluated.

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4 Loans	**31 March 2019**	**31 March 2018**
(a) Non - current		
Unsecured, considered good		
Security deposits	0.68	1.12
	0.68	**1.12**
(b) Current		
Unsecured, considered good		
Loans to related parties (refer note 37)	54.24	141.57
Staff advance	0.99	1.18
	55.23	**142.75**

5 Other financial assets		
(a) Non - current		
Non-current bank balances (refer note 13)	41.83	11.23
Other receivables(*)	1,844.49	1,706.29
	1,886.32	**1,717.52**

(*) During the year ended 31 March 2016, the Company had proportionately assigned its development right over 2.3 million square feet out of 5.1 million square feet in favour of a third party for a deferred consideration of ₹ 2,800 million. The Company has deferred revenue of ₹ 35.75 million for which services were rendered during the year and the revenue. The receivable represents the consideration which will be settled over a period of 5 years through cash payment of ₹ 2,560 million which has been measured at fair value. In addition to above, the Company will receive 0.1 million square feet of constructed area in lieu of the balance consideration.

(b) Current	**31 March 2019**	**31 March 2018**
Advances received towards joint development	13.67	-
Unbilled revenue	29.47	-
Other advances	0.07	0.03
	43.21	**0.03**
6 Non-current tax assets, net		
Advance income tax (net of provision for taxation)	13.47	13.47
	13.47	**13.47**

7 Deferred tax assets

Deferred tax arising from temporary differences and unused tax losses are summarised as follows:

	As at 01 April 2018	**Recognised in Profit and Loss**	**As at 31 March 2019**
Unused tax losses (refer note)	406.01	38.14	367.87
Unwinding of discount of receivables	234.77	75.86	158.91
Change in measurement of revenue from real estate development (net of cost) as per Ind AS 115	10.90	4.74	6.16
	651.68	**118.74**	**532.94**
Deferred tax liability	-	-	-
Deferred tax assets, net	**651.68**	**118.74**	**532.94**

Note:

During the previous year, the Company had entered into a development management contract which is expected to generate ₹1,530 million of income over the next 2 years. Consequent to the above, in the previous year, the Company has recorded deferred tax asset on unused business losses and unabsorbed depreciation.

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	31 March 2019	31 March 2018
8 Other assets		
(a) Non-current		
Other advances	1.97	1.46
	1.97	1.46
(b) Current		
Advances to suppliers and contractors	114.23	82.58
Prepaid expenses	18.48	28.19
Duties and taxes recoverable (*)	33.10	31.17
	165.81	141.94

(*) Amount paid under protest amounting to ₹ 6.89 million as at 31 March 2019 (31 March 2018 : ₹ 5.6 million)

9 Inventory (*)	31 March 2019	31 March 2018 (Restated)
Raw materials	59.48	14.94
Properties under development		
Land cost	330.12	445.42
Material and construction cost	1,459.44	1,550.23
	1,789.56	1,995.65
Properties held for sale	15.17	67.36
	1,864.21	2,077.95

Note:

a. Reversal of write-down of inventories to net realisable value amounted to ₹ 18.80 million. This was recorded as a reduction in the amount of inventories recognised as expense during the year ended 31 March 2019 and included in 'changes in inventories' in statement of profit and loss.

b. Write-down of inventories to net realisable value amounted to ₹ 39.78 million. This was recorded as an expense during the year ended 31 March 2018 and included in 'changes in inventories' in statement of profit and loss.

(*) Details of assets pledged are given in note 31

10 Investments	31 March 2019	31 March 2018
Current		
Investment in mutual funds (quoted)(*)		
Investments carried at fair value through profit or loss (FVTPL)		
17,086 (previous year - Nil) units in LIC Mutual Fund Asset Management Ltd.	57.90	-
	57.90	-
Aggregate amount of quoted investments and market value thereof	57.90	-
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

(*) Details of assets pledged are given in note 31

	31 March 2019	31 March 2018
11 Trade receivables		
Current (*)		
Considered good - Secured	164.53	162.59
Considered good - Unsecured	954.14	930.84
Receivables which have significant increase in credit risk	-	-
Considered doubtful - Unsecured	6.01	-
	1,124.68	1,093.43
Less: Receivables - credit impaired	(6.01)	-
	1,118.67	1,093.43

(*) Details of assets pledged as per note 31

	31 March 2019	31 March 2018
12 Cash and cash equivalents		
Cash on hand	0.07	0.16
Balances with banks		
In current accounts	35.52	19.77
	35.59	19.93

Note:
As at 31 March 2019, the Company had available ₹ 1,500 millions (31 March 2018 - ₹3003.20 millions) of undrawn committed borrowing facilities.

	31 March 2019	31 March 2018
13 Other bank balances (*)		
Deposits with maturity for more than 3 months but less than 12 months	8.45	21.14
Deposits with maturity for more than 12 months	41.83	11.23
	50.28	32.37
Amount disclosed under non-current assets (refer note 5a)	(41.83)	(11.23)
	8.45	21.14

(*) Details of assets pledged as per note 31

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Global Entropolis (Vizag) Pvt. Ltd.

14 Equity share capital

	31 March 2019		31 March 2018	
Authorized shares	Number	Amount	Number	Amount
Equity share capital				
Class A equity shares of ₹10 each	13,025,000	130.25	13,025,000	130.25
Class B equity shares of ₹10 each	6,595,000	65.95	6,595,000	65.95
Class C equity shares of ₹10 each	2,500,000	25.00	2,500,000	25.00
Issued, subscribed and fully paid-up shares				
Equity share capital				
Class A equity shares of ₹10 each	13,024,000	130.24	13,024,000	130.24
	13,024,000	130.24	13,024,000	130.24

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

Equity shares

	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
Class A				
Balance at the beginning of the year	13,024,000	130.24	13,024,000	130.24
Movement during the year	13,024,000	130.24	13,024,000	130.24
Class B				
Balance at the beginning of the year	-	-	6,593,000	65.93
Capital reduction during the year (refer note e below)	-	-	(6,593,000)	(65.93)
Outstanding at the end of the year	-	-	-	-
Class C				
Balance at the beginning of the year	-	-	2,490,000	24.90
Capital reduction during the year (refer note e below)	-	-	(2,490,000)	(24.90)
Outstanding at the end of the year	-	-	-	-

b. Terms/rights attached to equity shares

The Company has three class of equity shares, viz. Class A, B and C, having a par value of ₹10 per share. Class A equity shares is having a voting rights of one vote per equity. Class B equity shares having no voting rights but entitled to dividends and with put option for buy back. Class C equity shares has no voting rights but entitled to dividends. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion of their holdings in accordance with the shareholders agreement.

c. Details of shareholders holding more than 5% shares in the company

Name	31 March 2019		31 March 2018	
	Number	% of holding	Number	% of holding
Class A equity shares				
Shriram Properties Limited (#)	13,024,000	100%	13,024,000	100%

(#) (including 10 shares held by nominee shareholder)

d. 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:

The Company has not issued any bonus shares during five years immediately preceding 31 March 2019.

e. During the previous year, 6,593,000 class B equity shares of ₹ 10 each and 2,490,000 class C equity shares of ₹ 10 each of were extinguished on buy back by the Company pursuant to special resolution dated 24 November 2017 and vide National Company Law tribunal order dated 26 March 2018.

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Global Entropolis (Vizag) Pvt. Ltd.

15 Other equity	31 March 2019	31 March 2018 (Restated)
Securities premium	2,523.90	2,523.90
Measurement of below market rate financials liability at fair value (*)	58.43	-
Retained earnings	(2,100.32)	(2,264.67)
	482.01	**259.23**

Nature and purpose of reserves

Securities premium

Securities premium is created to record the premium received over and above the face value of shares at the time of issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

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

16 Borrowings	31 March 2019	31 March 2018
(a) Non-current		
Secured loans		
Term loans		
From others	1,426.86	-
	1,426.86	**-**
(b) Current		
Secured loans		
Term loans		
From others	-	1,577.30
Unsecured loans		
Loan from related parties (refer note 37)	1,174.83	400.94
	1,174.83	**1,978.24**

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16. Borrowings (Continued)

Sl.No	Particulars	Nature of security	Repayment details	Rate of interest	31 March 2019	31 March 2018
Current borrowings						
Term loans from Others (Secured)						
i.	Aditya Birla Finance Limited	An exclusive charge by way registered equitable mortgage on the undivided share of property (excluding the proportionate share of land already sold) together with all buildings and structures thereon, both present and future. Exclusive charge by way of hypothecation on the company's share of scheduled receivables from the sold and unsold units of the project Panorama, all insurance proceeds, both present and future. Exclusive charge by way of hypothecation on the escrow accounts 1 to 5 with all monies credited/deposited therein and all investments in respect thereof. An exclusive charge by way of hypothecation on the receivables accruing to the borrower out of the assignment deed executed between M/s Iconica projects and the company. A security cover of 1.33 times on the outstanding amount of the facility maintained.	The loan is repayable in 24 equal monthly instalments commencing from the date of 31 March 2018.	13.75%	-	1,083.76
		Unamortised upfront fees on borrowing			-	(6.50)
					-	1,077.26
ii.	IIFL Loan	The Debt borrowed from IIFL based on diversified securities . Margin should always be maintained as per approval of margin of lender. In the event of over all dropping margin below approved margins, additional shares / mutual fund/ securities should be provided to topup collateral with one day working day of communication received from lender	Repayable in a single instalment after 12 months from the date of sanction	8.5% - 9.4%	-	500.04
					-	500.04
Unsecured loans						
i.	Shriram Properties Limited (formerly known as Shriram Properties Private Limited)	Unsecured	Repayable on demand	16.00%	1,174.83	400.94
					1,174.83	400.94
Non-current borrowings						
Term loans from Others (Secured)						
1	LIC Housing Finance Limited	a. Equitable Mortgage of Project land and structure thereon in the project "Shriram Panorama Hills" at Sy. No. I/P Yendada Village, Sy. No. 386/P Madhurawada, Law College Road, Near NV P Law College, Ward no. 5, Visakhapatnam, AP. (This will exclude 10% or more area to be mortgaged to statutory authority as per the law). b. Land owners to join in creating mortgage in favor of LICHFL for the entire land extent. c. Assignment / Hypothecation of developer's share of receivables from the project "Shriram Panorama Hills".	Repayable after: i) Completion of moratorium period of 30 months from 1st disbursement, repayment in 30 monthly instalments of 100 million each (or) ii) Receipt of cumulative sales of 9370 million. At least 30% of sale proceeds to be adjusted towards repayment of principal/LICHFL dues without prepayment charges from all future receivables (Tied or untied)	13.50% - 14.10%	1,500.00	-
		Unamortised upfront fees on borrowing			(24.95)	
		Guarantee commission payable			(48.19)	
					1,426.86	-

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17 Trade payables	31 March 2019	31 March 2018
Due to Micro and small enterprises (refer note below)	1.23	-
Dues to creditors other than micro enterprises and small enterprises	201.98	227.08
	203.21	227.08

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	31 March 2019	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;	1.23	-
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 Other financial liabilities		
Current		
Refund due to customers	47.89	89.41
Corpus and maintenance	24.34	20.97
Interest accrued but not due on borrowings	12.63	6.51
Other payables	39.16	31.01
	124.02	147.90
19 Provisions		
(a) Non-current		
Provision for employee benefits		
Gratuity	3.77	2.07
	3.77	2.07
(b) Current		
Provision for employee benefits		
Gratuity	0.41	0.40
Compensated absences	1.28	1.36
	1.69	1.76
20 Other current liabilities		
Advances received from customers	1,861.29	2,615.90
Statutory dues payable	23.21	18.91
Payable to land owner	95.30	204.75
Other payables (*)	240.00	240.00
	2,219.80	3,079.56

(*) Represents amount payable towards construction of apartments measuring 1 lakh square feet in accordance with the assignment deed with a customer.

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Global Entropolis (Vizag) Pvt. Ltd. *

Global Entropolis (Vizag) Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ millions, unless otherwise stated)

27 Depreciation and amortization

	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of tangible assets (refer note 2)	1.62	1.79
Amortisation of intangible assets (refer note 3)	0.26	0.44
	1.88	2.23

28 Other expenses

Repairs and maintenance - Buildings	12.02	6.40
Legal and professional (*)	30.68	7.07
Travel and conveyance	2.55	3.69
Rent (refer note 34)	1.59	2.28
Rates and taxes	3.25	154.27
Communication costs	0.92	1.29
Consultancy charges	6.76	0.76
Advertising and sales promotion	8.33	3.62
Power and fuel	0.41	1.20
Printing and stationery	0.79	0.84
Loss on sale of fixed assets	2.35	1.05
Miscellaneous expenses	0.74	0.82
	70.39	183.29

(*) Payment to auditor (on accrual basis, excluding GST)

As auditor:		
Statutory audit	1.85	1.85
Reimbursement of expenses	0.13	0.10
	1.98	1.95

29 Tax expense

Current tax	30.32	97.49
Deferred tax	118.74	(651.68)
Income tax expense reported in the statement of profit and loss	149.06	(554.19)

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 27.82% and the reported tax expense in profit or loss are as follows:

Accounting profit before income tax	314.17	568.42
Effective tax rate in India	27.82%	34.61%
Expected tax expense	87.40	196.72
Tax relating to previous year	1.24	
Unrecorded deferred tax asset on carry forward losses and other temporary differences	1.39	26.91
Deferred tax not created on permanent difference	1.29	-
MAT credit not created	28.83	98.97
Deferred tax asset created on previous year losses in the current year	-	(547.72)
Deferred tax impact on unwinding of discount of opening receivables	-	(294.93)
Difference in rates of income tax and deferred tax	29.09	(35.79)
Others	(0.19)	1.65
Income tax expense	149.06	(554.19)

Deferred tax assets is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and carried forward tax losses can be utilized.

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Global Entropolis (Vizag) Pvt. Ltd. *

21 Revenue from operations	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
Revenue from projects		
Sale of properties	978.06	402.47
Other operating income		
Development management fees (*)	274.34	718.89
Marketing services (**)	35.77	-
Administrative fees (**)	26.10	-
	1,314.27	**1,121.36**

(*) The Company has entered into a development management agreement for the purpose of developing a project on such terms and conditions contained therein. The Company has recognised proportionate income to the extent of work done as mentioned in the said agreement.

(**) During the year ended 31 March 2016, the Company had proportionately assigned its development right over 2.3 million square feet out of 5.1 million square feet in favour of a third party for a deferred consideration of ₹ 280 million. The above consideration will be settled over a period of 5 years through cash payment of ₹ 256 million, which has been measured at fair value. In addition to above the Company will receive 0.1 million square feet of constructed area in lieu of the balance consideration. The Company has recognised revenue of ₹ 35.77 million during the year towards marketing services provided. The consideration towards administration facilities provided by the Company from October 2017 was fixed at ₹ 1.45 million per month, which is recognised in current year.

22 Other income	Year ended 31 March 2019	Year ended 31 March 2018
Interest income on loans to related party	-	6.58
Unwinding of discount of receivables	235.00	206.59
Liabilities no longer required written back	30.60	0.00
Fair value gain on financial instruments at FVTPL	2.66	0.00
Profit on sale of mutual funds	1.64	0.00
Miscellaneous	1.74	1.33
	271.64	**214.50**

23 Material and construction cost		
Material and construction cost	520.21	305.73
	520.21	**305.73**

24 Changes in inventories	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
Inventory at the beginning of the year		
Properties under development	1,995.65	1,964.18
Properties held for sale	67.36	117.52
	2,063.01	2,081.70
Inventory at the end of the year		
Properties under development	1,789.56	1,995.65
Properties held for sale	15.17	67.36
	1,804.73	2,063.01
	258.28	**18.69**

25 Employee benefits expense (*)		
Salaries, wages and bonus	36.68	33.94
Contribution to provident fund and other funds (refer note 38B)	2.72	2.60
Gratuity expenses (refer note 38A)	0.94	0.89
Staff welfare	2.13	1.65
	42.47	**39.08**

(*) Includes employee benefit expense inventoried amounting to ₹ 20.94 (31 March 2018 : ₹13.11) million for the year ended 31 March 2019.

26 Finance expense, net (*)	Year ended 31 March 2019	Year ended 31 March 2018
Finance expense:		
Interest expense		
- on term loans	178.81	172.90
- on loan from related party	149.02	38.69
- on delayed remittance of advance tax	3.64	6.76
Loan and other processing charges	11.81	3.25
Guarantee commission expense	10.24	-
Others	23.56	0.80
	377.08	**222.40**
Finance income:		
Interest income on bank deposits	3.72	3.98
Unwinding of discount relating to refundable security deposits	0.29	-
Interest income on loan to related parties	7.18	-
	11.19	**3.98**
Finance expense, net	**365.89**	**218.42**

(*) Includes finance expense inventoried amounting to ₹ 282.45 million (31 March 2018 : ₹ 211.67 million).

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Global Entropolis (Vizag) Pvt. Ltd.

30 Earnings per share (EPS)

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
Weighted average number of shares outstanding during the year	13,024,000	21,982,575
Net profit after tax attributable to equity shareholders	165.11	1,122.62
Earnings per share (₹):		
Basic and diluted	12.68	51.07
Nominal value - Rupees (₹) per equity share		

31 Assets pledged as security

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

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
Current		
Financial assets		
First charge		
Investments	57.90	-
Trade receivables(*)	1,118.67	1,093.43
Bank balances in current accounts	35.59	16.83
Non-financial assets		
First charge		
Inventories	1,864.21	2,077.95
Total current assets pledged as securities	**3,076.37**	**3,188.21**
Non-current		
Financial assets		
First charge		
Other financial assets	41.83	11.23
Other receivables	-	2,512.50
Total non-current assets pledged	**41.83**	**2,523.73**
Total assets pledged as security	**3,118.20**	**5,711.94**

(*) DM Fees Receivable - Gateway Office Parks Private Limited - ₹ 363.57 million is pledged as against IDBI Trusteeship Services Private Limited and Piramal Trusteeship Services Limited.

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32 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
Financial assets :						
Investments	10	57.90	-	-	57.90	57.90
Trade receivables	11	-	-	1,118.67	1,118.67	1,118.67
Loans and advances	4a,4b	-	-	55.91	55.91	55.91
Cash and cash equivalents including other bank balances	11,12	-	-	85.87	85.87	85.87
Other financial assets	5a,5b	-	-	1,887.70	1,887.70	1,887.70
Total financial assets		**57.90**	**-**	**3,148.15**	**3,206.05**	**3,206.05**
Financial liabilities :						
Borrowings	16(b)	-	-	2,601.69	2,601.69	2,601.69
Trade payables	17	-	-	203.21	203.21	203.21
Other financial liabilities	18	-	-	124.02	124.02	124.02
Total financial liabilities		**-**	**-**	**2,928.92**	**2,928.92**	**2,928.92**

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
Financial assets :						
Trade receivables	11	-	-	1,093.43	1,093.43	1,093.43
Loans and advances	4a,4b	-	-	143.87	143.87	143.87
Cash and cash equivalents including other bank balances	11,12	-	-	52.30	52.30	52.30
Other financial assets	5a,5b	-	-	1,706.32	1,706.32	1,706.32
Total financial assets		**-**	**-**	**2,995.92**	**2,995.92**	**2,995.92**
Financial liabilities :						
Borrowings	16(b)	-	-	1,978.24	1,978.24	1,978.24
Trade payables	17	-	-	227.08	227.08	227.08
Other financial liabilities	18	-	-	147.90	147.90	147.90
Total financial liabilities		**-**	**-**	**2,353.22**	**2,353.22**	**2,353.22**

Notes to financial instruments

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

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

i. Fair value hierarchy

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

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data 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)

ii) Financial instruments measured at fair value

As at 31 March 2019	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in mutual funds	57.90	-	-	57.90
Total financial assets	**57.90**	**-**	**-**	**57.90**

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33 Financial risk management

Financial risk factors

The Company's activities expose it to credit risk, liquidity risk and market 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 – Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

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

a. Credit risk

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

Credit risk management

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

The Company provides for 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 loss	3,206.05	2,995.92
High credit risk	Loans and other financial assets	Life time expected credit loss or fully provided for	6.02	-

(*) 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

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
Financial assets			
Loans	55.91	-	55.91
Other financial assets	1,887.70	-	1,887.70
Investments	57.90	-	57.90
Trade receivables	1,124.69	6.02	1,118.67
Cash and cash equivalents	85.87	-	85.87
Bank balances other than above		-	-

31 March 2018

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Financial assets			
Loans	143.87	-	143.87
Other financial assets	1,706.32	-	1,706.32
Trade receivables	1,093.43	-	1,093.43
Cash and cash equivalents	52.30	-	52.30

33 Financial risk management (cont'd)

Expected credit loss for trade receivables under simplified approach

Trade receivables are secured in a form that registration of sold residential/commercial units is not processed till the time the Company does not receive the entire payment. Hence, as the Company does not have significant credit risk, it does not present the information related to 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 to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	1,386.29	1,896.56	-	3,282.85
Trade payables	137.10	66.11	-	203.21
Other financial liabilities	124.02	-	-	124.02
Total	**1,647.42**	**1,962.68**	**-**	**3,610.09**

31 March 2018	Less than 1 year	1 to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	1,521.43	627.03	-	2,148.45
Trade payables	167.36	59.72	-	227.08
Other financial liabilities	147.90	-	-	147.90
Total	**1,836.69**	**686.74**	**-**	**2,523.43**

c. Interest rate risk

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

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

	31 March 2019	31 March 2018
Variable rate borrowing(*)	1,426.86	1,077.26
Fixed rate borrowing	1,174.83	900.98
Total borrowings	**2,601.69**	**1,978.24**

(*) Includes adjustment of unamortised processing fees and guarantee commission

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)	(5.56)	(5.45)
Interest rates – decrease by 50 basis points (50 bps)	5.56	5.45

d. Price risk

The Group's exposure to price risk arises from investments held in mutual funds. To manage the price risk, the company diversifies its portfolio.

Sensitivity

Profit or loss is sensitive to higher/lower prices of instruments on the Group's profits for the periods.

Particulars	31 March 2019	31 March 2018
Price increase by 5% - FVTPL	2.90	-
Price decrease by 5% - FVTPL	(2.90)	-

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Global Entropolis (Vizag) Pvt. Ltd.

34 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	1,426.86	-
Short term borrowings	1,174.83	1,978.24
Less: Cash and cash equivalents	(35.59)	(19.93)
Less : Bank balances other than cash and cash equivalents	(8.45)	(20.36)
Less : Other financial assets	(41.83)	(11.23)
Net debt	**2,515.82**	**1,926.72**
Total equity	612.25	389.47
Gearing ratio	4.11	4.95

(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 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 period ended 31 March 2019 and 31 March 2018.

35 Leases

Operating lease

The Company has executed an operating lease agreement for its office premises. Such leases are generally of a non-cancellable period and may be extended on mutual agreement. The lease for non-cancellable operating lease during the year ended 31 March 2019 is ₹ 1.59 million (31 March 2018 : ₹ 2.28 million). The lease commitments in terms of minimum lease payments within the non-cancellable period is nil.

36 Contingent liabilities and commitments : (to the extent not provided for)	**31 March 2019**	**31 March 2018**
(a) Contingent liabilities		
Service tax matters (*)	168.39	-

(*) Amount paid under protest amounting to ₹6.89 million as at 31 March 2019.

(b) There are numerous interpretative issues relating to the Supreme Court (SC) judgement for inclusion of certain allowances as part of 'basic wages' for provident fund dated 28 February 2019. As a matter of caution, the group has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

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38 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 Gratuity	31 March 2018 Gratuity
1 The amounts recognized in the Balance Sheet are as follows:		
Present value of the obligation as at the end of the year	4.71	4.43
Fair value of plan assets as at the end of the year	(0.53)	(1.96)
Net liability recognized in the Balance Sheet	4.18	2.47
2 Changes in the present value of defined benefit obligation		
Defined benefit obligation as at beginning of the year	4.43	3.62
Service cost	0.79	0.65
Interest cost	0.28	0.27
Actuarial losses/(gains) arising from		
- change in demographic assumptions	(0.06)	(0.06)
- change in financial assumptions	0.08	1.14
- experience variance (i.e. Actual experiences assumptions)	0.72	(0.94)
Benefits paid	(1.53)	(0.25)
Defined benefit obligation as at the end of the year	4.71	4.43

3 Changes in the fair value of plan assets	31 March 2019	31 March 2018
Fair value as at the beginning of the year	1.96	2.08
Return on plan assets	0.12	0.15
Actuarial (losses)/gains	(0.02)	(0.02)
Contributions	-	-
Benefits paid	(1.53)	(0.25)
Others	-	-
Fair value as at the end of the year	0.53	1.96
Non-current	0.41	0.40
Current	3.77	2.07
Assumptions used in the above valuations are as under:		
Discount rate	7.79%	7.73%
Expected return on plan assets	7.79%	7.73%
Future salary increase	8.80%	8.60%
Attrition rate	2.00%	1.00%
Retirement age	58 years	60 years

4 Net gratuity cost for the year ended 31 March 2019 and 31 March 2018 comprises of following components.

	31 March 2019	31 March 2018
Service cost	0.79	0.65
Net interest cost on the net defined benefit liability	0.15	0.24
Components of defined benefit costs recognized in Statement of Profit and Loss	0.94	0.89

5 Other comprehensive Income

	31 March 2019	31 March 2018
Change in financial assumptions	0.08	1.14
Experience variance (i.e. Actual experience vs assumptions)	0.72	(0.94)
Return on plan assets, excluding amount recognized in net interest expense	0.12	0.02
Change in demographic assumption	(0.06)	(0.06)
Components of defined benefit costs recognized in other comprehensive income	0.86	0.16

6 Experience adjustments	31 March 2019	31 March 2018
Defined benefit obligation as at the end of the year	4.71	4.43
Plan assets	0.53	1.96
Surplus/(deficit)	4.18	2.47
Experience adjustments on plan liabilities	0.72	(0.94)
Experience adjustments on plan assets	(0.02)	(0.02)

7 Maturity Profile of Defined Benefit obligation	31 March 2019	31 March 2018
a) April 2018 - March 2019	-	0.33
b) April 2019 - March 2020	0.12	0.04
c) April 2020 - March 2021	0.06	0.53
d) April 2021 - March 2022	0.15	0.21
e) April 2022 - March 2023	0.07	0.27
f) April 2023 onwards	16.50	13.65
	16.89	15.03

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 ₹ 2.72 million for the year ended 31 March 2019 (31 March 2018 - ₹ 2.60 million).

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37 Related Party Transactions

(i) Parties where control exists

Name	**Relationship**
Shriram Properties Limited	Holding company

Other related parties

Name	**Relationship**
Shriprop Constructors Private Limited	Fellow subsidiary
SPL Sheltors Private Limited	Fellow subsidiary

Key Managerial Personnel

Name	**Relationship**
M. Murali	Director
V. Ramamurthy	Additional director
Balaji R	Chief financial officer & director

(ii) Balances with related parties

	31 March 2019			31 March 2018		
Related party and transaction	Holding Company	Other related parties	KMP	Holding Company	Other related parties	KMP
Loans given						
SPL Sheltors Private Limited	-	46.56	-	-	40.49	-
Shriprop Constructors Private Limited	-	7.69	-	-	101.08	-
Loan taken						
Shriram Properties Limited	1,174.83	-	-	400.94	-	-
Guarantee received						
Shriram Properties Limited	3,000.00	-	-	1,300.00	-	-
Staff Advances	-	-	0.80	-	-	0.80

(iii) Transactions during the year

	31 March 2019			31 March 2018		
Related party and transaction	Holding Company	Other related parties	KMP	Holding Company	Other related parties	KMP
Remuneration/perquisites paid	-	-	0.56	-	-	3.31
Loan taken						
Shriram Properties Limited	846.23	-	-	519.37	-	-
Repayment of loan						
Shriram Properties Limited	72.34	-	-	667.60	-	-
Shriprop Constructors Private Limited	-	94.50	-	-	81.50	-
Guarantee received						
Shriram Properties Limited	3,000.00	-	-	-	-	-
Guarantee extinguished						
Shriram Properties Limited	1,300.00	-	-	-	-	-
Guarantee commission expense						
Shriram Properties Limited	10.24	-	-	-	-	-
Interest expense						
Shriram Properties Limited	149.02	-	-	38.60	-	-
Loan given						
SPL Sheltors Private Limited	-	-	-		40.49	
Shriprop Constructors Private Limited	-	-	-	-	176.00	-
Interest income						
SPL Sheltors Private Limited		6.07			-	
Shriprop Constructors Private Limited	-	1.10	-	-	6.58	-

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C. 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 defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Liquidity Risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

Salary Escalation Risk: higher than expected increases in salary will increase the defined benefit obligation.

Demographic Risk: this is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

Legislative Risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation

Asset Liability Mismatching or Market Risk: This will come into play unless the funds are invested with a term of the assets replicating the term of the liability.

Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

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 March 2019		31 March 2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (+ / - 1%)	14.88%	-12.32%	13.84%	-11.51%
Salary Growth Rate (+ / - 1%)	-11.99%	13.27%	-11.58%	13.00%
Attrition Rate (+ / - 1%)	2.47%	-2.14%	2.15%	-1.92%

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.

39 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.

40 Segmental information

The Company is principally engaged in providing infrastructure services which includes developing and sale of residential townships including villas and apartments, 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.

41 Error

While preparing the financial statements for the previous years, the Company had erroneously computed saleable area which led to lower recognition of cost of revenue and incorrect computation of revenue in earlier years and thereby resulting in increase in inventory value. The aforementioned errors resulted in higher profits for the earlier years. The management has identified and corrected the error retrospectively by restating the comparative amounts for prior period presented. Refer note 42.

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Global Entropolis (Vizag) Pvt. Ltd. *

42 Restatement and reclassification:

(i) Restatement : In the current year, the Company has restated comparative financial information for the year ended 31 March 2018 and the Balance sheet as at 01 April 2017 on account of:

a. Adoption of new Ind AS 115, Revenue from contracts with customers as detailed in note 1.2(h)

b. Rectification of error as detailed in note 41

(ii) Reclassification : Certain previous year numbers have been regrouped/reclassified to conform to the current year's classification.

Particulars	01 April 2017 (Audited) (*)	Reclassification (refer note ii above)	Error (refer note 41)	Ind AS 115 adjustments [refer Note 1.2(h)]	01 April 2017 (Restated)
As at 01 April 2017					
Assets					
Inventories	869.46	-	(118.50)	1,344.31	2,095.27
Other current financial assets	79.78		-	(79.50)	0.28
Other current assets	69.59	-	-	17.26	86.85
Equity					
Other equity	(571.66)	-	(120.06)	(40.96)	(732.68)
Liabilities					
Other current liabilities	1,609.32	-	1.56	1,323.03	2,933.91

Particulars	31 March 2018 (Audited)	Reclassification (refer note ii above)	Error (refer note 41)	Ind AS 115 adjustments [refer Note 1.2(h)]	31 March 2018 (Restated)
Statement of Profit and Loss					
Revenue from operations	1,221.67	-	0.99	(101.30)	1,121.36
Total income	**1,436.17**	**-**	**0.99**	**(101.30)**	**1,335.86**
Land cost	28.76	-	0.72	(29.48)	-
Material and contract cost	306.27	(0.54)	-	-	305.73
Changes in properties held for development, properties under development and properties held for sale	12.00	0.54	101.15	(94.99)	18.69
Finance expense, net	211.67	6.76	-	-	218.43
Other expenses	190.01	(6.76)	-	0.03	183.29
Total Expense	**790.02**	**-**	**101.86**	**(124.44)**	**767.45**
Profit before tax	**646.16**	**-**	**(100.88)**	**23.14**	**568.41**
Deferred tax	(640.79)	-	-	(10.89)	(651.68)
Net profit for the year	**1,189.46**	**-**	**(100.88)**	**34.03**	**1,122.60**
Total comprehensive income for the year	1,189.29	-	(100.88)	34.03	1,122.43
Earnings per share	54.11	-	(4.59)	1.55	51.07
Balance Sheet					
Inventories	857.46	-	(219.65)	1,440.14	2,077.95
Other non-current financial assets	1,716.39	1.13	-	-	1,717.52
Other bank balances	20.36	0.78			21.14
Deferred tax assets (net)	640.79	-	-	10.89	651.68
Other current assets	124.71	-	-	17.23	141.94
Other current financial assets	64.34	(1.91)	-	(62.40)	0.03
Equity					
Other equity	487.08	-	(220.93)	(6.92)	259.23
Liabilities					
Other Current liabilities	1,665.49	-	1.28	1,412.79	3,079.56

Statement of cash flows

There is no impact on net cash flow from operating activities, investing activities and financing activities reported for the year ended 31 March 2018, on account of the above described error.

Note:

The reported figures referred above represents audited financial statements of the Company for the year ended 31 March 2018 and 31 March 2017.

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Global Entropolis (Vizag) Pvt. Ltd. *

Global Entropolis (Vizag) Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ millions, unless otherwise stated)

43 Disclosures mandated under IndAS 115

A. Contract balances

The following table provides information about receivables and contract liabilities from

Particulars	As at 31 March 2019	As at 31 March 2018 (Restated)
Contract assets		
Unbilled revenue	29.47	-
Total contract assets	**29.47**	**-**
Contract liabilities		
Advance from customers	1,861.29	2,615.90
Share of built-up area payable to land owners	95.30	204.75
Total contract liabilities	**1,956.59**	**2,820.65**
Receivables		
Trade receivables	1,118.67	1,093.43
Total receivables	**1,118.67**	**1,093.43**

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

Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract liabilities are recognised as revenue as and when the performance obligation is satisfied. Contract liabilities include 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	As at 31 March 2019		As at 31 March 2018 (Restated)	
	Contract liabilities		Contract liabilities	
	Advances from customers	Payable to land owner	Advances from consumers	Payable to land owner
Opening balance	2,615.90	204.75	2,487.52	267.53
Addition during the year	110.63	-	139.07	-
Revenue recognised during the year	(865.24)	(109.45)	(10.69)	(62.78)
Closing balance	**1,861.29**	**95.30**	**2,615.90**	**204.75**

C. Reconciliation of revenue recognised with contract revenue:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Contract revenue	978.06	402.47
Revenue recognised	**978.06**	**402.47**

(*) Subvention cost represent the expected cash outflow under the arrangement determined basis time elapsed.
(#) Compensation is determined as per contractual terms for the period of delay in handing over the control of property.

D. The performance obligation of the Company in case of sale of residential apartments, villas 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 instalment stipulated in the customers' Agreement.
The transaction price of the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2019 is ₹ 1661.34 million. The same is expected to be recognised within 1 to 4 years.

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

Particulars	Unbilled Revenue	
	As at 31 March 2019	As at 31 March 2018
Opening balance	-	-
Revenue recognised from sale of constructed properties	3.37	-
Administrative fees recognised	26.10	-
Closing Balance	**29.47**	**-**

44 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.

As per report of even date

For Walker Chandiok & 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 Global Entropolis (Vizag) Private Limited

M Murali
Director
DIN:00030096

Bengaluru
27 June 2019

Balaji R
Chief Financial Officer & Director
DIN No.:07831896

Bengaluru
27 June 2019

Harish Kumar b.

S. Harish Kumar
Company Secretary
ACS No.:50028

Bengaluru
27 June 2019

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Global Entropolis (Vizag) Pvt. Ltd. *