

# Walker Chandiok & Co LLP

**Walker Chandiok & Co LLP**  
5th Floor, No. 65/2, Block "A",  
Bagmane Tridib, Bagmane Tech Park  
C V Raman Nagar, Bengaluru 560093  
India

## Independent Auditor's Report

To the Members of Shriram Properties Limited (formerly Shriram Properties Private Limited) T +91 80 4243 0700  
F +91 80 4126 1228

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of Shriram Properties Limited (formerly Shriram Properties 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 standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its 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 standalone 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 standalone 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 48 to the standalone 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 relating to revenue 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



5. We draw attention to note 47 to the accompanying standalone financial statements, which states that pursuant to the Scheme of Amalgamation (the 'Scheme') entered into between erstwhile subsidiary company, M/s Shriprop Housings Private Limited ('the Transferor Company') and the Company, as approved by the Honourable National Company Law Tribunal, Chennai Bench and Bangalore Bench, the Transferor Company has been merged with the Company and has been accounted for as per accounting prescribed under the scheme which is in line with the accounting principles given under Appendix C to Ind AS 103 applicable to common control business combinations. Accordingly, comparative financial information for the year ended 31 March 2018 and opening balance sheet as at 01 April 2017 have been adjusted to reflect the aforesaid merger, as described in aforementioned note. We have audited these adjustments made by the Company's management on account of change in accounting policy. Our opinion is not modified in respect of this matter.

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

6. 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 standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed 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 and Those Charged with Governance for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit (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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the standalone 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.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



*[Handwritten signature]*

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

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 standalone financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. 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.



## Other Matter

13. The financial information of the Transferor Company, included in the comparative financial information for the year ended 31 March 2018 and the balance sheet as at 01 April 2017 given in accompanying standalone financial statements are based on financial statements of the Transferor Company prepared for the year ended 31 March 2018 and 31 March 2017, which were audited by another firm of Chartered Accountants, M/s Abarna & Ananthan for the year ended 31 March 2018, and by Joint auditor's M/S Abarna & Ananthan and M/s B S R & Associates LLP for the year ended 31 March 2017 respectively, who expressed an unmodified opinion on those financial statements vide their audit reports dated 4 August 2018 and 28 September 2017 respectively" as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS 115, Revenue from Contracts with Customers. We have audited these adjustments made by the Company's management on account of change in accounting policy. Our opinion is not modified in respect of this matter

## Report on Other Legal and Regulatory Requirements

14. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
15. 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.
16. 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 standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
  - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone 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;



*Yes...*



# Walker Chandiok & Co LLP

- 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 42 to the standalone financial statements, has disclosed the impact of pending litigation(s) on its financial position as at 31 March 2019;
  - 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 dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone 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



**Annexure I to the Independent Auditor's Report of even date to the members of Shriram Properties Limited (formerly Shriram Properties Private Limited), on the standalone 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 standalone 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 title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company
- (ii) The Company is primarily engaged in the business of real estate development and related services and holds inventory in the form of land, properties under development and constructed properties. Thus, paragraph 3(ii) of the order is not applicable.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
  - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;
  - (b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the interest are regular;
  - (c) in the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.



Handwritten signature in blue ink.

**Annexure I to the Independent Auditor's Report of even date to the members of Shriram Properties Limited (formerly Shriram Properties Private Limited), on the standalone financial statements for the year ended 31 March 2019**

- (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.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-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 (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax/Interest demanded	Nil*	-	2005-06	Assessing Officer
Income Tax Act, 1961	Tax/Interest demanded	Nil*	-	2009-10	CIT (A)
Income Tax Act, 1961	Tax/Interest demanded	Nil*	-	2010-11	Assessing Officer
Income Tax Act, 1961	Tax/Interest demanded	Nil*	-	2012-13	Income Tax Appellate Tribunal
Income Tax Act, 1961	Tax/Interest demanded	Nil*	-	2013-14	CIT (A)
Finance Act, 1994	Service Tax, Interest and Penalty	43.46 million	-		Custom, Excise & Service tax Appellate Tribunal
Finance Act, 1994	Service Tax, Interest and Penalty	511.18 million	19.44 million	2006-10	Custom, Excise & Service tax Appellate Tribunal
Finance act, 1994	Service tax, interest and penalty	3.83 million	0.14 million	2010-11	Customs, Excise & Service tax Appellate Tribunal

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

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.



*[Handwritten signature]*

# Walker Chandiok & Co LLP

## Annexure I to the Independent Auditor's Report of even date to the members of Shriram Properties Limited (formerly Shriram Properties Private Limited), on the standalone financial statements for the year ended 31 March 2019

- (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 were temporarily used for the purpose other than for which the loan was sanctioned but were ultimately utilized for the stated end-use.
- (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) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (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 Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.
- (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. Sethara

Partner

Membership No.: 108840

Mumbai

28 June 2019



*[Handwritten signature]*



**Annexure II to the Independent Auditor's Report of even date to the members of Shriram Properties Limited (formerly Shriram Properties Private Limited) on the Standalone 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 standalone financial statements of Shriram Properties Limited (formerly Shriram Properties 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 standalone 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 qualified audit opinion on the Company's IFCoFR.



*[Handwritten signature]*

Annexure II to the Independent Auditor's Report of even date to the members of Shriram Properties Limited (formerly Shriram Properties Private Limited) on the Standalone 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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal 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 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



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

	Note	As at 31 March 2019	As at 31 March 2018 (Restated)	As at 1 April 2017 (Restated)
<b>I ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	2	303.15	23.40	31.26
(b) Capital work-in-progress	3	63.35	-	-
(c) Other intangible assets	4	2.57	5.00	5.22
(d) Intangible assets under development	5	17.29	-	-
(e) Financial assets				
(i) Investments	6A	5,398.76	5,348.35	5,682.86
(ii) Loans and advances	7A	2,448.34	2,278.50	2,598.22
(iii) Other financial assets		-	-	27.19
(f) Deferred tax assets (net)	8	-	1.18	1.18
(g) Non-current tax assets (net)	9	38.58	38.26	171.69
(h) Other non-current assets	10A	1,119.85	1,048.93	783.77
<b>Total non-current assets</b>		<b>9,391.89</b>	<b>8,743.62</b>	<b>9,501.39</b>
<b>Current assets</b>				
(a) Inventories	11	4,142.33	6,683.90	7,162.58
(b) Financial assets				
(i) Investments	6B	1,051.21	3,010.59	2,668.16
(ii) Trade receivables	12	475.33	569.09	253.47
(iii) Cash and cash equivalents	13	117.07	324.65	95.75
(iv) Bank balances other than (iii) above	14	5.03	5.03	5.03
(v) Loans and advances	7B	5,051.27	3,504.74	505.96
(vi) Other financial assets	15	923.30	663.07	602.06
(c) Other current assets	10B	360.94	327.46	295.32
<b>Total current assets</b>		<b>12,126.48</b>	<b>15,088.53</b>	<b>11,608.33</b>
<b>Total assets</b>		<b>21,518.37</b>	<b>23,832.15</b>	<b>20,909.72</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	16	1,481.10	1,481.10	1,484.11
(b) Other equity	17	11,168.58	10,875.10	9,272.68
<b>Total equity</b>		<b>12,649.68</b>	<b>12,356.20</b>	<b>10,756.79</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	18A	1,202.81	1,603.89	-
(b) Provisions	19A	30.95	26.05	16.14
<b>Total non-current liabilities</b>		<b>1,233.76</b>	<b>1,629.94</b>	<b>16.14</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	18B	2,510.68	1,788.79	2,354.96
(ii) Trade payables	20			
(a) Total outstanding dues of micro and small enterprises		43.75	-	-
(b) Total outstanding dues other than (ii) (a) above		601.77	543.92	469.81
(iii) Other financial liabilities	21	904.69	850.91	494.16
(b) Provisions	19B	28.06	13.24	13.58
(c) Other current liabilities	22	3,461.95	6,397.55	6,777.89
(d) Current tax liabilities (net)	23	84.03	251.60	26.39
<b>Total current liabilities</b>		<b>7,634.93</b>	<b>9,846.01</b>	<b>10,136.79</b>
<b>Total equity and liabilities</b>		<b>21,518.37</b>	<b>23,832.15</b>	<b>20,909.72</b>

**Significant accounting policies**

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

\* As per report of even date

For Walker Chandio & Co LLP  
 Chartered Accountants  
 Firm's Registration No.: 001076/N/500013

Adi P. Sethna  
 Partner  
 Membership No.: 108840

Mumbai  
 28 June 2019



For and on behalf of the Board of Directors of Shriram Properties Limited (formerly Shriram Properties Private Limited)

M Murali  
 Chairman & Managing Director  
 DIN: 00030096

Bengaluru  
 28 June 2019



Gopalakrishnan J  
 Chief Financial Officer

Bengaluru  
 28 June 2019

D Srinivasan  
 Company Secretary  
 FCS No.: F5550

Bengaluru  
 28 June 2019

Shriram Properties Limited (formerly Shriram Properties Private Limited)  
Statement of Profit and Loss for the year ended 31 March 2019  
(All amounts in ₹ million, unless otherwise mentioned)

	Note	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
<b>Revenue</b>			
Revenue from operations	24	4,523.11	2,127.13
Other income	25	1,086.14	973.11
<b>Total income</b>		<b>5,609.25</b>	<b>3,100.24</b>
<b>Expenses</b>			
Land cost		-	65.19
Material and construction cost		1,027.14	1,298.59
Changes in inventories	26	2,701.36	498.68
Employee benefits expense	27	675.21	368.38
Finance expense, net	28	438.91	308.49
Depreciation and amortisation expense	2 & 4	15.86	14.59
Impairment losses in value of investments, loans and advances	29	84.16	321.01
Other expenses	30	315.93	423.09
<b>Total expenses</b>		<b>5,258.57</b>	<b>3,298.02</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>350.68</b>	<b>(197.78)</b>
Exceptional items	31	97.95	(2,108.08)
<b>Profit before tax</b>		<b>252.73</b>	<b>1,910.30</b>
<b>Tax expense</b>	32		
Current tax (includes ₹ Nil (31 March 2018: (₹ 1.97 million) pertaining to prior years)		-	242.42
Deferred tax charge		1.18	-
<b>Total tax</b>		<b>1.18</b>	<b>242.42</b>
<b>Profit after tax</b>		<b>251.55</b>	<b>1,667.88</b>
<b>Other comprehensive income</b>	34		
(a) Items that will not be reclassified to profit or loss			
(i) Re-measurement of gains/(losses) on defined benefit plans		(6.63)	(3.47)
<b>Total other comprehensive income for the year</b>		<b>(6.63)</b>	<b>(3.47)</b>
<b>Total comprehensive income for the year</b>		<b>244.92</b>	<b>1,664.41</b>
<b>Earnings per share (Nominal value ₹ 10 per share)</b>			
Basic (₹)	33	1.69	11.24
Diluted (₹)	33	1.69	11.24
<b>Significant accounting policies</b>			
The accompanying notes referred to above form an integral part of the financial statements	1.2		

As per report of even date

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

Adi P. Sethna  
Partner  
Membership No. : 108840

Mumbai  
28 June 2019

For and on behalf of the Board of Directors of Shriram Properties Limited (formerly Shriram Properties Private Limited)

M Murali  
Chairman & Managing Director  
DIN : 00030096

Bengaluru  
28 June 2019

Gopalakrishnan J  
Chief Financial Officer

Bengaluru  
28 June 2019

D Srinivasan  
Company Secretary  
FCS No : F5550

Bengaluru  
28 June 2019





**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Cash Flow Statement for the year ended 31 March 2019**  
**(All amounts in ₹ million, unless otherwise mentioned)**

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
<b>A. Cash flow from operating activities</b>		
Net profit before tax	252.73	1,910.30
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation	15.86	14.59
Finance expense, net	438.91	308.49
Provision for diminution in value of investment	0.01	50.00
Provision for doubtful advances	84.15	271.01
Balances written off	-	0.80
Employee stock option expense	48.56	-
Interest income	(976.15)	(706.25)
Income From Guarantee Commission	(37.17)	(9.05)
Fair value gain on financial instruments at FVTPL	(7.27)	(190.47)
Profit on sale of mutual funds	(23.53)	(65.29)
Liability no longer required written back	(41.25)	(0.56)
(Profit)/loss on sale of property, plant & equipment	(0.06)	0.64
Loss arising out of modification of financial instrument	-	20.57
Profit on sale of equity shares	-	(2,239.26)
Loss on capital reduction of equity shares	-	131.18
Operating (loss) before working capital changes	(245.21)	(503.30)
Working capital adjustments:		
Decrease/(Increase) in trade receivables	93.76	(315.62)
Decrease in inventories	2,541.57	498.68
(Increase) in loans and advances and other assets	(535.66)	(315.95)
Increase in trade payables	101.60	74.11
Increase in provisions	13.09	6.10
(Decrease) in current liabilities	(2,998.22)	(112.33)
Cash flow used in operations	(1,029.07)	(668.31)
Income tax (paid)/received (net)	(161.61)	93.47
Net cash flows used in operating activities	(1,190.68)	(574.84)
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including capital work in progress)	(345.99)	(8.19)
Proceeds from sale of property, plant and equipment	0.17	1.68
Interest income received	2.96	35.92
Investment in subsidiary	(0.01)	-
Sale of investment in joint ventures, net of expenses	-	3,716.18
Proceeds from buyback of shares by subsidiary	-	221.36
Purchase of mutual funds	(1,121.28)	(4,035.73)
Sale of mutual funds	3,055.92	2,406.98
Loans given to subsidiaries, joint ventures and other related parties, net of repayment	36.76	(2,370.50)
Loans given to other body corporates	(542.77)	-
Net investment in bank deposits	-	27.04
Net cash flows generated from/(used in) investing activities	1,085.76	(5.26)



*Handwritten signature/initials.*



(This space is intentionally left blank)

**Shriram Properties Limited (formerly Shriram Properties Private Limited)**

**Cash Flow Statement for the year ended 31 March 2019**

(\*All amounts in ₹ million, unless otherwise mentioned)

**C. Cash flows from financing activities**

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
Proceeds from term loans	1,715.33	617.71
Repayment of term loans	(1,050.90)	(1,213.31)
Proceeds from issue of debentures	-	1,750.00
Redemption of debentures	(650.00)	(147.50)
Proceeds from borrowings from related parties, net of repayment	366.48	114.81
Finance cost paid	(483.57)	(312.71)
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(102.66)</b>	<b>809.00</b>
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>(207.58)</b>	<b>228.90</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>324.65</b>	<b>95.75</b>
<b>Cash and cash equivalents at the end of the year (refer note 13)</b>	<b>117.07</b>	<b>324.65</b>

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

Liabilities	As at 1 April 2017 (Restated)	Cash flow	Non-cash changes			As at 31 March 2018 (Restated)
			Amortisation of transaction cost	Accrued Interest	Adjustments	
Borrowings from banks and others (*)	2,342.42	(595.60)	0.30	-	-	1,747.12
Non-convertible debentures (*)	-	1,602.50	-	-	-	1,602.50
Unsecured loans from related parties	-	30.74	-	3.75	-	34.49
Unsecured loans from others	12.44	(2.33)	-	-	-	10.11
	<b>2,354.86</b>	<b>1,035.31</b>	<b>0.30</b>	<b>3.75</b>	<b>-</b>	<b>3,394.22</b>

Liabilities	As at 1 April 2018 (Restated)	Cash flow	Non-cash changes			As at 31 March 2019
			Amortisation of transaction cost	Accrued Interest	Regrouping adjustments (#)	
Borrowings from banks and others (*)	1,747.12	533.96	(1.16)	-	-	2,279.92
Non-convertible debentures (*)	1,602.50	(650.00)	-	-	-	952.50
Unsecured loans from related parties	34.49	366.48	-	16.54	(7.80)	409.71
Unsecured loans from others	10.11	130.47	-	-	7.80	148.38
	<b>3,394.22</b>	<b>380.91</b>	<b>(1.16)</b>	<b>16.54</b>	<b>-</b>	<b>3,790.51</b>

(\*) includes current maturities of non-current borrowings classified under "Other current financial liabilities"

(#) Represents regrouping adjustment made on account of Shriram Properties (Coimbatore) Private Limited ceased to be a related party w.e.f 22 September 2018

As per report of even date

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Ad: P. Sethi

Partner

Membership No.: 108840

Mumbai

28 June 2019

For and on behalf of the Board of Directors of Shriram Properties Limited (formerly Shriram Properties Private Limited)

M Murali

Chairman & Managing Director

DIN : 00030096

Bengaluru

28 June 2019

Gopalakrishnan J

Chief Financial Officer

Bengaluru

28 June 2019

D Srinivasan

Company Secretary

FCS No : F5550

Bengaluru

28 June 2019



Shriram Properties Limited (formerly Shriram Properties Private Limited)  
Statement of Changes in Equity for the year ended 31 March 2019  
(All amounts in ₹ million, unless otherwise mentioned)

Particulars	Amount		Reserves and surplus			Money received against share warrants	Total
	Securities premium	General reserve	Retained earnings	Debt redemption reserve	Share based payment reserve		
<b>A. Equity share capital</b>							
Particulars							
Balance as at 01 April 2017	1,484.11						
Changes in equity share capital during 2017-18 (refer note 16a)	(3.01)						
Balance as at 31 March 2018	1,481.10						
Changes in equity share capital during 2018-19	-						
Balance as at 31 March 2019	1,481.10						
<b>B. Other equity</b>							
Particulars							
Restated balance as at 01 April 2017 (Restated)	16,747.72	269.56	(7,744.64) (*)			0.04	9,272.68
Profit for the year (Restated)	-	-	1,667.88			-	1,667.88
Other Comprehensive Income	-	-	(3.47)			-	(3.47)
Others (refer note 16a)	(61.99)	-	-			-	(61.99)
Transfer to debt redemption reserve	-	-	(400.63)	400.63		-	-
Balance as at 31 March 2018 (Restated)	16,685.73	269.56	(6,480.86)	400.63		-	10,875.10
Profit for the year	-	-	251.55			-	251.55
Other Comprehensive Income	-	-	(6.63)			-	(6.63)
Extinguishment / forfeiture of share warrants (refer note 43)	-	0.04	-			(0.04)	-
Transfer from debt redemption reserve	-	162.50	-	(162.50)		-	-
Compensation cost related to employee share based payment transaction (refer note 46)	-	-	-		48.56	-	48.56
Balance as at 31 March 2019	16,685.73	432.10	(6,235.94)	238.13	48.56	-	11,168.58

(\*) Includes loss accounted with respect to loss of common control amounting to ₹ 6.3 millions as disclosed in note 47

As per report of even date

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076/N/500013

Adi P. Seting

Partner

Membership No.: 108840

Bengaluru

28 June 2019



For and on behalf of the Board of Directors of Shriram Properties Limited (formerly Shriram Properties Private Limited)

M Murali

Managing Director

DIN : 00030096

Bengaluru

28 June 2019

Gopalakrishnan J

Chief Financial Officer

Bengaluru

28 June 2019

D Srinivasan

Company Secretary

FCS No : F5550

Bengaluru

28 June 2019

**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**

**1 Company overview and significant accounting policies**

**1.1 Company overview**

Shriram Properties Limited (formerly Shriram Properties Private Limited) (the 'Company') was incorporated on 28 March 2000 under the provisions of erstwhile Companies Act, 1956. The registered office is located at Chennai, Tamil Nadu, India. The Company is engaged in the business of construction, development and sale of all or any part of housing projects and other related activities.

On 10 December 2018, the Company changed its status from a private limited company to a public limited company and changed its name from Shriram Properties Private Limited to Shriram Properties Limited. In connection with proposed Initial Public Offering (IPO), the Company has filed Draft Red Herring Prospectus (DRHP) with Securities Exchange Board of India (SEBI) on 22 December 2018.

Shriprop Housing Private Limited (SHPL), erstwhile 100% subsidiary of the Company, has filed an application with the National Company Law Tribunal (NCLT), Bangalore, for transferring SHPL as a going concern to the 'Company', under the Scheme of Amalgamation. The application has been approved by NCLT vide its order dated 08 October 2018, and accordingly, the impact of the such transfer has been adjusted in these standalone financial statements retrospectively from 01 April 2017 (refer note 47).

**1.2 Significant accounting policies**

**a. Statement of compliance**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 by Ministry of Corporate Affairs ('MCA'). The Company has uniformly applied the accounting policies during the periods presented.

The financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on 28 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 into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, 'Share-based Payment', leasing transactions that are within the scope of Ind AS 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. Use of estimates**

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

**d. 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.



(This space has been intentionally left blank)





**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**

**e. Now and amended standards adopted by the Company**

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

MCA has notified Ind AS 115 - Revenue from contracts with customer, mandatorily applicable from 01 April 2018 either based on a full retrospective or modified retrospective application. The standard requires the Company to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. It establishes a new five-step model that will apply to revenue arising from contracts with customers. As required by Ind AS 115, the Company has affected this standard retrospectively from 01 April 2017.

The impact of new standards is disclosed in note 49 of the financial statements

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

**Satisfaction of performance obligations**

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

**Determination of transaction prices**

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

**Transfer of control in contracts with customers**

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

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

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

For registered contracts through a sale deed, but the project is not complete, revenue from such contracts is recognised over time. 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.

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

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

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

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

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

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

**g. Foreign currency transactions**

Functional and presentation currency

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

(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 at the date of the transaction.

(b) Conversion

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

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



*[Handwritten signature]*



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**

**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 (refer note 49). The Company has applied the following accounting policy in the preparation of its standalone 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 services to a customer, excluding amounts collected on behalf of third parties.

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

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

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

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

3. The Company's performance does not create an asset with an alternative use to the Company and the 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 most of its revenue arrangements.

Revenue is recognised in the statement of profit and 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.

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.

**Income from sale of development right**

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.

**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.

**Dividend income**

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

**Interest income**

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

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

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



*Handwritten signature*



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**

**i. Inventories**

**Properties held for development**

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

**Properties under development**

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

**Properties held for sale**

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

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

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

**Recognition and initial measurement**

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

**Subsequent measurement**

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

**Depreciation and useful lives**

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

Office equipment	5 years
Furniture and fixtures	10 years
Computers	3 years
Vehicles	8 years
Leasehold improvements	Over the lease term

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

**De-recognition**

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

**k. Intangible assets**

**Recognition and initial measurement**

Intangible assets (software) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

**Subsequent measurement (amortization)**

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

**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.

**l. Capital work-in-progress and intangible assets under development**

Capital work-in-progress and intangible assets under development represents expenditure incurred in respect of capital projects/intangible assets under development and are carried at cost. Cost includes land, related acquisition expenses, development/ construction costs, borrowing costs and other direct expenditure.

(this space has been intentionally left blank)



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**

**m. 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.

**n. 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.

**o. Leases**

**Operating leases**

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

**p. Employee benefits**

**Defined contribution plan**

The Company's contribution to provident fund is charged to the statement of profit and loss or inventorized as a part of project under development, as the case may be. 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 recognized in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of 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 or inventorized as a part of project under development, as the case may be.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost or inventorized as a part of project under development, as the case may be.

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

**Compensated absence**

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

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

**Other short-term benefits**

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

**q. Share based payment transactions**

Selected employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. In cases, where equity instruments are granted at a nominal exercise price, the intrinsic value on the date of grant approximates the fair value. The expense is recognised in the statement of profit and loss with a corresponding increase to the share based payment reserve, a component of equity.

That cost, based on the estimated number of equity instruments that are expected to vest, will be recognised over the period during which the employee is required to provide the service in exchange for the equity instruments.

**r. Tax expense**

**Income taxes**

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

**Current tax**

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Company operates and generates taxable income.

**Deferred tax**

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

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

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

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

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

**Current and deferred tax for the period**

Current and deferred tax are recognized in profit or loss, except when they 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.



453





**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**

**s. 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.

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

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

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

Contingent liability is disclosed for:

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

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

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

**u. 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.

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.

**v. Financial liabilities**

**Initial recognition**

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

**Subsequent measurement**

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

**De-recognition of financial liabilities**

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

**Offsetting of financial instruments**

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

**Financial guarantee contracts**

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



*Handwritten signature*



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**

**w. Impairment**

**Financial assets**

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

**Non-financial assets**

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

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

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.

**x. Investment in subsidiaries and joint ventures**

The Company's investment in equity instruments of subsidiaries and joint ventures are accounted for at cost.

**y. Segment reporting**

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

**z. Cash flow statement**

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

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



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**

**aa. Business combinations - common control**

Amalgamation involving entities that are controlled by the Company are accounted for using the pooling of interests method as follows

The assets and liabilities of the combining entities are reflected at their carrying amounts.

No adjustments are made to reflect fair values, or recognize any new assets or liabilities. Adjustments are only made to harmonize accounting policies.

The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

**ab. IPO transaction cost**

The costs of an IPO that involves both issue and listing of new shares and listing the existing equity shares has been accounted for as follows:

- Incremental costs that are directly attributable to issuing new shares has been deferred until successful consummation of IPO upon which it shall be deducted from equity (net of any income tax benefit)
- Costs that relate to the stock market listing, or are otherwise not incremental and directly attributable to issuing new shares, has been recorded as an expense in the statement of profit and loss as and when incurred
- Costs that relate to both share issuance and listing has been allocated between those functions on a rational and consistent basis i.e., based on the proportion of new shares issued to the total number of (new and existing) shares listed

**1.3 Significant judgements and estimates in applying accounting policies**

- Revenue from contracts with customers - The Company has applied judgements as detailed in note 1.2.(e) that significantly affect the determination of the amount and timing of revenue from contracts with customers.
- 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.
- 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.
- 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.
- 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.
- Fair value measurements - Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). 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.
- Share based payments - The Company initially measures the cost of equity-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 46.
- Contingent liabilities - At each balance sheet date basis the management estimate, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding guarantees and litigations. However, the actual future outcome may be different from this estimate. Refer note 42 for disclosures on contingent liabilities.
- Recognition of deferred tax assets - Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.
- 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.
- 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.
- Provisions - At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However the actual future outcome may be different from this judgement.
- 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, 'Consolidated 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.



*Yes*



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**

**1.4 Amended 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 April 1 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 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 years beginning on or after 01 April 2019. The Company is evaluating the requirements and effect on the financial statement of the new standard.

**Ind AS 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 years beginning on or after 01 April 2019. The Company is evaluating the requirements and the effect on the financial statements of the new standard.

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

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

The amendments require an entity:

- (a) To use updated assumptions to determine current service cost and net interest for the remainder of the year after a plan amendment, curtailment or settlement; and
- (b) To 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 years beginning on or after 01 April 2019. The Company is evaluating the requirements and the effect on the financial statements of the new standard.





**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

**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	Leasehold Improvements	Computers	Vehicles	Office equipments	Furniture and fixtures	Land (*)	Total
<b>Gross carrying amount</b>							
As at 01 April 2017 (Restated)	16.93	13.68	11.67	13.33	5.00	-	59.61
Additions(*) (Restated)	-	4.10	-	1.22	0.52	-	5.84
Disposals (Restated)	-	-	(2.46)	-	(0.41)	-	(2.87)
As at 31 March 2018 (Restated)	16.93	17.78	9.11	14.55	5.11	-	62.48
Additions(*)	-	11.52	-	2.26	1.72	277.79	293.29
Disposals	-	(0.59)	-	-	-	-	(0.59)
As at 31 March 2019	16.93	28.71	9.11	16.81	6.83	277.79	355.18
<b>Accumulated depreciation</b>							
As at 01 April 2017 (Restated)	6.30	9.50	1.64	8.11	2.68	-	28.23
Charge for the year (Restated)	3.87	3.67	1.51	2.01	0.96	-	12.02
Adjustments for disposals (Restated)	-	-	(0.77)	-	(0.40)	-	(1.17)
As at 31 March 2018 (Restated)	10.17	13.17	2.38	10.12	3.24	-	39.08
Charge for the year	3.77	5.35	1.25	2.02	1.04	-	13.43
Adjustments for disposals	-	(0.49)	-	-	-	-	(0.48)
As at 31 March 2019	13.94	18.04	3.63	12.14	4.28	-	52.03
<b>Net block as at 31 March 2018 (Restated)</b>	<b>5.78</b>	<b>4.61</b>	<b>6.73</b>	<b>4.43</b>	<b>1.87</b>	<b>-</b>	<b>23.40</b>
<b>Net block as at 31 March 2019</b>	<b>1.99</b>	<b>10.67</b>	<b>5.48</b>	<b>4.67</b>	<b>2.55</b>	<b>277.79</b>	<b>303.15</b>

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

**3 Capital work-in-progress**

Particulars	Capital work in progress (*)	Total
As at 01 April 2017 (Restated)	-	-
Additions	-	-
As at 31 March 2018 (Restated)	-	-
Additions(#)	63.35	63.35
As at 31 March 2019	63.35	63.35

(\*) During the year ended 31 March 2019, the Company had acquired land together with old building structure for a total consideration of ₹ 277.79 million with the intention of re-constructing a new office building. Considering the fact that the old building structure is unusable and the Company has demolished the said structure, on initial recognition, the cost of acquisition amounting to ₹ 277.79 million was determined to be the relative fair value of land and fair value of old building structure is determined to be Nil. The Company commenced construction of the new office building and incurred ₹ 63.35 million up to the year ended 31 March 2019 and recognised as "Capital work-in-progress".

(#) Capital work in progress includes ₹ 27.94 million (31 March 2018: ₹ Nil million) borrowing cost capitalised.

**a. Contractual obligations**

Details of contractual obligations is given in note 42

**b. Property, plant and equipment and Capital work-in-progress pledged as security**

Details of property, plant and equipment and Capital work-in-progress pledged are given as per note 35



Shriram Properties Limited (formerly Shriram Properties Private Limited)  
Summary of significant accounting policies and other explanatory information  
(All amounts in ₹ millions, unless otherwise mentioned)

4 Other Intangible assets

Particulars	Computer software	Total
Gross carrying amount		
As at 01 April 2017 (Restated)	13.33	13.33
Additions	2.35	2.35
As at 31 March 2018 (Restated)	15.68	15.68
Additions	-	-
As at 31 March 2019	15.68	15.68
Accumulated amortization		
As at 01 April 2017 (Restated)	8.11	8.11
Charge for the year	2.57	2.57
As at 31 March 2018 (Restated)	10.68	10.68
Charge for the year	2.43	2.43
As at 31 March 2019	13.11	13.11
Net block as at 31 March 2018 (Restated)	5.00	5.00
Net block as at 31 March 2019	2.57	2.57

5 Intangible assets under development

Particulars	Intangible assets under development (*)	Total
As at 01 April 2017	-	-
Additions	-	-
As at 31 March 2018	-	-
Additions	17.29	17.29
As at 31 March 2019	17.29	17.29

(\*) During the year ended 31 March 2019, the company is in the process of implementing ERP and incurred cost amounting to ₹ 17.29 million. Due to ongoing implementation, the same has been disclosed as "Intangible assets under development".



(This space is intentionally left blank)

**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

**6 Investments (\*)**

**A Non-current**

Investment in subsidiaries (fully paid-up)

Investment in joint venture

**Aggregate value of unquoted investments**

As at 31 March 2019	As at 31 March 2018 (Restated)
5,109.61	4,966.50
289.15	381.85
<b>5,398.76</b>	<b>5,348.35</b>

**(i) Investment in equity shares**

Investment valued at cost unless stated otherwise (fully paid)

**Unquoted**

**Subsidiaries**

Bengal Shriram Hitech City Private Limited

21,498,000 (31 March 2018 - 21,498,000) Class "A" fully paid equity shares of ₹ 10 each

2,670.16

2,670.16

12,500,000 (31 Mar 2018 - 12,500,000) Class "B" fully paid equity shares of ₹ 10 each

21.50

21.50

1,135,398 (31 March 2018 - 1,135,398) Class "C" fully paid equity shares of ₹ 10 each

463.80

463.80

750,000 (31 March 2018 - 750,000) Class "D" fully paid equity shares of ₹ 10 each

7.50

7.50

Global Entropolis Vizag Private Limited

13,024,000 (31 March 2018 - 13,024,000) Class "A" fully paid equity shares of ₹ 10 each

1,751.44

1,693.00

SPL Reallors Private Limited

51,000 (31 March 2018 - 51,000) fully paid equity shares of ₹ 10 each

0.51

0.51

Shriprop Homes Private Limited

9,999 (31 March 2018 - 9,999) fully paid equity shares of ₹ 10 each

0.10

0.10

SPL Constructors Private Limited

9,999 (31 March 2018 - 9,999) fully paid equity shares of ₹ 10 each

0.10

0.10

Shriprop Constructors Private Limited

9,999 (31 March 2018 - 9,999) fully paid equity shares of ₹ 10 each

0.10

0.10

Shriprop Structures Private Limited

9,999 (31 March 2018 - 9,999) fully paid equity shares of ₹ 10 each

0.10

0.10

Shriprop Projects Private Limited

9,999 (31 March 2018 - 9,999) fully paid equity shares of ₹ 10 each

0.10

0.10

SPL Towers Private Limited

Nil (31 March 2018 - 5100) fully paid equity shares of ₹ 10 each (refer note a below)

-

0.05

Shriprop Builders Private Limited

19,607 (31 March 2018 - Nil) fully paid equity shares of ₹ 10 each (refer note b below)

0.11

-

Shriprop Developers Private Limited

1,000 (31 March 2018 - 1,000) fully paid equity shares of ₹ 10 each

0.01

0.01

Shriprop Living Space Private Limited

Nil (31 March 2018 - 5,100) fully paid equity shares of ₹ 10 each (refer note c below)

-

25.27

Shriprop Properties Private Limited

Nil (31 March 2018 - 1,000) fully paid equity shares of ₹ 10 each (refer note d below)

-

0.01

SPL Shelters Private Limited

10,000 (31 March 2018 - 10,000) fully paid equity shares of ₹ 10 each

0.10

0.10

**4,915.63**

**4,882.41**

Less : Impairment in the value of investment

(50.82)

(50.71)

**4,864.81**

**4,831.70**

**Joint ventures**

Shrivision Homes Private Limited

175,000 (31 March 2018 - 175,000) fully paid equity shares of ₹ 10 each

1.75

1.75

Shrivision Towers Private Limited

509,999 (31 March 2018 - 509,999) fully paid equity shares of ₹ 10 each

5.10

5.10

Shriprop Living Space Private Limited

5,100 (31 March 2018 - Nil) fully paid equity shares of ₹ 10 each (refer note c below)

25.27

-

Shriprop Properties Private Limited

1,000 (31 March 2018 - Nil) fully paid equity shares of ₹ 10 each (refer note d below)

10.03

-

Shriprop Builders Private Limited

Nil (31 March 2018 - 19,607) fully paid equity shares of ₹ 10 each (refer note b below)

-

0.10

SPL Towers Private Limited

5,100 (31 March 2018 - Nil) fully paid equity shares of ₹ 10 each (refer note a below)

0.05

-

**42.20**

**6.95**

Less : Impairment in the value of investment

(6.85)

(6.95)

**4,900.16**

**4,831.70**

(\*) Details of investments pledged are given as per note 35



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

	As at 31 March 2019	As at 31 March 2018 (Restated)
<b>6 Investments (*) (continued)</b>		
<b>(ii) Investment in preference shares</b>		
Unquoted		
Investments carried at cost		
Subsidiaries		
Bengal Shriram Hitech City Private Limited		
13,480,000 (31 Mar 2018 - 13,480,000) fully paid class "A" 0.01% compulsorily convertible cumulative preference shares of ₹ 10 each	134.80	134.80
Shriprop Builders Private Limited (refer note b below)		
48,540 (31 March 2018 - Nil) optionally convertible redeemable preference shares of ₹ 100 each	-	-
Joint ventures		
Shriprop Builders Private Limited (refer note b below)		
Nil (31 March 2018 - 24,995) optionally convertible redeemable preference shares of ₹ 100 each	-	-
	<b>134.80</b>	<b>134.80</b>
<b>(iii) Investment in debentures</b>		
Investments carried at fair value through profit or loss (FVTPL)		
Unquoted		
Joint ventures		
Shrivision Homes Private Limited		
898,500 (31 March 2018 - 898,500) fully paid debentures of ₹ 100 each	253.80	232.50
Shriprop Builders Private Limited (refer note b below)		
Nil (31 March 2018 - 1,224,005) fully paid debentures of ₹ 100 each	-	149.35
Subsidiaries		
Shriprop Builders Private Limited (refer note b below)		
1,224,005 (31 March 2018 - Nil) fully paid debentures of ₹ 100 each	110.00	-
	<b>363.80</b>	<b>381.85</b>
	<b>5,398.76</b>	<b>5,348.35</b>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	5,456.43	5,406.01
Aggregate amount of impairment in value of investments	(57.67)	(57.66)
<b>B Current</b>		
Investment in mutual funds (Quoted)		
Investments carried at fair value through profit or loss (FVTPL)		
Nil (31 March 2018 - 12,105,600) units in Axis regular saving fund - regular plan growth	-	205.05
Nil (31 March 2018 - 102,067) units in Franklin India short term income plan- retail plan - growth	-	374.61
Nil (31 March 2018 - 12,869,723) units in Reliance short term fund - growth plan	-	420.39
Nil (31 March 2018 - 22,357,639) units in UTI short term income fund - institutional option - growth	-	472.25
Nil (31 March 2018 - 10,882,223) units in Reliance strategic debt fund	-	152.41
Nil (31 March 2018 - 7,289,266) units in Kotak income opportunity growth fund	-	139.33
Nil (31 March 2018 - 4,175,907) Franklin corporate bond opportunities fund	-	75.35
Nil (31 March 2018 - 15,964,127) Axis strategic bond fund	-	270.41
Nil (31 March 2018 - 20,241,126) HDFC corporate debt opportunities fund - regular plan - growth	-	291.70
Nil (31 March 2018 - 19,223,815) Reliance corporate bond fund - growth plan	-	269.39
Nil (31 March 2018 - 5,034,186) IIFL dynamic bond fund	-	70.08
25,797,765 (31 March 2018 - 25,797,765) UTI-Fixed term income fund series XXVII - II (1161 DAYS) - growth plan	288.98	269.62
174,093 (31 March 2018 - Nil) units in Axis banking & PSU debt fund-growth	304.26	-
14,922,329 (31 March 2018 - Nil) units in HDFC corporate fund -regular plan-growth	310.54	-
11,578,894 (31 March 2018 - Nil) units in IDFC corporate fund- regular plan-growth	147.43	-
	<b>1,051.21</b>	<b>3,010.59</b>
Aggregate amount of quoted investments and market value thereof	1,051.21	3,010.59
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

**Notes:**

- During the year ended 31 March 2019, SPL Towers Private Limited (SPLTPL) has become a joint venture due to SPLTPL entering into a shareholders' agreement with Garden City Really Private Limited (GCRPL) on 30 November 2018 which resulted in the Company having joint control over the entity with GCRPL and therefore the investment has been classified as an investment in joint venture.
- Pursuant to debenture agreement between the Company and other investor, the Company had classified, Shriprop Builders Private Limited (SBPL), as a joint venture. During the year ended 31 March 2019, SBPL has redeemed the debentures held by Amplus really fund (investor) and the Company has purchased equity shares and preference shares held by the investor amounting to ₹ 0.01 million and ₹ 0.12 million respectively, resulting in acquisition of control over SBPL by the Company.
- During the year ended 31 March 2019, Shriprop Living Space Private Limited (SLSPPL) has become a joint venture due to SLSPPL entering into a shareholders' agreement with Iconica Projects (IP) on 30 November 2018 which resulted in the Company having joint control over the entity with IP and therefore the investment has been classified as an investment in joint venture.
- During the year ended 31 March 2019, Shriprop Properties Private Limited (SPPL) has issued compulsorily convertible debentures('CCD') to DRI India ('investor'), an unrelated party, whereby the investor is eligible for a certain percentage of the free cash flows of the project. The Company along with the investor has the practical ability to control and direct the relevant activities of the project in SPPL and accordingly the project has been classified as a joint venture.

(\*) Details of investments pledged are given as per note 35



*Handwritten signature/initials.*





**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

	As at 31 March 2019	As at 31 March 2018 (Restated)
<b>7 Loans and advances</b>		
<b>A Non-current</b>		
Security deposits	26.00	22.81
Loans and advances to related party (refer note 45)	2,422.34	2,255.69
	<b>2,448.34</b>	<b>2,278.50</b>
<b>B Current</b>		
Security deposits	358.08	1.00
Loans to related party (refer note 45)	4,573.07	3,928.49
Loans to other body corporate	630.25	1.23
	<b>5,561.40</b>	<b>3,930.72</b>
Less: Allowance for doubtful loans	(510.13)	(425.98)
	<b>5,051.27</b>	<b>3,504.74</b>
<b>8 Deferred tax assets (not)</b>		
Deferred tax asset		
Expenses covered by Section 43B of Income-tax Act, 1961	-	1.18
Deferred tax asset, net	-	<b>1.18</b>
<b>9 Income tax assets (not)</b>		
Advance tax, net of provision of income tax	38.58	38.26
	<b>38.58</b>	<b>38.26</b>
<b>10 Other assets</b>		
<b>A Non-current</b>		
Unsecured, considered good		
Advance for land (#)	1,119.85	1,048.93
Unsecured, considered doubtful		
Advance for land	160.00	160.00
Less: Allowance for doubtful advances	(160.00)	(160.00)
	<b>1,119.85</b>	<b>1,048.93</b>
(#) Includes ₹ Nil (31 March 2018 - ₹ 537.65 million) given to related party, refer note 45		
<b>B Current</b>		
Advance to staff (^)	12.46	14.89
Advance to vendors	121.72	104.89
Advances for purchase of goods and rendering services	9.12	57.63
Balance with government authorities	183.53	137.09
Prepaid expenses	34.11	12.96
	<b>360.94</b>	<b>327.46</b>
Unsecured, considered doubtful		
Advances for purchase of goods and rendering services	3.26	19.31
Less: Allowance for doubtful advances	(3.26)	(19.31)
	<b>360.94</b>	<b>327.46</b>
(^*) Includes ₹ 1.1 million (31 March 2018 ₹ 1.0 million) given to related party. Refer note 45		
<b>11 Inventories(*)</b>		
Properties held for development	629.03	607.59
Properties under development	3,452.62	5,979.08
Properties held for sale	60.68	97.23
	<b>4,142.33</b>	<b>6,683.90</b>
(*) Details of assets pledged are as per note no 35		

**Note:**

- Write-down of inventories to net realisable value amounted to ₹ 65.81 million. This was recorded as an expense during the year ended 31 March 2019 and included in 'changes in inventories' in statement of profit and loss.
- Reversal of write-down of inventories to net realisable value amounted to ₹ 43.52 million. This was recorded as a reduction in the amount of inventories recognised as expense during the year ended 31 March 2018 and included in 'changes in inventories' in statement of profit and loss.



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

	As at 31 March 2019	As at 31 March 2018 (Restated)
<b>12 Trade receivables (*)</b>		
Trade receivables	453.09	546.85
Receivables from related parties (refer note 45)	22.24	22.24
<b>Total receivables</b>	<b>475.33</b>	<b>569.09</b>
<b>Break up of security details</b>		
Trade receivables considered good - Secured	465.05	569.09
Trade receivables considered good - Unsecured	10.28	-
Receivables which have significant increase in credit risk	-	-
Credit impaired	-	-
	<b>475.33</b>	<b>569.09</b>
(*) Details of assets pledged are given under note 35		
<b>13 Cash and cash equivalents</b>		
Cash on hand	0.39	0.37
<b>Balances with banks(*)</b>		
In current accounts	114.81	265.86
Deposits with original maturity less than three months	1.87	58.42
	<b>117.07</b>	<b>324.65</b>
(*) Details of assets pledged are as per note no 35		
<b>14 Bank balances other than cash and cash equivalents</b>		
Deposits with maturity less than 12 months	5.03	5.03
	<b>5.03</b>	<b>5.03</b>
<b>Note:</b>		
The Company had available ₹ 308.00 million (31 March 2018: ₹ 250.00 million) of undrawn committed borrowing facilities		
<b>15 Other financial assets</b>		
<b>Current</b>		
<b>(Unsecured, considered good)</b>		
Unbilled revenue	213.78	62.34
Advances towards joint development arrangement	542.57	503.26
Advances towards development management arrangement	92.20	50.00
Other receivable	74.75	47.47
	<b>923.30</b>	<b>663.07</b>
<b>Unsecured, considered doubtful</b>		
Advances towards joint development arrangement	-	108.70
Trade advance	-	0.45
Less: Allowance for doubtful advances	-	(109.15)
	<b>923.30</b>	<b>663.07</b>



*Handwritten signature/initials in blue ink.*

(This space is intentionally left blank)



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
<b>16 Equity share capital</b>				
Authorized shares				
Equity share capital of face value of ₹ 10 each				
Equity shares of ₹ 10 each	250,000,000	2,500	170,000,000	1,700
	250,000,000	2,500	170,000,000	1,700
Issued, subscribed and fully paid up shares				
Equity shares of ₹ 10 each	148,411,448	1,481.10	148,411,448	1,484.11
Less: Classified as financial liability(*)	-	-	-	(3.01)
	148,411,448	1,481.10	148,411,448	1,481.10

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

Equity shares				
Balance at the beginning of the year	148,411,448	1,481.10	148,411,448	1,484.11
Less: Classified as financial liability(*)	-	-	-	(3.01)
Balance at the end of the year	148,411,448	1,481.10	148,411,448	1,481.10

(\*) The Company has an obligation to buy-back equity shares issued to Brand Equity Treaties Limited. This obligation pursuant to a contract will be terminated upon successful receipt of listing and trading approvals before 31 December 2019. As the aforesaid event is contingent and not in the control of the Company, in accordance with IndAS 32 'Financial Instruments: Presentation', equity shares amounting to ₹ 65.00 million (including securities premium of ₹ 61.99 million) have been classified as financial liability.

**b. Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts.

As per the shareholder's agreement dated 30 March 2017 read with waiver cum amendment agreement dated 19 December 2018, the Company shall initiate and successfully consummate initial public offer (IPO) by 30 June 2019 (Consummation deadline). In case the Company fails to receive listing and trading approvals from the stock exchanges for the equity shares of the Company in the IPO by consummation deadline, the investor shall have the right (but not obligation) to exercise its right to serve an Asset Sale notice to commence the procedure for the sale of all the assets and properties of the Company and the Subsidiaries and cash from such sale shall be used and distributed solely in the manner decided by the Sale Committee by way of a resolution passed by way of a Majority Resolution. The surplus shall be distributed amongst all the shareholders in accordance with the provisions of Companies Act, 2013.

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

Name of the equity shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% holding	Number of shares	% holding
Shriram Properties Holdings Private Limited	47,217,564	31.82%	47,217,564	31.82%
WSI/WSQI V (XXXII) Mauritius Investors Limited	35,572,739	23.97%	35,572,739	23.97%
Omega TC Sabre Holdings Pte Limited	24,236,898	16.33%	24,236,898	16.33%
TPG Asia SF V Pte. Ltd.	24,570,434	16.56%	24,570,434	16.56%
Brijkishore Trading Private Limited	8,579,500	5.78%	8,579,500	5.78%

**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 nor there has been any buy back of shares during five years immediately preceding 31 March 2019.

**17 Other equity**

	As at 31 March 2019	As at 31 March 2018 (Restated)
Securities premium reserve (refer note 16(a))	16,685.73	16,685.73
General reserve	432.10	269.56
Retained earnings (*)	(6,235.94)	(6,480.86)
Share based payment reserve	48.56	-
Debt redemption reserve	238.13	400.63
Money received against share warrants (refer note 43)	-	0.04
	11,168.58	10,875.10

(\*) Includes other comprehensive income of ₹ 14.71 million (31 March 2018 ₹ 8.08 million) which pertains to accumulated re-measurement of defined benefit plans

**Nature of reserves**

**(a) Securities premium reserve**

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

**(b) General reserve**

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

**(c) Debt redemption reserve**

The Company is required to create debt redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debt.

**(d) Share based payment reserve**

The share based payment reserve is used to record the value of equity settled share based payment transaction with employees. The amounts recorded in share based payment reserves are transferred to share premium upon exercise of stock options by employees.



*Handwritten signature/initials*



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

	As at 31 March 2019	As at 31 March 2018 (Restated)
<b>18 Borrowings (*)</b>		
<b>A Non-current</b>		
Secured loans		
Redeemable Non-convertible Debentures		
Series I, 13.20%, 8,050,000 (31 March 2018: 14,550,000), non-convertible debentures of ₹ 100 each	805.00	1,455.00
Series II, 16.91%, 1,475,000 (31 March 2018: 1,475,000), non-convertible debentures of ₹ 100 each	147.50	147.50
Term loans		
From others	327.33	2.93
	<u>1,279.83</u>	<u>1,605.43</u>
Amount disclosed under "other current financial liabilities" (refer note 21)	(77.02)	(1.54)
	<u>1,202.81</u>	<u>1,603.89</u>
<b>B Current</b>		
Secured loans		
Term loans		
From others	1,952.59	1,744.19
Unsecured loans		
From related parties (refer note (a) and note 45)	409.71	34.49
From others	148.38	10.11
	<u>2,510.68</u>	<u>1,788.79</u>
	<u>3,713.49</u>	<u>3,392.68</u>

**Note (a):** Tenure in terms of repayment have not been specified and hence, the loans are considered as repayable on demand

(\*) Refer note 35 for assets pledged as security against borrowings



*Web*



(This space is intentionally left blank)



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

**18 Borrowings (continued)**

Sl. No.	Particulars	Nature of security	Repayment details	As at 31 March 2019	As at 31 March 2018 (Restated)
A	Non-current borrowings				
	Redeemable non convertible debentures (Secured)				
I.	Aditya Birla Real Estate Fund	<p>The facility, all interest thereon, costs, charges, expenses and all other monies in respect thereof Repayable in 10 quarterly instalments commencing from Aug-19, is secured by way of:</p> <p>a) Equitable Mortgage over the right, title and interest of the Company in the Signia property, Sameeksha property, Smriti property and Hebbal One property including the unsold units in the mentioned properties together with proportionate undivided right, title and interest pertaining to those unsold units.</p> <p>b) Equitable Mortgage over the entire undertaking being the Southern Crest Property of Shriram Projects Private Limited (subsidiary) including any additional FSI that may be available in the future together with all present and future structures standing thereon including the Project Southern Crest</p> <p>c) Registered Indenture of Mortgage over the right, title and interest of Bengal Shriram Hitech City Private Limited (subsidiary) in the Kolkata Property together with all present and future structures standing thereon. Provided that the Kolkata property shall stand released upon occurrence of the Release Event.</p> <p>d) First Charge by way of hypothecation on the receivables, DM Fees and the accounts in which the Receivables and DM Fees may be lying in and/or deposited in terms of the Escrow Agreement</p> <p>e) First Charge over the DSRA account of Shriram Properties Limited with HDFC Bank Ltd.</p> <p>f) Pledge over the shares of Shriram Projects Private Limited.</p>	Repayable in 10 quarterly instalments commencing from Aug-19.	952.50	1,602.50
<p>The effective coupon rate per annum on above debentures is</p>					
II.	Term loans from others (secured)				
	Daimler Financial Services India Private Limited	Secured by way of hypothecation of the vehicle.	Repayable in 36 monthly instalments commencing from Jan-17.	1.38	2.93
III.	Housing Development Finance Corporation Limited	<p>The facility, all interest thereon, costs, charges, expenses and all other monies in respect thereof is secured by way of:</p> <p>a) Mortgage of all piece and parcel of land measuring 8880 sq. ft. with the construction present and future in the property proposed to be financed "Shriram Corporate Office" - Bearing No31/1, Old no- 192, 2nd Main Road, T Chowdiah Road, Sadashivnagar, Corporate Ward No. 99, Bangalore - 560080</p>	Repayable in 60 monthly instalments commencing from Jun-20.	197.00	-



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

Sl. No.	Particulars	Nature of security	Repayment details	As at 31 March 2019	As at 31 March 2018 (Restated)
	<b>Term loans from others (Secured)</b>				
iv.	Piramal Capital and Housing Finance Limited	The facility, all interest thereon, costs, charges, expenses and all other monies in respect thereof is secured by way of: 1) First and exclusive charge created under a equitable mortgage by deposit of title deeds over the Summitt property to the extent of unsold portion of Company's entitlement. 2) First and exclusive charge created under a registered mortgage, over the Land measuring 20 acres, situated in Uttarapara West Bengal. 3) First and exclusive charge by way of hypothecation created under the deed of hypothecation in respect of receivables from Summitt project 4) First and exclusive charge over escrow accounts opened with the bank account in manner set out in the escrow agreement	Repayable in 8 quarterly installments commencing from Oct-19.	129.95	-
		Unamortised upfront fees on borrowing		(1.00)	-
				<b>327.33</b>	<b>2.93</b>
				8.02% to 13.95%	8.02%
	<b>B Current borrowings</b>				
	<b>Term loans from others (Secured)</b>				
v.	LIC Housing Finance Limited	a) Equitable Mortgage of the Project land and structure thereon of "Shriram One City" b) Cross collateral Security with the Project Shriram Shankar of Shriprop Structures Private Limited (Subsidiary) coming up at Perumattunallur Village, Chengalpott Taluk, Kanchcheepuram District, Tamilnadu c) Hypothecation of receivables of the builder's share from the project "Shriram One City"	Repayable in 15 monthly installments commencing from Sept-20.	350.00	250.00
vi.	IIFL Wealth Finance Limited	The facility is secured by way of pledge of units of scheme of mutual funds and / or fully paid up debenture bonds and/ or shares held by Shriram Properties Limited	Repayable on demand, regular term being one year.	919.40	1,499.42
vii.	Piramal Capital and Housing Finance Limited	The facility, all interest thereon, costs, charges, expenses and all other monies in respect thereof is secured by way of: 1) First and exclusive charge created under a equitable mortgage by deposit of title deeds over the Summitt property to the extent of unsold portion of Company's entitlement. 2) First and exclusive charge created under a registered mortgage, over the Land measuring 20 acres, situated in Uttarapara West Bengal. 3) First and exclusive charge by way of hypothecation created under the deed of hypothecation in respect of receivables from Summitt project 4) First and exclusive charge over escrow accounts opened with the bank account in manner set out in the escrow agreement	Repayable in 6 quarterly installments commencing from Mar-19.	203.58	-



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

Sl. No.	Particulars	Nature of security	Repayment details	As at 31 March 2019	As at 31 March 2018 (Restated)
<b>Term loans from others (Secured) (continued)</b>					
viii.	<p>Avaloktishvar Valluv Limited</p> <p>Neelamanga Investments and Trading Company</p> <p>Nisus Finance Services Co. Private Limited</p> <p>Northeast Gases Private Limited</p> <p>Precision Automotive Private Limited</p> <p>SLK Software Services Private Limited</p> <p>Telos Investments &amp; Technologies Private Limited</p>	<p>The facility, all interest thereon, costs, charges, expenses and all other monies in respect thereof is secured by way of:</p> <p>1) Equitable Mortgage of the Project property "Suvilas Palms" and the development rights of the Shriram Properties over the project property.</p> <p>2) Deed of hypothecation of the "Suvilas Palms" receivables and the movable property on the project.</p> <p>3) Pledge over 100% of the share holding of Suvilas Realities Private Limited by Suvilas Properties Private Limited</p> <p>4) Corporate Guarantee of Suvilas Properties Private Limited and Suvilas Realities Private Limited</p> <p>5) Personal guarantee of Mr. C.R Suresh and Mr Sunil Chowdary</p>	Repayable by April - 19	<p>45.00</p> <p>100.00</p> <p>10.00</p> <p>100.00</p> <p>30.00</p> <p>100.00</p> <p>100.00</p>	-
Unamortised upfront fees on borrowing				(5.39)	(5.23)
The interest on above term loans from financial institutions are linked to the respective benchmarks. The effective interest rates per annum ranges between				1,952.59	1,744.19
				9.25% to 15.00%	9.25% to 13.50%
<b>Term loans from others (Unsecured)</b>					
I.	Maars Infra Developers Private Limited	Unsecured	Repayable in one year	140.00	-
II.	Shriram Properties Coimbatore Private Limited	Unsecured - Interest free	Repayable on demand	6.13	-
III.	Shriram Properties Constructions (Chennai) Private Limited	Unsecured - Interest free	Repayable on demand	2.25	10.11
The interest rate per annum ranges between				148.38	10.11
				15.00%	Nil
<b>Loans from related party (Unsecured)</b>					
I.	Shriram Properties Coimbatore Private Limited	Unsecured	Repayable on demand	-	7.80
II.	Shrivision Homas Private Limited	Unsecured	Repayable on demand	-	18.15
III.	Shrivision Towers Private Limited	Unsecured	Repayable on demand	409.71	8.54
The interest rate per annum ranges between				409.71	34.49
				15.00%	0% to 15%



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

	As at 31 March 2019	As at 31 March 2018 (Restated)
<b>19 Provisions</b>		
<b>A Non-current</b>		
Gratuity (*)	30.95	26.05
	<b>30.95</b>	<b>26.05</b>
<b>B Current</b>		
Provision for employee benefits:		
Gratuity (*)	11.03	2.17
Compensated absences (*)	17.03	11.07
	<b>28.06</b>	<b>13.24</b>

(\*) For details of employee benefits, refer note 37

<b>20 Trade payables</b>		
Total outstanding dues of micro and small enterprises (refer note below)	43.75	-
Total outstanding dues other than to micro and small enterprises	601.77	543.92
	<b>645.52</b>	<b>543.92</b>

**Note**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSME Act'). Accordingly, the disclosure in respect of amounts payable to such enterprises as at 31 March 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 (Restated) (₹)
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; (#)	48.93	-
(ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	5.18	Nil
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	Nil

(#) Includes an amount of ₹ 5.18 million (31 March 2018 - ₹ Nil) payable towards interest due to micro and small enterprises, reported as "Other payables" under the head "Other financial liabilities" in note 21

<b>21 Other financial liabilities</b>		
<b>Current</b>		
Current maturities of non-current borrowings (refer note 18A)	77.02	1.54
Interest accrued	57.05	47.42
Security deposit from related parties (refer note 45)	-	150.00
Other payables (*) (*)	272.72	240.83
Payable under buy-back obligations (refer note 16a)	65.00	65.00
Payable to land owner	432.90	346.12
	<b>904.69</b>	<b>850.91</b>

(\*) Includes an amount of ₹ 5.18 million (31 March 2018 - ₹ Nil) payable towards interest due to micro and small enterprises

(\*) Includes ₹ 2.00 million (31 March 2018 - ₹ Nil million) payable to related party (refer note 45).

<b>22 Other current liabilities</b>		
Payable to land owner(*)	572.13	1,059.40
Deferred income	82.22	50.94
Advance for rendering service from related party (refer note 45)	33.40	33.40
Advance from customers	2,690.59	5,207.77
Statutory dues	83.61	46.04
	<b>3,461.95</b>	<b>6,397.55</b>

(\*) pertains to obligation to land owners under the joint development agreements

<b>23 Current tax liabilities</b>		
Provision for income tax, net of advance tax	84.03	251.60
	<b>84.03</b>	<b>251.60</b>



*Handwritten signature/initials*



(This space is intentionally left blank)



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
<b>24 Revenue from operations</b>		
Proceeds from sale of constructed properties	3,791.84	2,067.61
	<b>3,791.84</b>	<b>2,067.61</b>
<b>Other operating income</b>		
Administrative income (*)	74.74	44.31
Development management fees (*)	344.01	3.65
Income from cancellation	2.74	11.56
Income under joint development arrangement (refer note 45)	159.78	-
Income from sale of development right (refer note 45)	150.00	-
	<b>731.27</b>	<b>59.52</b>
	<b>4,523.11</b>	<b>2,127.13</b>
(*) includes income from related parties amounting to ₹ 199.40 million (31 March 2018: ₹ 47.96 million)		
<b>25 Other income</b>		
Interest income		
- on deposits	2.50	2.90
- from related parties (refer note 45)	847.99	678.53
- from other companies	119.38	-
- on income tax refund	6.28	24.82
Income from guarantee commission (refer note 45)	37.17	9.05
Fair value gain on financial instruments at FVTPL	7.27	190.47
Profit on sale of mutual funds	23.53	65.29
Liability no longer payable written back	41.25	0.56
Profit on sale of fixed assets	0.06	-
Miscellaneous income	0.71	1.49
	<b>1,086.14</b>	<b>973.11</b>
<b>26 Changes in inventory</b>		
Inventory at the beginning of the year	6,683.91	7,182.59
Inventory at the end of the year	4,142.33	6,683.91
	<b>2,541.58</b>	<b>498.68</b>
Add: Adjustment of fair value of revenue share of joint development agreement (*)	159.78	-
	<b>2,701.36</b>	<b>498.68</b>
(*) During the year, the Company has transferred development rights to its joint venture, SPL Towers Private Limited, in consideration for a certain percentage share in the project. Accordingly, the Company has recognised the aforesaid share in the project under the head 'properties under development'		
<b>27 Employee benefits expense</b>		
Salaries and wages	585.45	332.50
Contribution to provident fund and other funds (refer note 37B)	20.69	16.82
Staff welfare expenses	13.07	10.45
Gratuity (refer note 37A)	7.44	8.61
Employee stock option expense (refer note 46)	48.56	-
	<b>675.21</b>	<b>368.38</b>
<b>28 Finance expense, net *</b>		
<b>Finance expense:</b>		
Interest expense		
- term loans	196.11	227.58
- on non-convertible debentures	156.97	96.48
- general loans	-	-
- on related party loans	17.71	3.75
- on others	128.63	-
- on delay in remittance of advance income tax	-	22.75
Processing fees and other charges	9.17	21.04
	<b>508.59</b>	<b>371.60</b>
Less interest capitalised to capital work in progress	(27.94)	-
	<b>480.65</b>	<b>371.60</b>
<b>Finance income:</b>		
Unwinding of discount relating to refundable security deposits	41.74	63.11
	<b>41.74</b>	<b>63.11</b>
<b>Finance expense, net</b>	<b>438.91</b>	<b>308.49</b>

(\*) Includes finance expense capitalized amounting to ₹ 280.67 million (31 March 2018 - ₹ 265.12 million)



*Handwritten signature/initials*



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
<b>29 Impairment losses in value of investment, loans and advances</b>		
Impairment losses in value of investment	0.01	50.00
Impairment losses in value of loans and advances	84.15	271.01
	<b>84.16</b>	<b>321.01</b>
<b>30 Other expenses</b>		
Brand license	5.00	97.28
Sales promotion	47.12	94.01
Communication	8.00	6.97
Donation	2.51	0.96
Director sitting fee and commission	2.23	-
Loss on sale of fixed asset	-	0.64
Corporate social responsibility	-	1.31
Membership and subscriptions	0.37	2.22
Legal and professional (*)	81.28	57.95
Power and fuel	8.98	7.33
Printing and stationery	3.47	3.30
Insurance	8.84	6.55
Rates and taxes	17.60	33.72
Rent (refer note 41)	36.13	26.72
Recruitment and training	12.08	8.06
Repairs and maintenance-others	18.11	7.41
Security	6.73	4.61
Traveling and conveyance	27.69	19.87
Software development	14.23	12.41
Loss arising out of modification of financial instrument	-	20.57
Miscellaneous	15.56	11.20
	<b>315.93</b>	<b>423.09</b>
(*) Includes remuneration paid to auditor as given in note 34		
<b>31 Exceptional items</b>		
Profit on sale of equity shares (*)	-	(2,239.26)
Loss recognised on capital reduction of equity shares (#)	-	131.18
Expenses in connection with Initial Public Offer (IPO) (^)	97.95	-
	<b>97.95</b>	<b>(2,108.08)</b>

(\*) During the year ended 31 March 2018, the Company has sold the investments for an aggregate consideration of ₹ 3,716.18 million (net of transaction cost of ₹ 83.82 million) resulting in a net gain of ₹ 3,477.18 million.

(#) In pursuant to Section 66 of the Companies Act, 2013, special resolution dated 24 November 2017 and the National Company Law Tribunal (NCLT) order dated 26 March 2018, the subsidiary, as per the Scheme of Capital Reduction has cancelled its equity share capital by 65,93,000 Class B equity shares of ₹10 each and 24,90,000 Class C equity shares of ₹ 10 each. Consequent to the same, the Company has recorded an additional loss of ₹ 131.18 million for the year ended 31 March 2018. In addition to this, the company has recorded an impairment loss of ₹ 50 million for the year ended 31 March 2018.

(^) In connection with proposed Initial Public Offering (IPO), the company has incurred transactions costs for issue and listing of new shares and listing the existing equity shares on the stock exchange. Incremental costs incurred directly attributable to the issue of new shares have been deferred and will be deducted from equity (net of any income tax benefit) only on successful consummation of IPO; all other costs have been recorded as an expense in the statement of profit and loss as and when incurred. Certain costs not directly attributable have been allocated between issue cost and listing cost on a rational basis.



Shriram Properties Limited (formerly Shriram Properties Private Limited)  
Summary of significant accounting policies and other explanatory information  
(All amounts in ₹ millions, unless otherwise mentioned)

32 Tax expense

A. Tax expense comprises of:

Current tax  
Tax for earlier years  
Deferred tax

Income tax expense reported in the statement of profit or loss

Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
-	242.42
-	-
1.18	-
<b>1.18</b>	<b>242.42</b>

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

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 29.12% and the reported tax expense in profit or loss are as follows:

Accounting profit before tax from continuing operations

Accounting profit before income tax

Effective tax rate in India

At India's statutory income tax rate of 29.12% (31 March 2018 - 27.55%)

Adjustments:

Tax expense for earlier years recognised during the year

Deferred tax asset recognised in earlier years, now charged off

Unrecorded deferred tax asset on brought forward losses utilised in the current year

Unrecorded deferred tax asset on current year temporary differences

Unrecorded deferred tax asset on long term capital loss

MAT credit not recognised

Unrecorded brought forward MAT credit utilised against current year tax liability

Tax impact on permanent differences

Deferred tax impact on impairment losses recorded on investments in the previous years

Indexation impact on items taxed at capital gain tax rate

Difference in income tax rate on items taxed at capital gains tax rate

Income tax expense

252.73	1,910.30
<b>252.73</b>	<b>1,910.30</b>
29.12%	27.55%
73.59	526.34
-	1.97
1.18	-
(32.54)	(2.91)
11.37	136.92
1.20	22.33
-	124.94
(85.98)	-
34.31	16.99
-	(186.53)
(1.80)	(328.05)
(0.15)	(69.58)
<b>1.18</b>	<b>242.42</b>

C. Recognised deferred tax assets and liabilities

Deferred tax assets is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and carried forward tax losses can be utilised. Due to lack of convincing evidence, the Company has not recorded deferred tax asset on deductible temporary differences which primarily includes the carry forward business losses amounting to Nil million (31 March 2018 - ₹ 111.76 million), long term capital losses amounting to ₹ 113.56 million (31 March 2018 - ₹ 108.42 million) and unutilised MAT credit entitlement amounting to ₹ 38.96 million (31 March 2018 - ₹ 124.94 million) as at 31 March 2019.



*Feb..*



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
<b>33 Earnings per share (EPS)</b>		
Weighted average number of shares outstanding during the year	148,411,448	148,411,448
Add: Dilutive effect of stock options	197,814	-
Weighted average number of shares used to compute diluted EPS	<b>148,609,262</b>	<b>148,411,448</b>
Net profit after tax attributable to equity shareholders	251.55	1,667.88
<b>Earnings per share</b>		
Basic	1.69	11.24
Diluted	1.69	11.24
Nominal value - Rupees (₹) per equity share	10.00	10.00
<b>34 Payment to auditor (on accrual basis, excluding GST)</b>		
As auditor:		
Audit fee	4.80	4.80
Other services(*)	14.00	0.15
Reimbursement of expenses	0.37	0.10
	<b>19.17</b>	<b>5.05</b>
(*) Includes ₹ 14 million (31 March 2018: ₹ Nil) towards issuance of consent and comfort letter in connection with filing of Draft Red Herring Prospectus ("DRHP") towards initial public offer of equity shares		
<b>35 Assets pledged as security</b>		
The carrying amounts of assets pledged as security for current and non-current borrowings are:		
<b>Current</b>		
<b>Financial assets</b>		
<b>First charge</b>		
Trade receivables	384.92	296.66
Cash and cash equivalents	32.48	0.56
Investments in mutual funds	942.98	2,513.91
Inventories	2,163.54	2,077.90
<b>Total current assets pledged as securities</b>	<b>3,523.92</b>	<b>4,889.03</b>
<b>Non-current</b>		
<b>First charge</b>		
Property, plant and equipment	281.85	4.77
Investments in joint venture	25.42	25.42
Capital work-in progress	63.35	-
<b>Total non-current assets pledged as securities</b>	<b>370.62</b>	<b>30.19</b>
<b>Total assets pledged as security</b>	<b>3,894.54</b>	<b>4,919.22</b>



*[Handwritten signature]*





**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

**36 Financial instruments**

**Financial instruments by category**

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
<b>Financial assets :</b>						
Investments (*)	6A & 6B	1,415.01	-	-	1,415.01	1,415.01
Trade receivables	12	-	-	475.33	475.33	475.33
Loans and advances	7A & 7B	-	-	7,499.61	7,499.61	7,499.61
Cash and cash equivalents including other bank balances	13 & 14	-	-	122.10	122.10	122.10
Other financial assets	15	-	-	923.30	923.30	923.30
<b>Total financial assets</b>		<b>1,415.01</b>	<b>-</b>	<b>9,020.34</b>	<b>10,435.35</b>	<b>10,435.35</b>
<b>Financial liabilities :</b>						
Borrowings(**)	18A & 18B	-	-	3,790.51	3,790.51	3,790.51
Trade payables	20	-	-	645.52	645.52	645.52
Other financial liabilities	21	-	-	827.67	827.67	827.67
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>5,263.70</b>	<b>5,263.70</b>	<b>5,263.70</b>

(\*) Investment in equity shares and preference shares of subsidiaries and joint venture are measured as per Ind AS 27, 'separate financial statements' and have been excluded above.

(\*\*) including current maturities of long term borrowing

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

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
<b>Financial assets :</b>						
Investments (*)	6A & 6B	3,392.44	-	-	3,392.44	3,392.44
Trade receivables	12	-	-	569.09	569.09	569.09
Loans and advances	7A & 7B	-	-	5,783.24	5,783.24	5,783.24
Cash and cash equivalents including other bank balances	13 & 14	-	-	329.68	329.68	329.68
Other financial assets	15	-	-	663.07	663.07	663.07
<b>Total financial assets</b>		<b>3,392.44</b>	<b>-</b>	<b>7,345.08</b>	<b>10,737.52</b>	<b>10,737.52</b>
<b>Financial liabilities :</b>						
Borrowings (**)	18A & 18B	-	-	3,394.22	3,394.22	3,394.22
Trade payables	20	-	-	543.92	543.92	543.92
Other financial liabilities	21	-	-	849.37	849.37	849.37
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>4,787.51</b>	<b>4,787.51</b>	<b>4,787.51</b>

(\*) Investment in equity shares and preference shares of subsidiaries and joint venture are measured as per Ind AS 27, 'separate financial statements' and have been excluded above.

(\*\*) including current maturities of long term debt

**Notes to financial instruments**

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

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

The Company has measured investments in equity shares of subsidiaries and joint ventures at the deemed cost. The Company has considered the carrying amount under previous GAAP as the deemed cost.



*Handwritten signature*



(this space has been intentionally left blank)

**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

**36 Financial instruments (contd.)**

**ii. Fair value hierarchy**

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

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

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** unobservable inputs for the asset or liability.

**Measurement of fair value of financial instruments**

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

**Investment in Debentures and preference shares**

The fair values of the debentures and preference shares are estimated using a discounted cash flow approach, which discounts the estimated contractual cash flows using discount rates derived from observable market interest rates of similar bonds with similar risk.

**Investment in Mutual funds**

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

The following table shows the fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 March 2019 and 31 March 2018:

As at 31 March 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Investment	1,051.21	-	363.80	1,415.01
	<u>1,051.21</u>	<u>-</u>	<u>363.80</u>	<u>1,415.01</u>
Financial liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Fair value</b>	<b>1,051.21</b>	<b>-</b>	<b>363.80</b>	<b>1,415.01</b>
	<u>1,051.21</u>	<u>-</u>	<u>363.80</u>	<u>1,415.01</u>
As at 31 March 2018 (Restated)	Level 1	Level 2	Level 3	Total
Financial assets				
Investment	3,010.59	-	381.85	3,392.44
	<u>3,010.59</u>	<u>-</u>	<u>381.85</u>	<u>3,392.44</u>
Financial liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Fair value</b>	<b>3,010.59</b>	<b>-</b>	<b>381.85</b>	<b>3,392.44</b>
	<u>3,010.59</u>	<u>-</u>	<u>381.85</u>	<u>3,392.44</u>

The following table presents the changes in level 3 items for the periods ended 31 March 2019 and 31 March 2018:

	Preference shares	Debentures	Total
As at 1 April 2017 (Restated)	-	316.00	316.00
Fair Value Changes (Restated)	-	65.85	65.85
As at 31 March 2018 (Restated)	-	381.85	381.85
Investment in preference shares of Shriprop Builders Private Limited (refer note 6)	0.12	-	0.12
Fair Value Changes	(0.12)	(18.05)	(18.17)
As at 31 March 2019	-	363.80	363.80

**Sensitivity analysis of Level III**

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
<b>31 March 2019</b>			
Investments in unquoted debentures	DCF method	Discounting rate -20%	1% increase/(decrease) in the discount rate would (decrease)/increase the fair value by (₹ 0.42 million)/ ₹ 0.43 million
<b>31 March 2018</b>			
Investments in unquoted debentures	DCF method	Discounting rate -20%	1% increase/(decrease) in the discount rate would (decrease)/increase the fair value by (₹ 2 million)/ ₹ 2 million



*Handwritten signature/initials*



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

**37 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
<b>1 The amounts recognized in the Balance Sheet are as follows:</b>		
Present value of the obligation as at the end of the year	45.59	34.54
Fair value of plan assets as at the end of the year	(3.61)	(6.32)
Net liability recognized in the Balance Sheet	<b>41.99</b>	<b>28.22</b>
<b>2 Changes in the present value of defined benefit obligation</b>		
Defined benefit obligation as at beginning of the year	34.54	27.70
Current Service cost	5.05	3.77
Past Service cost	-	3.79
Interest cost	2.27	1.60
Actuarial losses/(gains) arising from		
- change in demographic assumptions	(2.91)	0.72
- change in financial assumptions	5.61	(1.53)
- experience variance (i.e. Actual experiences assumptions)	4.14	3.18
Benefits paid	(3.11)	(4.69)
Defined benefit obligation as at the end of the year	<b>45.59</b>	<b>34.54</b>
<b>3 Changes in the fair value of plan assets</b>		
Fair value as at the beginning of the year	6.32	11.56
Interest on plan assets	0.18	0.55
Actuarial gains/(losses)	0.21	(1.10)
Contributions	-	-
Benefits paid	(3.11)	(4.69)
Fair value as at the end of the year	<b>3.61</b>	<b>6.32</b>
Non-current	30.96	26.05
Current	11.03	2.17
<b>Assumptions used in the above valuations are as under:</b>		
Interest rate	6.65%	7.50%
Discount rate	6.65%	7.50%
Salary increase		
- Executives and Sr.Executives & DGM	15.00%	10.00%
- GM & above	5.00%	5.00%
Attrition rate based on age band		
- 21-30	63.00%	40.00%
- 31-40	37.00%	21.00%
- 41-50	33.00%	15.00%
- 51 & Above	8.00%	8.00%
Retirement age	60 to 65 years	58 years
<b>4 Net gratuity cost for the year ended 31 March 2019 and 31 March 2018 comprises of following components.</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>
	Gratuity	Gratuity
Current Service cost	5.05	3.77
Past Service cost	-	3.79
Net interest cost on the net defined benefit liability	2.09	1.05
Components of defined benefit costs recognized in Statement of Profit and Loss	<b>7.14</b>	<b>8.61</b>
<b>5 Other Comprehensive Income</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>
Change in financial assumptions	(5.61)	1.53
Experience variance (i.e. actual experience vs assumptions)	(4.14)	(3.18)
Return on plan assets, excluding amount recognized in net interest expense	0.21	(1.10)
Change in demographic assumptions	2.91	-
Components of defined benefit costs recognized in other comprehensive income	<b>(6.63)</b>	<b>(2.74)</b>
<b>6 Experience adjustments</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>
Defined benefit obligation as at the end of the year	45.59	34.54
Plan assets	3.61	6.32
Deficit	41.99	28.22
Experience adjustments on plan liabilities	4.14	3.18
Experience adjustments on plan assets	0.21	(1.10)
<b>Maturity Profile of Defined Benefit obligation</b>		
<b>Year</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
a) April 2018-March 2019	-	7.90
b) April 2019-March 2020	14.65	3.96
c) April 2020-March 2021	7.41	3.17
e) April 2021-March 2022	5.82	2.68
f) April 2022 onwards	33.30	16.83



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

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

**B. Defined contribution plan**

The Company makes contribution of statutory provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Scheme as per the Employees' State Insurance Act, 1948. This is a defined contribution and contribution made was ₹20.69 million for the year ended 31 March 2019 (31 March 2018 - ₹ 16.82 million).

**C. Vacation Pay**

Assumptions used in accounting for vacation pay:

	31 March 2019	31 March 2018
Interest rate	6.65%	7.50%
Discount rate	6.65%	7.50%
Salary increase		
- Executives and Sr. Executives & DGM	15.00%	10.00%
- GM & above	5.00%	5.00%
Attrition rate based on age band		
- 21-30	63.00%	40.00%
- 31-40	37.00%	21.00%
- 41-50	33.00%	15.00%
- 51 & Above	8.00%	8.00%
Retirement age	60 to 65 years	58 years

**D. Sensitivity analysis**

**Description of risk exposures**

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

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

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

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

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

**Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of INR 2 million).

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

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

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

Gratuity	31 March 2019		31 March 2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (+ / - 1.0%)	4.08%	3.77%	5.64%	5.07%
Salary Growth Rate (- / + 1.0%)	2.88%	2.89%	4.34%	4.55%

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 year in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior year

**38 Corporate social responsibility expenses**

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are promoting education, art and culture, healthcare, ensuring environmental sustainability, destitute care and rehabilitation and rural development projects.

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a) Gross amount required to be spent by the company during the year	-	-
b) Amount spent during the year on purposes other than construction/ acquisition of any asset	-	-
- Paid	-	-
- Yet to be paid	-	1.31





**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

**39 Financial risk management**

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, other bank balances, trade receivables, loans and advances, other financial assets and financial guarantees	Ageing analysis and recoverability assessment
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Interest rate	Borrowings at variable rates	Sensitivity analysis
Market risk – security prices	Investment in securities	Sensitivity analysis

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

**A Credit risk**

Credit risk arises from Cash and cash equivalent, other bank balances, trade receivables, loans and advances, other financial assets and financial guarantees.

**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 (Restated)
Low credit risk	Cash and cash equivalent, other bank balances, trade receivables, investment carried at amortised cost, loans and advances, other financial assets and financial guarantees	12 months expected credit loss/life time expected credit loss	22,866.69	15,119.83
High credit risk	Loans and advances, other financial assets	Life time expected credit loss or fully provided for	510.13	535.13
			<b>23,376.82</b>	<b>15,654.96</b>

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

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

**Credit risk exposure**

**Provision for expected credit losses**

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

31 March 2019			
Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	475.33	-	475.33
Loans (excluding security deposits)	8,135.01	510.13	7,624.88
Security deposit	384.08	-	384.08
Cash and cash equivalents	117.07	-	117.07
Other bank balance	5.03	-	5.03
Other financial assets	923.30	-	923.30
Financial guarantees	13,337.00	-	13,337.00
31 March 2018 (Restated)			
Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	569.09	-	569.09
Loans (excluding security deposits)	6,610.61	425.98	6,184.63
Security deposit	23.81	-	23.81
Cash and cash equivalents	324.65	-	324.65
Other bank balance	5.03	-	5.03
Other financial assets	771.77	109.15	662.62
Financial guarantees	7,350.00	-	7,350.00

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

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

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

**Reconciliation of loss allowance provision - Loans and other financial assets**

Reconciliation of loss allowance	Loans	Other financial assets
Loss allowance on 1 April 2017	158.00	109.15
Allowance for expected credit loss	267.98	-
Loss allowance on 31 March 2018	425.98	109.15
Allowance for expected credit loss	84.15	(109.15)
Loss allowance on 31 March 2019	510.13	-



*Handwritten signature/initials*



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

**39 Financial risk management (contd.)**

**B Liquidity risk**

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

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Maturities of financial liabilities**

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

<b>31 March 2019</b>	<b>Less than 1 year</b>	<b>1 year to 5 years</b>	<b>5 years and above</b>	<b>Total</b>
<b>Non-derivatives</b>				
Borrowings (*)	2,367.47	1,918.41	65.32	4,351.20
Trade payables	438.69	206.83	-	645.52
Other financial liabilities	827.67	-	-	827.67
<b>Total</b>	<b>3,633.83</b>	<b>2,125.24</b>	<b>65.32</b>	<b>5,824.39</b>
<b>31 March 2018 (Restated)</b>	<b>Less than 1 year</b>	<b>1 year to 5 years</b>	<b>5 years and above</b>	<b>Total</b>
<b>Non-derivatives</b>				
Borrowings (*)	1,812.07	2,221.94	-	4,034.01
Trade payables	393.51	150.41	-	543.92
Other financial liabilities	849.37	-	-	849.37
<b>Total</b>	<b>3,054.95</b>	<b>2,372.35</b>	<b>-</b>	<b>5,427.30</b>

(\*) including current maturities of non-current debt

**C Market risk**

**a. Interest rate risk**

**1 Liabilities**

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:

<b>Particulars</b>	<b>31 March 2019</b>	<b>31 March 2018 (Restated)</b>
Variable rate borrowing	880.52	250.00
Fixed rate borrowing	2,916.38	3,149.45
	<b>3,796.90</b>	<b>3,399.45</b>

**Sensitivity**

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

<b>Particulars</b>	<b>31 March 2019</b>	<b>31 March 2018 (Restated)</b>
Interest rates – increase by 50 basis points (50 bps)	(3.39)	(3.25)
Interest rates – decrease by 50 basis points (50 bps)	3.39	3.25

**2 Assets**

The company's fixed deposits, interest bearing security deposits and loans are carried at fixed rate. Therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**b. Price risk**

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investment in equity securities, the company diversifies its portfolio.

**Sensitivity**

Profit or loss is sensitive to higher/lower prices of instruments on the Company's profits for the years

<b>Particulars</b>	<b>31 March 2019</b>	<b>31 March 2018 (Restated)</b>
Price increase by 5% - FVTPL	52.56	150.53
Price decrease by 5% - FVTPL	(52.56)	(150.53)



*Handwritten signature/initials*



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

**40 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 (Restated)
Long term borrowings	1,202.81	1,603.89
Current maturities of non-current borrowings	77.02	1.54
Current borrowings	2,510.68	1,788.79
Less: Cash and cash equivalents	(117.07)	(324.65)
Less : Bank balances other than cash and cash equivalents	(5.03)	(5.03)
Net debt	3,668.41	3,064.54
Total equity	12,649.68	12,356.20
Gearing ratio	0.29	0.25

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

(ii) Debt is defined as long term borrowings, short term borrowings and current maturities of long term borrowings.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the year ended March 31, 2019 and

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

**41 Leases**

**Operating lease**

The lease expense for cancellable and non-cancellable operating leases was ₹ 36.13 million for the year ended 31 March 2019 (31 Mar 2018: ₹ 26.72 million). The lease commitments in terms of minimum in terms of minimum lease payments within the non-cancellable period is as below:

Particulars	31 March 2019	31 March 2018 (Restated)
Within one year	3.82	2.88
Later than one year but not later than five years	3.35	-
Later than five years	-	-
	<b>7.17</b>	<b>2.88</b>

**42 Contingent liabilities and commitments**

**A Contingent liabilities**

Service tax matters

3.65 1.80

**B Other commitments**

The Company has undertaken to provide continued financial support to its 3 subsidiaries as and when required.

**C Financial guarantees**

Guarantee given by the Company on behalf of subsidiaries and joint venture.

13,337.00 7,350.00

D The Company is also involved in certain litigation for lands acquired by it for construction purposes, either through a Joint Development Agreement or through outright purchases. These cases are pending with the Civil Courts and scheduled for hearings shortly. After considering the circumstances and legal advice received, management believes that these cases will not adversely effect its financial statements.

E As at 31 March 2019, the Company had committed to spend approximately ₹ 20.41 million (31 March 2018: Nil), under agreements to construct office building. These amounts are net of capital advances paid in respect of these purchases.

F 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 Company 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.

**43 Money received against share warrants**

During the financial year 2011-12, the Company issued 3,672,618 share warrants to Shriram Properties Holdings Private Limited with a right to receive one equity share of ₹ 10 each at par value against surrender of each warrant. The Company has received ₹ 0.04 millions towards initial consideration for the warrants issued and the balance amount of ₹ 36.70 million is payable upon exercise of conversion. These warrants shall be convertible into equity shares partially or fully at the option of the promoters at least 5 business days before the day on which the Red Herring Prospectus for the Company initiated QIPO is registered with the Registrar, subject to minimum valuation in the QIPO as provided in the warrant subscription agreement. In the current year, the warrant subscription agreement has been terminated vide agreement dated 19 December 2018 and the warrants held by Shriram Properties Holdings Private Limited have been forfeited and extinguished including the consideration received amounting ₹ 0.04 million.



*Handwritten signature/initials*



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
Summary of significant accounting policies and other explanatory information  
(All amounts in ₹ millions, unless otherwise mentioned)

**44 Subsidiary and affiliates information**

Name of the entity	Country of incorporation and principal place of business	Primary activity	Portion of ownership interests held by the Company as on	
			31 March 2019	31 March 2018 (Restated)
<b>Subsidiary companies</b>				
Bengal Shriram Hitech City Private Limited	India, Kolkata	Real estate development and construction	100%	100%
SPL Realtors Private Limited	India, Bengaluru	Real estate development and construction	51%	51%
Global Entropolis (Vizag) Private Limited	India, Vishakhapatnam	Real estate development and construction	100%	100%
Shrirup Structures Private Limited	India, Chennai	Real estate development and construction	100%	100%
SPL Constructors Private Limited	India, Bengaluru	Real estate development and construction	100%	100%
Shrirup Constructors Private Limited	India, Coimbatore	Real estate development and construction	100%	100%
Shrirup Homes Private Limited	India, Bengaluru	Real estate development and construction	100%	100%
Shrirup Projects Private Limited	India, Bengaluru	Real estate development and construction	100%	100%
Shrirup Builders Private Limited (w.e.f 05 September 2018)	India, Bengaluru	Real estate development and construction	100%	N.A.
Shrirup Developers Private Limited	India, Bengaluru	Real estate development and construction	100%	100%
SPL Shelters Private Limited	India, Bengaluru	Real estate development and construction	100%	100%
Shrirup Living Space Private Limited (till 29 November 2018)	India, Bengaluru	Real estate development and construction	N.A.	51%
SPL Towers Private Limited (till 29 November 2018)	India, Bengaluru	Real estate development and construction	N.A.	51%
SPL Estates Private Limited (w.e.f 28 December 2018) (*)	India, Kolkata	Real estate development and construction	100%	N.A.
Shrirup Properties Private Limited (*)	India, Bengaluru	Real estate development and construction	100%	100%
<b>Joint Ventures</b>				
Shrirup Builders Private Limited (till 04 September 2018)	India, Bengaluru	Real estate development and construction	N.A.	49%
Shrivision Homes Private Limited	India, Bengaluru	Real estate development and construction	30%	30%
Shrivision Towers Private Limited	India, Bengaluru	Real estate development and construction	51%	17%
Shrirup Living Space Private Limited (w.e.f. 30 November 2018)	India, Bengaluru	Real estate development and construction	51%	N.A.
Shrirup Properties Private Limited (*)	India, Bengaluru	Real estate development and construction	28%	N.A.
SPL Towers Private Limited (w.e.f. 30 November 2018)	India, Bengaluru	Real estate development and construction	51%	N.A.

(\*) SPL Estates Private Limited is a step down subsidiary of the Company

(\*) During the year ended 31 March 2019, Shriram Properties Private Limited (SPPPL) has issued compulsorily convertible debentures (CCD) to DRI India (Investor), an unrelated party, whereby the investor is eligible for a certain percentage of the free cash flows of the project. The Company along with the investor has the practical ability to control and direct the relevant activities of the project in SPPPL and accordingly the project has been classified as a joint venture.



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

**45 Related party transactions**

**(i) Key management personnel**

<b>Name</b>	<b>Relationship</b>
Murali Malayappan	Chairman & Managing Director
Srinivasan Natarajan	Director
Rapahel Rene Dawson	Non-Executive Director
Gautham Radhakrishnan	Non-Executive Director
Vaidyanathan Ramamurthy	Independent Director (w.e.f 13 December 2018)
Anil Goswami	Independent Director (w.e.f 13 December 2018 till 4 March 2019)
Anita Kapur	Independent Director (w.e.f 14 November 2018)
Thai Salas Vijayan	Independent Director (w.e.f 14 November 2018)
KG Krishnamurthy	Independent Director (w.e.f 14 November 2018)
Vinit Prabhugaonkar	Alternate Director (w.e.f 18 August 2017 till 8 November 2018)
Padmanabha Sinha	Director (till 13 November 2018)
Gaurav Trehan	Director (till 13 November 2018)
Puneet Bhatia	Director (till 14 November 2018)
Ramachandran Sridhar	Director (till 1 December 2018)
Kalyan Nagururu	Director (till 29 November 2018)

**(ii) Subsidiaries**

Bengal Shriram Hitech City Private Limited  
SPL Realtors Private Limited  
Global Entropolis (Vizag) Private Limited  
Shriprop Structures Private Limited  
SPL Constructors Private Limited  
Shriprop Constructors Private Limited  
Shriprop Homes Private Limited  
Shriprop Projects Private Limited  
Shriprop Builders Private Limited (w.e.f 05 September 2018)  
Shriprop Developers Private Limited  
SPL Shellers Private Limited  
Shriprop Living Space Private Limited (till 29 November 2018)  
SPL Towers Private Limited (till 29 November 2018)  
SPL Estates Private Limited (w.e.f 28 December 2018)  
Shriprop Properties Private Limited

**(iii) Joint venture**

Shriprop Builders Private Limited (till 04 September 2018)  
Shrivision Homes Private Limited  
Shrivision Towers Private Limited  
Shriprop Living Space Private Limited (w.e.f. 30 November 2018)  
SPL Towers Private Limited (w.e.f. 30 November 2018)

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

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



(this space has been intentionally left blank)



Shriram Properties Limited (formerly Shriram Properties Private Limited)  
Summary of significant accounting policies and other explanatory information  
(All amounts in ₹ millions, unless otherwise mentioned)

45 Related party transactions (contd.)

(vii) Transactions with related parties are as follows

Nature of transaction	Subsidiaries		Joint ventures		Key management personnel		Other related parties	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Loans given	3,530.06	4,146.66	193.69	255.19	-	-	0.85	-
Loans repaid	2,755.39	1,422.16	157.72	221.57	-	-	0.25	-
Borrowings availed	-	-	532.58	102.45	-	-	-	2.48
Borrowings repaid	-	-	149.56	75.72	-	-	-	-
Provision for impairment on loans	84.16	267.75	-	-	-	-	-	-
Security deposit received towards joint development agreement	-	150.00	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	-	0.25	-
Sale consideration received	-	-	-	-	-	-	0.25	-
Advance given for purchase of land	-	-	-	-	-	-	0.51	5.15
Interest Income on Loans	824.75	652.33	23.24	26.20	-	-	-	-
Development management fees and Administrative income	87.52	27.65	111.88	20.31	-	-	-	-
Managerial remuneration (*) (#)	-	-	-	-	10.00	20.90	-	-
Commission	-	-	-	-	2.00	-	-	-
Advances given	-	-	-	-	6.52	2.00	-	-
Advances recovered	-	-	-	-	6.42	1.20	-	-
Personal guarantee extinguished	-	-	-	-	-	600.00	-	-
Guarantee given	3,400.00	150.00	3,512.00	-	-	-	-	-
Guarantee released	1,450.00	850.00	-	1,231.00	-	-	-	-
Guarantee commission income	34.76	9.05	2.41	-	-	-	-	-
Interest expense on borrowings	-	-	17.71	3.75	-	-	-	-
Gain arising from financial instruments designated as FVTPL	-	-	21.30	65.37	-	-	-	-
Loss arising from financial instruments designated as FVTPL	30.00	-	9.35	-	-	-	-	-
Receipt under joint development agreement	-	-	-	5.18	-	-	-	-
Income under joint development arrangement	-	-	159.78	-	-	-	-	-
Income from sale of development right	-	-	150.00	-	-	-	-	-

(\*) As the provision for liability for gratuity and vacation pay is provided on an actuarial basis for the company as a whole, the amount pertaining to individuals is not ascertainable and therefore not included above.

(#) Includes contribution to provident fund



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

**45 Related party transactions (contd.)**

Balances with related parties as on date are as follows

Nature of transaction	Subsidiaries		Joint ventures		Key Management Personnel		Other related parties	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Loans given (net of impairment allowance)	6,199.06	5,546.81	286.41	212.38	-	-	0.60	-
Trade receivables	-	-	22.24	22.24	-	-	-	-
Advance for purchase of land	-	-	-	-	-	-	-	537.65
Borrowings	-	-	409.71	26.69	-	-	-	7.80
Security deposit received towards joint development agreement	-	150.00	-	-	-	-	-	-
Proportionate share of constructed properties receivable	-	-	159.78	-	-	-	-	-
Salary advance	-	-	-	-	1.10	1.00	-	-
Commission payable	-	-	-	-	2.00	-	-	-
Investment in debentures	110.00	-	253.80	381.85	-	-	-	-
Advances towards development management fees	-	-	33.40	33.40	-	-	-	-
Guarantees outstanding	5,550.00	4,850.00	7,262.00	2,500.00	-	-	-	-



(this space has been intentionally left blank)

**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

**46 Share based payment**

The Company established the Employee Stock Option Plan 2013 (the "Plan") to attract and retain talent and remain competitive in the talent market and strengthen interdependence between individual and organization prosperity.

On 14 April 2018, pursuant to Compensation committees approval, the Company's stock-based compensation consists of the following:

32,595 options granted to employees at an exercise price of ₹ 10 per share (*Tranche 1*). These stock options will vest over one year from the grant date. These options shall be exercisable on or before five years from the date of vesting.

595,164 options granted to employees at an exercise price of ₹ 10 per share (*Tranche 2*). These options are issued under a graded vesting schedule, meaning that they vest ratably over three years. These options shall be exercisable on or before 5 years from the date of vesting.

The Company records stock compensation expense for these options, net of estimated forfeitures on a straight-line basis over the vesting period. These options have a grant date fair value of ₹ 126.22 per unit and ₹ 127.22 per unit based on the Binomial options pricing model for tranche 1 and tranche 2 respectively.

The stock compensation expense recognised for employee services received during the period ended 31 March 2019 was ₹ 48.56 million.

The activity in these stock option plans and restricted stock unit option plan is summarised below:

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
	Number	Grant date fair value Amount	Number	Grant date fair value Amount
Balance as at the beginning of the year	-	-	-	-
Granted	627,759	79.83	-	-
Options exercised	-	-	-	-
Expired/ forfeited	-	-	-	-
Balance as at the end of the year	627,759	79.83	-	-
Exercisable as at the end of the year	-	-	-	-
<b>Inputs into the Binomial Options Pricing Model</b>			<b>Tranche 1</b>	<b>Tranche 2</b>
Fair Value per equity share ₹			126.22	127.22
Weighted average exercise price ₹			10	10
Expected volatility (*)			41.32%	42.04%
Expected term			6 years	8 years
Dividend yield			0%	0%
Risk free interest rate			7.40%	7.65%

(\*) The expected price volatility is based on the historical volatility (based on the remaining life of the options) of comparable companies, adjusted for any expected changes to future volatility

**47 Amalgamation**

a. Pursuant to the Scheme of Amalgamation (the "Scheme") u/s 230 to 232 of the Companies Act, 2013, duly approved by the Honourable National Company Law Tribunal, Chennai Bench vide order dated 12 September 2019 and by the Honourable National Company Law Tribunal, Bengaluru Bench vide order dated 08 October 2018, erstwhile wholly owned subsidiary company, Shriprop Housings Private Limited ('the Transferor Company') has been merged with the Company. Accordingly, all the assets, liabilities and reserves of SHPL were transferred to and vested in the Company on a going concern basis with effect from 01 April 2018 being appointed date ("Appointed Date").

b. The Scheme has been accounted in accordance with Appendix C to Indian Accounting Standard- 103 applicable to common control business combinations and accordingly, the comparative financial information for the year ended 31 March 2018 and opening balance sheet as at 01 April 2017 have been restated (refer note 49) as if the aforesaid business combination had occurred from the date the entities have been under common control. The details of acquired assets and liabilities of the Transferor Company and the loss arising on account of common control transaction are as follows:

Particulars	As on 01 April 2017
<b>Assets:</b>	
Property, plant and equipment	1.75
Deferred tax assets (net)	1.18
Inventories	61.59
Financial assets	
(i) Investments	1,191.45
(ii) Trade receivables	10.44
(iii) Cash and cash equivalents	14.23
(iv) Loans and advances	1.01
(v) Other financial assets	4.66
Other current assets	61.76
	<u>1,348.07</u>
<b>Less: Liabilities:</b>	
Financial liabilities	
(i) Borrowings	970.45
(ii) Trade payables	48.49
(iii) Other financial liabilities	1.32
Other current liabilities	99.81
Current tax liabilities (net)	16.61
	<u>1,136.68</u>
Less: Other equity	74.62
<b>Not identifiable assets acquired</b>	<u>136.77</u>
Purchase consideration	-
Carrying value of the investment as at 01 April 2017	<u>143.07</u>
<b>Loss on account of common control transaction</b>	<u>(6.30)</u>



*Handwritten signature*



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

**48 Error**

While preparing the financial statements for the previous years, the Company had erroneously recognised revenue on components, which are inclusive of indirect taxes resulting in higher recognition of revenues and lower impairment losses in earlier years and corresponding changes in inventories, advanced received from customer. The aforementioned error 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 49

**49 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:

- (i) Accounting for common control business combinations as detailed in note 47(b)
- (ii) Adoption of new Ind AS 115, Revenue from contracts with customers as detailed in note 1.2(h)
- (iii) Rectification of error as detailed in note 48

The effect of restatement on financial statement line items for the prior years as follow:

Balance sheet as at 01 April 2017	Reported (refer note below)	Rectification of error (refer note 48)	Adjustment on account of change in accounting policy (refer note 1.2(e))	Restated
<b>Assets</b>				
Other financial assets	777.67	-	(175.61)	602.06
Inventories	2,923.79	(5.72)	4,264.51	7,182.58
Other current assets	289.01	-	6.31	295.32
<b>Equity</b>				
Other equity	9,230.04	(91.30)	133.94	9,272.68
<b>Liabilities</b>				
Other current liabilities	2,731.04	85.58	3,961.27	6,777.89
<b>Balance sheet as at 31 March 2018</b>				
<b>Assets</b>				
Other financial assets	687.41	-	(24.34)	663.07
Inventories	2,777.47	(0.77)	3,907.20	6,683.90
Other current assets	318.73	-	8.73	327.46
<b>Equity</b>				
Other equity	10,929.74	(96.49)	41.85	10,875.10
<b>Liabilities</b>				
Other current liabilities	2,452.08	95.72	3,849.75	6,397.55
<b>Statement of profit and loss for the year ended 31 March 2018</b>				
<b>Revenue</b>				
Land cost	1,831.93	(10.14)	305.34	2,127.13
Material and construction cost	39.84	-	25.35	65.19
Changes in inventories	1,281.05	-	17.54	1,298.59
Other expenses	146.32	(4.95)	357.31	498.68
Profit before tax	425.54	-	(2.45)	423.09
Net profit for the year	2,007.93	(5.19)	(92.44)	1,910.30
Basic and diluted EPS (₹)	1,765.51	(5.19)	(92.44)	1,667.88
	11.90	(0.03)	(0.62)	11.24

**Cash flows Statement**

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 above adjustments

**Note**

The reported figures referred above represents audited financial statements of both, the Company and the transferor Company for the year ended 31 March 2018 and 31 March 2017 after giving effect of accounting for common control business combinations as detailed in note 47(b)



**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

**50 Additional disclosures required under Ind AS 115 (Revenue from contract with customers)**

**A Contract balances**

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

Particulars	As at 31 March 2019	As at 31 March 2018 (Restated)
<b>Contract assets</b>		
Unbilled revenue	213.78	62.34
<b>Total contract assets</b>	<b>213.78</b>	<b>62.34</b>
<b>Contract liabilities</b>		
Advance from customers	2,690.59	5,207.77
Payable to land owner	1,005.03	1,405.52
<b>Total contract liabilities</b>	<b>3,695.62</b>	<b>6,613.29</b>
<b>Receivables</b>		
Trade receivables	475.33	569.09
<b>Total receivables</b>	<b>475.33</b>	<b>569.09</b>

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

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 contract liabilities balances during the year are as follows:**

Particulars	As at 31 March 2019		As at 31 March 2018 (Restated)	
	Advances from customers	Payable to land owner	Advances from customers	Payable to land owner
Opening balance	5,207.77	1,405.52	5,028.20	2,002.06
Adjustments during the year	907.39	(48.67)	1,667.86	(34.91)
Revenue recognised during the year	(3,424.57)	(351.82)	(1,488.29)	(561.63)
<b>Closing balance</b>	<b>2,690.59</b>	<b>1,005.03</b>	<b>5,207.77</b>	<b>1,405.52</b>

**C Significant changes in contract asset balances during the year are as follows:**

Particulars	As at 31 March 2019	As at 31 March 2018 (Restated)
	Unbilled revenue	Unbilled revenue
Opening balance	62.34	44.65
Revenue recognised from sale of constructed properties	15.45	17.69
Development management fees recognised	344.01	3.61
Billed during the year	(208.02)	(3.61)
<b>Closing balance</b>	<b>213.78</b>	<b>62.34</b>

**D Reconciliation of revenue recognised with contract revenue:**

Particulars	Year ended 31 March 2019	Year ended 31 March 2018 (Restated)
Contract revenue	3,791.84	2,067.61
<b>Revenue recognised</b>	<b>3,791.84</b>	<b>2,067.61</b>

**E The performance obligation of the Company in case of sale of residential plots, villas, apartments, commercial space and development management of such properties is satisfied once the project is completed and control is transferred to the customers. The customer makes the payment for contract price as per installment stipulated in customer's agreement which can be cancelled by the customer for convenience.**

The transaction price of the remaining performance obligation (unsatisfied or partly satisfied) as at 31 March 2019 is ₹ 2,299.77 million. The same is expected to be recognised within 1 to 4 years





**Shriram Properties Limited (formerly Shriram Properties Private Limited)**  
**Summary of significant accounting policies and other explanatory information**  
(All amounts in ₹ millions, unless otherwise mentioned)

**51 Segmental Information**

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

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



Adi P. Sethna  
Partner  
Membership No. : 108840

Mumbai  
28 June 2019

For and on behalf of the Board of Directors of Shriram Properties Limited  
(formerly Shriram Properties Private Limited)



M Murali  
Chairman & Managing Director  
DIN : 00030096

Bengaluru  
28 June 2019



Gopalakrishnan J  
Chief Financial Officer

Bengaluru  
28 June 2019



D Srinivasan  
Company Secretary  
FCS No : F5550

Bengaluru  
28 June 2019

