

Walker Chandio & Co LLP

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Independent Auditor's Report

To the Members of Shriram Properties Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Shriram Properties Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Loss), 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 of the Company as at 31 March 2020, and its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 48 to the accompanying standalone financial statements, which describes the uncertainties due to the outbreak of 'COVID-19' pandemic and the management's evaluation of its impact on the accompanying standalone financial statements and operations of the Company as at the balance sheet date, the extent of which is significantly dependent on future developments as they evolve. Our opinion is not modified in respect of this matter.



Shriram Properties Limited
Independent Auditor's Report on the Audit of the Standalone Financial Statements

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

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the 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.

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 financial position, 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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



Shriram Properties Limited

Independent Auditor's Report on the Audit of the Standalone Financial Statements

10. 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

12. As required by section 197(16) of the Act, based on our audit, 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.
13. 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.
14. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;



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- 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 2020 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 01 September 2020 as per Annexure II expressed unmodified opinion; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company, as detailed in Note 41(A) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
 - 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 2020;
 - 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 2020; 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

UDIN:20108840AAAADC5273

Place: Mumbai

Date: 01 September 2020

Shriram Properties Limited
Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure I to the Independent Auditor's Report of even date to the members of Shriram Properties Limited on the standalone financial statements for the year ended 31 March 2020

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The 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.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



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Shriram Properties Limited Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure I (Contd)

- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities.

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

Name of the statute	Nature of the dues	Amount (₹ millions)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Advance income tax	14.43	April 19 - June 2019	15 June 2019	Not yet paid
Income Tax Act, 1961	Advance income tax	43.29	July 19 - September 2019	15 September 2019	Not yet paid

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

Statement of disputed dues

Name of the statute	Nature of dues	Amount (₹ millions)	Amount paid under protest (₹ million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax/Interest demanded	Nil*	-	2001-02	The Honourable Madras High Court
Income Tax Act, 1961	Tax/Interest demanded	Nil*	-	2005-06	CIT (A)
Income Tax Act, 1961	Tax/Interest demanded	Nil*	-	2009-10	Assessing Officer
Income Tax Act, 1961	Tax/Interest demanded	Nil*	-	2010-11	Assessing Officer
Income Tax Act, 1961	Tax/Interest demanded	Nil*	-	2012-13	Assessing Officer
Income Tax Act, 1961	Tax/Interest demanded	Nil*	-	2013-14	CIT (A)
Income Tax Act, 1961	Tax/Interest demanded	Nil*	-	2017-18	CIT (A)
Finance act, 1994	Service tax, interest and penalty	43.46	-	2005-06	Customs, Excise & Service Tax Appellate Tribunal
Finance act, 1994	Service tax, interest and penalty	511.18	19.44	2006-10	Customs, Excise & Service Tax Appellate Tribunal
Finance act, 1994	Service tax, interest and penalty	5.33	0.14	2010-11	Customs, Excise & Service Tax Appellate Tribunal
Finance act, 1994	Service tax, interest and penalty	28.34	-	2012-16	Customs, Excise & Service Tax Appellate Tribunal

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



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Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure I (Contd)

- (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.
- (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 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 Sethna

Partner

Membership No:108840

UDIN: 20108840AAAADC5273

Place: Mumbai

Date: 01 September 2020

Shriram Properties Limited

Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure II to the Independent Auditor's Report of even date to the members of Shriram Properties Limited on the standalone financial statements for the year ended 31 March 2020

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

1. In conjunction with our audit of the standalone financial statements of Shriram Properties Limited, ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as



Walker Chandiok & Co LLP

Shriram Properties Limited

Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure II (Contd)

necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

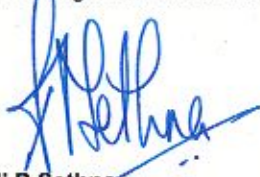
Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the framework.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No:001076N/N500013



Adi P Sethna

Partner

Membership No:108840

UDIN:20108840AAAADC5273

Place: Mumbai

Date: 01 September 2020

Balance Sheet as at 31 March 2020
(All amounts in ₹ million, unless otherwise mentioned)

	Note	As at 31 March 2020	As at 31 March 2019
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	526.85	303.15
(b) Capital work-in-progress	3	-	63.35
(c) Other intangible assets	4	32.37	2.57
(d) Intangible assets under development	5	-	17.29
(e) Financial assets			
(i) Investments	6A	5,274.39	5,396.76
(ii) Loans	7A	2,740.78	2,448.34
(f) Non-current tax assets (net)	8	25.79	38.58
(g) Other non-current assets	9A	1,583.53	1,119.85
Total non-current assets		10,183.71	9,391.89
Current assets			
(a) Inventories	10	2,841.83	4,142.33
(b) Financial assets			
(i) Investments	6B	344.73	1,051.21
(ii) Trade receivables	11	225.83	475.33
(iii) Cash and cash equivalents	12	209.83	117.07
(iv) Bank balances other than (iii) above	13	6.29	5.03
(v) Loans	7B	4,739.92	5,051.27
(vi) Other financial assets	14	462.76	709.52
(c) Other current assets	9B	922.73	574.72
Total current assets		9,753.92	12,126.48
Total assets		19,937.63	21,518.37
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	1,481.10	1,481.10
(b) Other equity	16	11,274.10	11,168.58
Total equity		12,755.20	12,649.68
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17A	817.81	1,224.02
(b) Provisions	18A	37.57	30.95
Total non-current liabilities		855.38	1,254.97
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17B	2,010.73	2,546.53
(ii) Trade payables	19		
(a) Total outstanding dues of micro and small enterprises		37.12	43.75
(b) Total outstanding dues of creditors other than (ii) (a) above		406.49	601.77
(iii) Other financial liabilities	20	2,025.70	847.64
(b) Other current liabilities	21	1,645.44	3,461.94
(c) Provisions	18B	28.54	28.06
(d) Current tax liabilities (net)	22	173.03	84.03
Total current liabilities		6,327.05	7,613.72
Total equity and liabilities		19,937.63	21,518.37

Significant accounting policies

The accompanying notes referred to above form an integral part of the standalone 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
01 September 2020



For and on behalf of the Board of Directors of Shriram Properties Limited

M Murali
Chairman and Managing Director
DIN : 00030096

Bengaluru
01 September 2020

Gopalakrishnan J
Chief Financial Officer

Bengaluru
01 September 2020

D Srinivasan
Company Secretary
FCS No : F5550

Bengaluru
01 September 2020



Shriram Properties Limited
Statement of profit and loss for the year ended 31 March 2020
(All amounts in ₹ million, unless otherwise mentioned)

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Revenue			
Revenue from operations	23	2,629.04	4,523.11
Other income	24	1,121.62	1,086.14
Total income		3,750.66	5,609.25
Expenses			
Land cost		90.10	-
Material and contract cost		335.70	1,027.14
Changes in inventory	25	1,300.50	2,701.36
Employee benefits expense	26	727.69	675.21
Finance costs, net	27	459.98	438.91
Depreciation and amortisation expense	2 & 4	21.68	15.86
Impairment losses in value of investment and loans	28	20.00	84.16
Other expenses	29	584.17	315.93
Total expenses		3,539.82	5,258.57
Profit before exceptional items and tax		210.84	350.68
Exceptional items	30	15.45	97.95
Profit before tax		195.39	252.73
Tax expense	31		
Current tax		96.92	-
Deferred tax		-	1.18
Profit after tax		98.47	251.55
Other comprehensive income	36A		
(a) Items that will not be reclassified to profit or loss		(1.09)	(6.63)
(i) Re-measurement of gains/(losses) on defined benefit plans		(1.09)	(6.63)
Total other comprehensive income for the year		97.38	244.92
Total comprehensive income for the year		97.38	244.92
Earnings per share (Nominal value ₹ 10 per share)			
Basic (₹)	32	0.66	1.69
Diluted (₹)	32	0.66	1.69
Significant accounting policies			
The accompanying notes referred to above form an integral part of the standalone 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
01 September 2020



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

M Murali
Chairman and Managing Director
DIN : 00030096

Bengaluru
01 September 2020



Gopalakrishnan J
Chief Financial Officer

Bengaluru
01 September 2020

D Srinivasan
Company Secretary
FCS No : F5550

Bengaluru
01 September 2020

Shriram Properties Limited
Cash Flow statement for the year ended 31 March 2020
(All amounts in ₹ million, unless otherwise mentioned)

	Year ended 31 March 2020	Year ended 31 March 2019
A. Cash flow from operating activities		
Net profit before tax	195.39	252.73
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation	21.68	15.86
Finance expense, net	459.98	438.91
Employee stock option expense	8.14	48.56
Provision for doubtful advances	20.00	84.15
Provision for doubtful debts	10.00	-
Provision for miscellaneous receivables	34.53	-
Provision for diminution in value of investment	-	0.01
Loss recognised under expected credit loss model	14.28	-
Loss arising out of modification of financial instrument (net)	27.39	-
Interest income	(1,041.54)	(976.15)
Income from guarantee commission	(23.48)	(37.17)
Fair value gain on financial instruments at FVTPL	-	(7.27)
Profit on sale of mutual funds	(54.35)	(23.53)
Liability no longer payable written back	(1.05)	(41.25)
Profit on sale of property, plant & equipment	(0.49)	(0.06)
Operating (loss) before working capital changes	(329.52)	(245.21)
Working capital adjustments:		
Decrease in inventories	1,300.50	2,541.57
Decrease in trade receivables	239.50	93.76
(Increase) in loans and advances and other assets	(896.93)	(535.66)
(Decrease)/Increase in trade payables	(201.91)	101.60
Increase in provisions	6.01	13.09
(Decrease) in current liabilities	(753.23)	(2,998.22)
Cash flow used in operations	(635.58)	(1,029.07)
Income tax (paid)/received (net)	7.53	(161.61)
Net cash flows used in operating activities (A)	(628.05)	(1,190.68)
B. Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital advances)	(161.71)	(345.99)
Proceeds from sale of property, plant and equipment	0.49	0.17
Purchase of mutual funds	(660.37)	(1,121.28)
Sale of mutual funds	1,494.78	3,055.92
Net investment in bank deposits	(1.26)	-
Interest income received	1.25	2.96
Investment in subsidiary	124.37	(0.01)
Loans given to subsidiaries, joint ventures and other related parties, net of repayment	797.84	36.76
Loans given to other body corporates, net of repayment	455.46	(542.77)
Net cash flows from investing activities (B)	2,050.85	1,085.76



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Shriram Properties Limited
Cash Flow statement for the year ended 31 March 2020
(All amounts in ₹ million, unless otherwise mentioned)

C. Cash flows from financing activities

Proceeds from term loans
Repayment of term loans
Proceeds from issue of debentures
Redemption of debentures
Proceeds from borrowings from related parties, net of repayment
Finance cost paid
Outflow towards principal component of lease liability
Net cash flows used in financing activities (C)

Net increase/(decrease) in cash and cash equivalents (A + B + C)
Cash and cash equivalents at the beginning of the year
Cash and cash equivalents at the end of the year (refer note 12)

Year ended 31 March 2020	Year ended 31 March 2019
159.31	1,715.33
(1,514.11)	(1,050.90)
500.00	-
(299.75)	(650.00)
276.93	366.48
(450.99)	(483.57)
(1.43)	-
(1,330.04)	(102.66)
92.76	(207.58)
117.07	324.65
209.83	117.07

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

Liabilities	As at 1 April 2018	Cash flow	Non-cash changes			As at 31 March 2019
			Amortisation of transaction cost	Accrued interest	Regrouping adjustment (#)	
Borrowings from banks and others (*)	1,747.12	533.96	(1.16)	17.79	-	2,297.71
Non-convertible debentures	1,602.50	(650.00)	-	21.21	-	973.71
Unsecured loans from related parties	34.49	366.48	-	16.54	(7.80)	409.71
Unsecured loans from others	10.11	130.47	-	18.06	7.80	166.44
	3,394.22	380.91	(1.16)	73.60	-	3,847.57

Liabilities	As at 1 April 2019	Cash flow	Non-cash changes			As at 31 March 2020
			Amortisation of transaction cost	Accrued interest	Other adjustment	
Borrowings from banks and others (*)	2,297.71	(1,360.71)	0.52	2.22	-	939.74
Non-convertible debentures	973.71	200.25	-	(6.46)	-	1,167.50
Unsecured loans from related parties	409.71	276.93	-	60.23	-	746.87
Unsecured loans from other body corporates	166.44	5.91	-	(18.06)	-	154.29
	3,847.57	(877.62)	0.52	37.93	-	3,008.40

(*) 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 Chandlok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sothra
Partner
Membership No.: 108840

Mumbai
01 September 2020



For and on behalf of the Board of Directors of Shriram Properties Limited

M Murali
Chairman and Managing Director
DIN: 0030096

Bengaluru
01 September 2020



Gopalakrishnan J
Chief Financial Officer

Bengaluru
01 September 2020

D Srinivasan
Company Secretary
FCS No.: F5550

Bengaluru
01 September 2020

Shriram Properties Limited
Statement of Changes in Equity for the year ended 31 March 2020
(All amounts in ₹ million, unless otherwise mentioned)

A. Equity share capital

Particulars	Amount
Balance as at 01 April 2018	1,481.10
Changes in equity share capital during the year	-
Balance as at 31 March 2019	1,481.10
Changes in equity share capital during the year	-
Balance as at 31 March 2020	1,481.10

B. Other equity

Particulars	Reserves and surplus				Money received against share warrants	Total
	Securities premium	General reserve	Retained earnings	Debt redemption reserve	Share based payment reserve	
Balance as at 01 April 2018	16,685.73	269.56	(6,480.86)	400.63	0.04	10,875.10
Profit for the year	-	-	251.55	-	-	251.55
Other comprehensive income/ (loss)	-	-	(6.63)	-	-	(6.63)
Extinguishment / forfeiture of share warrants (refer note 42)	-	-	-	-	(0.04)	-
Transferred to general reserve on redemption of debentures	-	0.04	-	-	-	-
Employee stock option expense (refer note 45)	-	162.50	-	(162.50)	-	-
Balance as at 31 March 2019	16,685.73	432.10	(6,235.94)	238.13	48.56	11,168.58
Profit for the year	-	-	98.47	-	-	98.47
Other comprehensive income/ (loss)	-	-	(1.09)	-	-	(1.09)
Employee stock option expense (refer note 45)	-	-	-	-	8.14	8.14
Balance as at 31 March 2020	16,685.73	432.10	(6,138.56)	238.13	56.70	11,274.10

As per report of even date

For Walker Chandick & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/IN500013

Adi P. Sethna
Partner
Membership No.: 106840

Mumbai
01 September 2020



For and on behalf of the Board of Directors of Shriram Properties Limited

[Signature]

M Murali
Chairman and Managing Director
DIN : 00030096

Bengaluru
01 September 2020



Bengaluru
01 September 2020

[Signature]

D Srinivasan
Company Secretary
FCS No : F5550

Bengaluru
01 September 2020

Shriram Properties 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 provision of erstwhile Companies Act, 1956. The Company is engaged in the business of real estate construction, development and other related activities. The Company is a public limited company (w.e.f. 10 December 2018), incorporated and domiciled in India and has its registered office at Chennai, Tamil Nadu, India.

1.2 Significant accounting policies

a. Statement of compliance

The standalone 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 standalone financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 01 September 2020.

b. Basis of preparation of standalone financial statements

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone 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 116, '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 standalone 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 standalone financial statements have been disclosed in note 1.3.

d. New and amended standards adopted by the Company

Transition to Ind AS 116

Ind AS 116 Leases replaces the existing lease standard, Ind AS 17 leases and other interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all ongoing lease contracts existing on 01 April 2019 using the modified retrospective method prescribed in para C8(b)(ii). The right-of-use asset is recognised at the date of initial application i.e., 1 April 2019 for leases previously classified as an operating lease at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Accordingly, the comparatives have not been restated.

Company as a lessee

The Company lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(1) the contract involves the use of an identified asset

(2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(3) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset ("ROU") representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date.

The right-of-use assets is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of profit and loss

The lease liability is initially measured at the present value of the future lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Company. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The amendment did not have any material impact on the standalone financial statements of the Company.



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Appendix C to Ind AS 12: Income taxes

Appendix C - Uncertainty over Income Tax Treatment has been inserted in Ind AS 12. The appendix C to Ind AS 12 addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments. Upon adoption of the Interpretation, the Company considered whether it has any uncertain tax positions. The Company's tax filings include deductions based on the management judgement and the taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments will be accepted by the taxation authorities. The amendment did not have any material impact on the standalone financial statements of the Company.

Amendments to Ind AS 12: Income taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events. An entity applies the amendments for annual reporting periods beginning on or after 1 April 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. These amendments had no impact on the standalone financial statements of the Company.

Amendments to Ind AS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019, with early application permitted. The amendment did not have any material impact on the standalone financial statements of the Company.

Amendment to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the standalone financial statements of the Company.

Amendment to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset). These amendments had no impact on the standalone financial statements of the Company.

e. Standards issued but not yet effective

Since there were no standard issued but not effective as at the standalone financial statements issue date, the disclosure is not applicable.



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Shriram Properties Limited
Summary of significant accounting policies and other explanatory information

f. Current versus non-current classification

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

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

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

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

(iii) A liability is classified as current when:

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

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

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

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

g. Foreign currency transactions

Functional and presentation currency

The standalone 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 to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(b) Conversion

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

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

h. Revenue recognition

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 entity has an enforceable right to payment for performance completed to date.

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

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

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



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Revenue from contracts with customers - cont'd

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

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

Unbilled revenue disclosed under other financial assets represents revenue 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.

Rental Income

Income from rentals are recognised as an income in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

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 arrangements when the significant terms of the agreement are enforceable, services have been delivered and the collectability is reasonably assured.

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.



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Shriram Properties Limited
Summary of significant accounting policies and other explanatory information

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	3 years

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

De-recognition

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

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 10 years from the date of its acquisition on a straight line basis.

l. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for 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.

m. Cash and cash equivalents

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

n. 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 is 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.

Vacation pay

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.



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Shriram Properties Limited
Summary of significant accounting policies and other explanatory information

o. Tax expense

Income taxes

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

Current tax

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

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the standalone 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. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

Current and deferred tax for the period

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

p. Earnings per share

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

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

q. Provisions

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

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

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

r. Financial instruments

Financial assets

Initial recognition and measurement

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

Subsequent measurement

Debt Instruments

Debt instruments at amortized cost

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

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

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

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

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

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

Equity investments

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

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

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

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

De-recognition of financial assets

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



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s. 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.

t. Financial guarantee contracts

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

De-recognition

A financial liability is de-recognised 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 recognised in the statement of profit or loss.

u. Impairment of financial assets

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

v. Impairment of non-financial assets

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

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

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

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

w. Investment in subsidiaries and joint ventures

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

x. 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.

y. 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.



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z. 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.

1.3 Significant judgements and estimates in applying accounting policies

- a. Revenue from contracts with customers - The Company has applied judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers.
- b. Net realizable value of inventory - The determination of net realisable value of inventory involves estimates based on prevailing market conditions, current prices and expected date of commencement and completion of the project, the estimated future selling price, cost to complete projects and selling cost.
- c. Impairment of financial assets - At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.
- d. Useful lives of depreciable/amortizable assets - Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software and other assets.
- e. Defined benefit obligation (DBO) - Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- f. Fair value measurements - Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.
- g. 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 45.
- h. 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.
- i. Recognition of deferred tax assets - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.
- j. 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.
- k. Classification of leases - The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- l. 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.
- m. 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.



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Shriram Properties 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 year is as follows:

Particulars	Leasehold improvements	Computers	Vehicles	Office equipments	Furniture and fixtures	Right of use asset (A)	Building (B)	Land (B)	Total
Gross carrying amount									
As at 01 April 2018	15.93	17.78	9.11	14.55	5.11	-	-	-	62.48
Additions (*)	-	11.52	-	2.25	1.72	-	-	277.79	293.28
Disposals	-	(0.55)	-	-	-	-	-	-	(0.55)
As at 31 March 2019	15.93	28.71	9.11	16.81	6.83	-	-	277.79	355.18
Adjustment on account of first time adoption of Ind AS 116	-	-	-	-	-	3.36	-	-	3.36
Additions (**) (10.83)	1.58	7.61	-	28.04	13.51	-	188.45	-	239.20
Disposals	-	-	-	-	-	-	-	-	(10.83)
As at 31 March 2020	6.89	36.32	9.11	44.85	20.34	3.36	188.45	277.79	587.11
Accumulated depreciation									
As at 01 April 2018	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	-	(0.45)	-	-	-	-	-	-	(0.45)
As at 31 March 2019	13.94	18.04	3.63	12.14	4.28	-	-	-	52.03
Charge for the year	2.73	6.34	1.62	3.98	1.11	1.56	1.52	-	16.85
Adjustments for disposals	(10.83)	-	-	-	-	-	-	-	(10.83)
As at 31 March 2020	6.04	24.38	5.25	16.12	5.39	1.56	1.52	-	60.26
Net block as at 31 March 2019	1.99	10.67	5.48	4.67	2.55	-	-	277.79	303.15
Net block as at 31 March 2020	0.85	11.94	3.86	28.73	14.95	1.80	186.93	277.79	526.85

3 Capital work-in-progress

Particulars	Capital work in progress (B)	Total
As at 01 April 2018	-	-
Additions (**) (63.35)	63.35	63.35
As at 31 March 2019	63.35	63.35
Additions (**) (125.10)	125.10	125.10
Capitalised during the year	(188.45)	(188.45)
As at 31 March 2020	-	-

(*) There are no borrowing costs capitalised during the year ended 31 March 2020 and 31 March 2019.

(**) Capital work in progress includes ₹ 67.40 million (31 March 2019: ₹ 27.94 million) borrowing cost capitalised.

(A) The Company adopted Ind AS 116, "Leases", using the modified retrospective method of adoption with the data of initial application of 1 April 2019. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for previously recognised prepaid or accrued lease payments. Refer note 40.

(B) During the previous year, 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 has incurred ₹ 188.45 million (31 March 2019: ₹ 63.35 million) towards construction of the new office building. As the Corporate office has become ready for its intended use in the current year, ₹ 188.45 million has been capitalised under 'Building' in Property, plant and equipment.

a. Contractual obligations

Details of contractual obligations is given in note 41

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 34



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 2018	15.68	15.68
Additions	-	-
As at 31 March 2019	15.68	15.68
Additions	32.62	32.62
As at 31 March 2020	48.30	48.30
Accumulated amortization		
As at 01 April 2018	10.68	10.68
Charge for the year	2.43	2.43
As at 31 March 2019	13.11	13.11
Charge for the year	2.82	2.82
As at 31 March 2020	15.93	15.93
Net block as at 31 March 2019	2.57	2.57
Net block as at 31 March 2020	32.37	32.37

5 Intangible assets under development

Particulars	Intangible assets under development (*)	Total
As at 01 April 2018	-	-
Additions	17.29	17.29
As at 31 March 2019	17.29	17.29
Additions	15.33	15.33
Transfer to asset	(32.82)	-
As at 31 March 2020	-	-

(*) The Company has incurred ₹ 32.62 million (31 March 2019: ₹ 17.29 million) towards implementation of SAP ERP modules. On successful implementation, ₹ 32.62 million has been capitalised under 'Computer software' in 'Other intangible assets'.



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

	As at 31 March 2020	As at 31 March 2019
6 Investments		
A Non-current		
Investment in subsidiaries (fully paid-up)	5,239.03	5,109.61
Investment in joint ventures	35.36	289.15
Aggregate value of unquoted investments	5,274.39	5,398.76
(i) Investment in equity instruments		
Investment valued at cost unless stated otherwise (fully paid)		
Unquoted		
Subsidiaries		
Bengal Shriram Hitech City Private Limited		
21,498,000 (31 March 2019: 21,498,000) Class "A" fully paid equity shares of ₹ 10 each	2,670.16	2,670.16
12,500,000 (31 March 2019: 12,500,000) Class "B" fully paid equity shares of ₹ 10 each	21.50	21.50
1,135,398 (31 March 2019: 1,135,398) Class "C" fully paid equity shares of ₹ 10 each	463.80	463.80
750,000 (31 March 2019: 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 2019: 13,024,000) Class "A" fully paid equity shares of ₹ 10 each	1,751.44	1,751.44
SPL Realtors Private Limited		
51,000 (31 March 2019: 51,000) fully paid equity shares of ₹ 10 each	0.51	0.51
Shriprop Homes Private Limited		
9,999 (31 March 2019: 9,999) fully paid equity shares of ₹ 10 each	0.10	0.10
SPL Constructors Private Limited		
9,999 (31 March 2019: 9,999) fully paid equity shares of ₹ 10 each	0.10	0.10
Shriprop Constructors Private Limited		
9,999 (31 March 2019: 9,999) fully paid equity shares of ₹ 10 each	0.10	0.10
Shriprop Structures Private Limited		
9,999 (31 March 2019: 9,999) fully paid equity shares of ₹ 10 each	0.10	0.10
Shriprop Projects Private Limited		
9,999 (31 March 2019: 9,999) fully paid equity shares of ₹ 10 each	0.10	0.10
Shriprop Builders Private Limited		
19,607 (31 March 2019: 19,607) fully paid equity shares of ₹ 10 each (refer note b below)	0.11	0.11
Shrivision Homes Private Limited (refer note a below)		
175,000 (31 March 2019: Nil) fully paid equity shares of ₹ 10 each	1.75	-
Shriprop Developers Private Limited		
1,000 (31 March 2019: 1,000) fully paid equity shares of ₹ 10 each	0.01	0.01
SPL Housing Projects Private Limited (refer note b below)		
10,000 (31 March 2019: Nil) fully paid equity shares of ₹ 10 each	0.10	-
SPL Shelters Private Limited		
10,000 (31 March 2019: 10,000) fully paid equity shares of ₹ 10 each	0.10	0.10
	4,917.48	4,915.63
Less : Impairment in the value of investment	(52.57)	(50.82)
	4,864.91	4,864.81
Joint ventures		
Shrivision Towers Private Limited		
509,999 (31 March 2019: 509,999) fully paid equity shares of ₹ 10 each	5.10	5.10
Shrivision Homes Private Limited (upto 28 Jan 2020) (refer note a below)		
Nil (31 March 2019: 175,000) fully paid equity shares of ₹ 10 each	-	1.75
Shriprop Living Space Private Limited		
5,100 (31 March 2019: 5,100) fully paid equity shares of ₹ 10 each	25.27	25.27
Shriprop Properties Private Limited		
1,000 (31 March 2019: 1,000) fully paid equity shares of ₹ 10 each	10.03	10.03
Shriprop Hitech City Private Limited (Refer note c below)		
500 (31 March 2019: Nil) fully paid equity shares of ₹ 10 each	0.01	-
SPL Towers Private Limited		
5,100 (31 March 2019: 5,100) fully paid equity shares of ₹ 10 each	0.05	0.05
	40.46	42.20
Less : Impairment in the value of investment	(5.10)	(6.85)
	4,900.27	4,900.16



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

	As at 31 March 2020	As at 31 March 2019
(ii) Investment in preference shares		
Unquoted		
Investments carried at cost		
Subsidiaries		
Bengal Shriram Hitech City Private Limited		
13,480,000 (31 Mar 2019: 13,480,000) fully paid class "A" 0.01% compulsorily convertible cumulative preference shares of ₹ 10 each	134.80	134.80
	<u>134.80</u>	<u>134.80</u>
(iii) Investment in debentures		
Investments carried at fair value through profit or loss (FVTPL)		
Unquoted		
Joint ventures		
Shrivision Homes Private Limited (upto 28 Jan 2020) (refer note a below)	-	253.80
Nil (31 March 2019: 898,500) fully paid debentures of ₹ 100 each		
Subsidiaries		
Shrivision Homes Private Limited (From 29 Jan 2020) (refer note a below)	184.32	-
898,500 (31 March 2019: Nil) fully paid debentures of ₹ 100 each		
Shriprop Builders Private Limited	55.00	110.00
1,224,005 (31 March 2019: 1,224,005) fully paid debentures of ₹ 100 each	<u>239.32</u>	<u>363.80</u>
	<u>5,274.39</u>	<u>5,398.76</u>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	5,332.06	5,456.43
Aggregate amount of impairment in value of investments	(57.67)	(57.67)
B Current		
Investment in mutual funds (Quoted)		
Investments carried at fair value through profit or loss (FVTPL)		
25,797,765 (31 March 2019: 25,797,765) UTI-Fixed term income fund series XXVII - II (1161 DAYS) - growth	287.63	288.98
Nil (31 March 2019: 174,093) units in Axis banking & PSU debt fund-growth	-	304.26
Nil (31 March 2019: 14,922,329) units in HDFC corporate fund -regular plan-growth	-	310.54
53,661 (31 March 2019: Nil) IDFC Overnight Fund - Regular Plan - Growth	57.10	-
Nil (31 March 2019: 11,578,894) units in IDFC corporate fund- regular plan-growth	-	147.43
	<u>344.73</u>	<u>1,051.21</u>
Aggregate amount of quoted investments and market value thereof	344.73	1,051.21
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-
<p>a. Pursuant to Security Subscription Agreement ("SSA") between the Company and ASK Real Estate Special Opportunities Fund (investor), the Company had classified Shrivision Homes Private Limited (SHPL) as a joint venture. During the year ended 31 March 2020, Shriprop Builders Private Limited (SBPL) (wholly owned subsidiary of the Company) vide Securities Purchase Agreement dated 28 January 2020 has acquired equity shares and optionally convertible debentures of SHPL previously held by investor, resulting in SHPL becoming subsidiary of the Company.</p> <p>b. On 30 June 2019, the Company has made investment in the equity shares of SPL Housing Projects Private Limited resulting in acquisition of 100% control in the SPL Housing Projects Private Limited.</p> <p>c. On 11 September 2019, the Company has made investment in the equity shares of Shriprop Hitech City Private Limited resulting in acquisition of 50% control in the Shriprop Hitech City Private Limited.</p>		

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

	As at 31 March 2020	As at 31 March 2019
7 Loans		
A Non-current		
Security deposits	11.80	26.00
Loans to related party (refer note 44)	2,728.98	2,422.34
	2,740.78	2,448.34
Break up of security details		
Security deposits considered good - Secured	11.80	26.00
Loans considered good - Unsecured	2,728.98	2,422.34
	2,740.78	2,448.34
B Current		
Security deposits	569.04	358.08
Loans to related party (refer note 44)	4,278.25	4,573.07
Loans to other body corporate	402.76	630.25
	5,250.05	5,561.40
Less: Allowance for doubtful loans	(510.13)	(510.13)
	4,739.92	5,051.27
Break up of security details		
Security deposits considered good - Unsecured	569.04	358.08
Loans considered good - Unsecured	5,191.14	5,713.45
Loans considered doubtful - Unsecured	(510.13)	(510.13)
Credit impaired	(510.13)	(510.13)
	4,739.92	5,051.27
8 Income tax assets (net)		
Advance tax, net of provision of income tax	25.79	38.58
	25.79	38.58
9 Other assets		
A Non-current		
Unsecured, considered good		
Advance for land (*)	1,583.53	1,119.85
	1,583.53	1,119.85
Unsecured, considered doubtful		
Advance for land	160.00	160.00
Less: Allowance for doubtful advances	(160.00)	(160.00)
	-	-
	1,583.53	1,119.85
B Current		
Advance to staff (*)	13.72	12.48
Advance to vendors	93.09	130.84
Unbilled revenue	658.51	213.78
Balance with government authorities	110.14	183.53
Prepaid expenses	47.27	34.11
	922.73	574.72
Unsecured, considered doubtful		
Advances for purchase of goods and rendering services	3.26	3.26
Less: Allowance for doubtful advances	(3.26)	(3.26)
	922.73	574.72
(*) Includes ₹ 0.54 million (31 March 2019 ₹ 1.1 million) given to related party. Refer note 44		
10 Inventories(*)		
Properties held for development	635.51	629.03
Properties under development	2,179.81	3,452.62
Properties held for sale	26.51	60.68
	2,841.83	4,142.33

(*) Details of assets pledged are as per note no 34

Note:

Write-down of inventories to net realisable value amounted to ₹ 22.11 million and ₹ 199.97 million for the year ended 31 March 2020 and 31 March 2019 respectively. This was recorded as an expense during the respective years and included in 'changes in inventories' in statement of profit and loss.



Shriram Properties Limited
Summary of significant accounting policies and other explanatory information
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	As at 31 March 2020	As at 31 March 2019
11 Trade receivables		
Trade receivables	213.59	453.09
Receivables from related parties (refer note 44)	22.24	22.24
	235.83	475.33
Less : Provision for doubtful debts	(10.00)	-
Total receivables	225.83	475.33
Break up of security details		
Trade receivables considered good - Secured	203.16	465.05
Trade receivables considered good - Unsecured	32.67	10.28
Receivables which have significant increase in credit risk	-	-
Credit impaired	(10.00)	-
	225.83	475.33
(*) Details of assets pledged are given under note 34		
12 Cash and cash equivalents		
Cash on hand	1.94	0.39
Balances with banks(*)		
In current accounts	207.64	114.81
Deposits with original maturity less than three months	0.25	1.87
	209.83	117.07
(*) Details of assets pledged are given under note 34		
13 Bank balances other than cash and cash equivalents		
Deposits with maturity less than 12 months	6.29	5.03
	6.29	5.03
Note: The Company had available ₹ 590 million (31 March 2019 ₹ 308 million) of undrawn committed borrowing facilities.		
14 Other financial assets		
Current		
(Unsecured, considered good)		
Advances towards joint development arrangement (*)	393.08	542.57
Advances towards development management arrangement	59.67	92.20
Revenue share receivable from joint development arrangement (refer note 44)	6.71	-
Other receivable	3.30	74.75
	462.76	709.52
Unsecured, considered doubtful		
Advances towards joint development arrangement	-	-
Trade advance	-	-
Less: Allowance for doubtful advances	-	-
	462.76	709.52

(*) Details of assets pledged are given under note 34



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

15 Equity share capital	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Authorized shares				
Equity share capital of face value of ₹ 10 each	2,50,00,00,000	25,000	2,50,00,00,000	25,000
Equity shares of ₹ 10 each	2,50,00,00,000	25,000	2,50,00,00,000	25,000
Issued, subscribed and fully paid up shares				
Equity shares of ₹ 10 each	14,84,11,448	1,484.11	14,84,11,448	1,484.11
Loss: Classified as financial liability (*)		(3.01)		(3.01)
	14,84,11,448	1,481.10	14,84,11,448	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	14,84,11,448	1,484.11	14,84,11,448	1,484.11
Changes during the year				
Balance at the end of the year	14,84,11,448	1,484.11	14,84,11,448	1,484.11

(*) 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 March 2020. 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 03 October 2019, the Company shall initiate and successfully consummate initial public offer (IPO) by 31 March 2020 (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 its 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	31 March 2020		31 March 2019	
	Number	% holding	Number	% holding
Shriram Properties Holdings Private Limited	4,72,17,564	31.82%	4,72,17,564	31.82%
WSI/WSQI V (XXXII) Mauritius Investors Limited	3,55,72,739	23.97%	3,55,72,739	23.97%
Omega TC Sabre Holdings Pte Limited	2,42,36,898	16.33%	2,42,36,898	16.33%
TPG Asia SF V Pte. Ltd.	2,45,70,434	16.56%	2,45,70,434	16.56%
Brijkishore Trading Private Limited	85,79,500	5.78%	85,79,500	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 2020.

e. Shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment, including the terms and amounts:

31 March 2020		31 March 2019	
Number	Amount	Number	Amount
5,03,109	5.03	6,27,759	6.28

Under Employee Stock Option Plan 2013, 627,759 equity shares of ₹ 10 each, at an exercise price of ₹ 10 per share (see note 45)

16 Other equity

	As at 31 March 2020	As at 31 March 2019
Securities premium	16,685.73	16,685.73
General reserve	432.10	432.10
Retained earnings (*)	(6,138.56)	(6,235.94)
Share based payment reserve	56.70	48.56
Debenture redemption reserve (*)	238.13	238.13
	11,274.10	11,168.58

(*) Includes other comprehensive income/(loss) of ₹ (15.80) (31 March 2019 ₹ (14.71) million) which pertains to accumulated re-measurement of defined benefit plans

(*) During the FY 2019-20, there were no amounts required to be transferred to debenture redemption reserve.



Shriram Properties Limited
Summary of significant accounting policies and other explanatory information
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16 Other equity (Cont'd)
Nature of reserves

- (a) **Securities premium**
Securities premium 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) **Debenture redemption reserve**
The Company is required to create debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debenture.
- (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.

	As at 31 March 2020	As at 31 March 2019
17 Borrowings (*)		
A Non-current		
Debentures (Secured)		
Series I, 5,495,000 (31 March 2019: 8,050,000), 13.20% Redeemable, Non Convertible Debentures of ₹ 100 each	561.39	822.17
Series II, 1,032,500 (31 March 2019: 1,475,000), 16.91% Redeemable, Non Convertible Debentures of ₹ 100 each	106.11	151.54
Term loans (Secured)		
From financial institutions	330.17	327.33
	997.67	1,301.04
	(179.86)	(77.02)
Amount disclosed under "Other current financial liabilities" (refer note 20)	817.81	1,224.02
B Current		
Debentures (Secured)		
Series A - Group I: 170 (31 March 2019: Nil) 16.75% Redeemable, Non Convertible Debentures of ₹ 1,000,000 each	170.00	-
Series A - Group II: 130 (31 March 2019: Nil) 16.75% Redeemable, Non Convertible Debentures of ₹ 1,000,000 each	130.00	-
Series B - Group I: 200 (31 March 2019: Nil) 16.75% Redeemable, Non Convertible Debentures of ₹ 1,000,000 each	200.00	-
Term loans (Secured)		
From financial institutions	609.57	1,970.38
Unsecured		
Loans from related parties [refer note 44]	746.87	409.71
Loans from other body corporates	154.29	166.44
	2,010.73	2,546.53
	2,010.73	2,546.53
	2,828.54	3,770.55

(*) Refer note 34 for assets pledged as security against borrowings



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

17 Borrowings (continued)

Sl. No.	Particulars	Nature of security	Repayment details	As at 31 March 2020	As at 31 March 2019
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 is secured by way of:</p> <p>a) Equitable Mortgage over the right, title and interest of the Company in the Signiaa property, Sameeksha property, Smithi property and Habbal 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, DMI Fees and the accounts in which the Receivables and DMI 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.	637.50	973.71
				<div> <div>667.50</div> <div>13.20% and 15.91%</div> </div>	<div> <div>973.71</div> <div>13.20% and 15.51%</div> </div>
	The effective coupon rate per annum on above debentures is				
ii.	Term loan from financial institutions (Secured) Daimler Financial Services India Private Limited	Secured by way of hypothecation of the vehicle.	Repayable in 36 monthly instalments commencing from January 17.	-	1.35
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 Chowdalah Road, Sadashivnagar, Corporate Ward No. 96, Bangalore - 560090</p>	Repayable in 60 monthly instalments commencing from June 20.	303.06	197.00



Shriram Properties 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 2020	As at 31 March 2019
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Term loan from financial institutions (Secured)
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:		Repayable in 6 quarterly instalments commencing from October 19.	27.31	129.95
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.				
Unamortised upfront fees on borrowing			(0.20)	(1.00)
			330.17	327.33
			8.02% to 13.95%	8.02% to 13.95%

The interest on above term loans from financial institutions are linked to the respective benchmarks. The effective interest rates per annum ranges between

B Current borrowings
Redeemable, non convertible debentures (Secured)
 Business Ecosystem Private Limited;
 VRMR Investments and Technologies Private Limited;
 Sammys Dreamland Co., Private Limited;
 Telos Investments and Technologies Private Limited;
 Mineral Enterprises Limited;
 Rajasthan Gum Private Limited;
 Gomi Investment Private Limited;
 Pripro Financial & Share Services Limited;
 AgarCare Consumer Products LLP;
 Maharani Jewels;
 Venus India Asset Finance Private Limited;
 Nisus Finance Services Co Private Limited; and
 Nisus Finance and Investment Managers LLP

a) A first ranking exclusive mortgage to be created over the Land measuring 42.75 acres, situated in Uttarapara West Bengal.		Repayable within 1 year from the date of allotment.	500.00	-
b) A first ranking exclusive mortgage to be created over the receivables				
Unamortised upfront fees on borrowing			500.00	-
			16.75%	0%

The effective coupon rate per annum on above debentures is

Term loans from financial institutions (Secured)
v. LIC Housing Finance Limited

a) Equitable Mortgage of the Project land and structure thereon of 'Shriram One City'		Repayable in 15 monthly instalments commencing from September 20.	352.93	352.93
b) Cross collateral Security with the Project Shriram Shankari of Shriprop Structures Private Limited (Subsidiary) coming up at Perumatturalur Village, Chengalpatt Taluk, Kancheepuram District, Tamilnadu				
c) Hypothecation of receivables of the builder's share from the project 'Shriram One City'				

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.	219.52	934.28
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Current borrowings

Term loans from others (Secured) (continued)



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

	As at 31 March 2020	As at 31 March 2019
18 Provisions		
A Non-current		
Provision for employee benefits:		
Gratuity (*)	37.57	30.95
	37.57	30.95
B Current		
Provision for employee benefits:		
Gratuity (*)	12.09	11.03
Compensated absences (*)	16.45	17.03
	28.54	28.06
(*) For details of employee benefits, refer note 36		
19 Trade payables		
Total outstanding dues of micro and small enterprises (refer note below)	37.12	43.75
Total outstanding dues other than to micro and small enterprises	406.49	601.77
	443.61	645.52

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 2020 has been made in the standalone 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 below:

Particulars	31 March 2020 (₹)	31 March 2019 (₹)
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; (#)	43.84	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	6.72	5.18
(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 ₹ 6.72 million (31 March 2019: ₹ 5.18) payable towards interest due to micro and small enterprises, reported as "Other payables" under the head "Other financial liabilities" in note 20.

20 Other financial liabilities

Current		
Current maturities of non-current borrowings (refer note 17A)	179.86	77.02
Security deposit from related parties (refer note 44)	785.00	-
Advance received towards joint development arrangement from related parties (refer note 44)	231.12	-
Payable to land owner	482.41	432.90
Payable under buy-back obligations (refer note 15a)	65.00	65.00
Lease liability	1.93	-
Other payables	280.38	272.72
	2,025.70	847.64

21 Other current liabilities

Payable to land owner (*)	441.36	572.13
Deferred income	58.74	82.22
Advance for rendering service from related party (refer note 44)	-	33.40
Advance from customers	1,043.13	2,690.58
Statutory dues	102.21	83.61
	1,645.44	3,461.94

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

22 Current tax liabilities

Provision for income tax, net of advance tax	173.03	84.03
	173.03	84.03



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

23 Revenue from operations
Proceeds from sale of constructed properties

Year ended 31 March 2020	Year ended 31 March 2019
1,985.42	3,791.84
1,985.42	3,791.84
Other operating income	
Development management fees and administrative income (*) (#)	609.65
Commission income	27.26
Income from cancellation	-
Income under joint development arrangement (*)	-
Income from sale of development right (*)	-
Income from co-development right (*)	6.71
643.62	731.27
2,629.04	4,523.11

(*) Includes income from related parties. Refer note 44

(#) During the year ended 31 March 2020, the Company has renegotiated the development management arrangements (DMA) with its joint venture partners and development management customers. Further, the Company has undertaken a comprehensive review and revised its basis of allocation of transaction price to the multiple performance obligations. As a result of above, the Company has accounted incremental revenue of ₹ 86.06 million towards contract modification as a cumulative catch-up in accordance with Ind AS 115 and incremental revenue of ₹ 6.26 million on account of change in estimates.

24 Other Income

Interest income
- on deposits
- from related parties (refer note 44)
- from other companies
- on income tax refund
Income from guarantee commission (refer note 44)
Fair value gain on financial instruments at FVTPL
Profit on sale of mutual funds
Liability no long payable written back
Profit on sale of fixed assets
Miscellaneous income

Year ended 31 March 2020	Year ended 31 March 2019
1.25	2.50
809.66	847.99
227.97	119.38
2.66	6.28
23.48	37.17
-	7.27
54.35	23.53
1.05	41.25
0.49	0.06
0.71	0.71
1,121.62	1,086.14

25 Changes in inventory

Inventory at the beginning of the year
Inventory at the end of the year

Year ended 31 March 2020	Year ended 31 March 2019
4,142.33	6,683.91
2,841.83	4,142.33
1,300.50	2,541.58
-	159.78
1,300.50	2,701.36

Add: Adjustment of fair value of revenue share of joint development agreement (*)

(*) During the year ended 31 March 2019, 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'

26 Employee benefits expense

Salaries and wages
Contribution to provident fund and other funds (refer note 36B)
Staff welfare expenses
Gratuity (refer note 36A)
Employee stock option expense (refer note 45)

Year ended 31 March 2020	Year ended 31 March 2019
678.38	585.45
22.76	20.69
9.34	13.38
9.07	7.13
8.14	48.56
727.69	675.21



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Shriram Properties Limited
Summary of significant accounting policies and other explanatory information
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27 Finance expense, net

Finance expense:

Interest expense

- term loans from others
- on related party loans
- on others
- on non-convertible debentures
- on intercorporate deposits

Processing fees and other charges

Less interest capitalised to capital work-in-progress

Finance income:

- Unwinding of discount relating to refundable security deposits

Finance expense, net

	Year ended 31 March 2020	Year ended 31 March 2019
	206.11	196.11
	60.23	17.71
	82.14	76.36
	132.05	156.97
	-	52.27
	8.91	9.17
	489.44	508.59
	(29.46)	(27.94)
	459.98	480.65
	-	41.74
	-	41.74
	459.98	438.91

(*) includes finance expense capitalized to inventory amounting to ₹ 169.68 million (31 March 2019: ₹ 280.67 million)

28 Impairment losses in value of investment and loans

Impairment losses in value of investment

Impairment losses in value of loans and advances

	Year ended 31 March 2020	Year ended 31 March 2019
	-	0.01
	20.00	84.15
	20.00	84.16

29 Other expenses

Brand license fee

Sales promotion

Flat compensation

Communication expenses

Donation

Directors' commission and sitting fees

Legal and professional (*)

Power and fuel expenses

Printing and stationery

Insurance expenses

Rates and taxes

Rent (refer note 40)

Recruitment and training expenses

Repairs and maintenance-others

Security expenses

Travelling and conveyance expenses

Software development expenses

Loss recognised under expected credit loss model

Provision for doubtful debts

Loss arising out of modification of financial instrument (net)

Fair value loss on financial instruments at FVTPL

Miscellaneous expenses

	Year ended 31 March 2020	Year ended 31 March 2019
	5.00	5.00
	39.58	47.12
	25.26	-
	8.75	8.00
	1.13	2.51
	1.74	2.23
	94.85	81.28
	9.12	8.98
	5.02	3.47
	7.38	8.84
	63.37	17.60
	32.58	36.13
	0.66	12.08
	14.01	18.11
	11.26	6.73
	18.41	27.69
	22.27	14.23
	14.28	-
	5.00	-
	27.39	-
	124.48	-
	52.63	15.93
	584.17	315.93

(*) Includes remuneration paid to auditor as given in note 33



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Shriram Properties Limited
Summary of significant accounting policies and other explanatory information
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30 Exceptional items

Expenses in connection with Initial Public Offer (IPO) (*)

Year ended 31 March 2020	Year ended 31 March 2019
15.45	97.95
15.45	97.95

- (*) 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.

31 Tax expense

A. Tax expense comprises of:

Current tax

Deferred tax

Income tax expense reported in the statement of profit or loss

Year ended 31 March 2020	Year ended 31 March 2019
96.92	-
-	1.18
96.92	1.18

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

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% 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 25.17% (31 March 2019: 29.12%)

Adjustments:

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

Unrecorded brought forward MAT credit utilised against current year tax liability

Tax impact on permanent differences

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

195.39	252.73
195.39	252.73
25.17%	29.12%
49.18	73.59
-	1.18
-	(32.54)
48.02	11.37
-	1.20
-	(65.96)
(1.27)	34.31
-	(1.80)
-	(0.15)
95.93	1.18

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 2019: ₹ Nil) and long term capital losses amounting to ₹ 113.56 million (31 March 2019: 113.56 million) as at 31 March 2020.

D. Income tax rate change

Pursuant to introduction of new tax regime as introduced by the Taxation Laws (Amendment) Act, 2019 which provides an option to the Company for paying income tax at reduced rates as per the provisions/ conditions defined in the newly inserted Section 115BAA in the Income-tax Act, 1961. The Company has exercised the option to adopt lower tax rate, consequently the Company has applied the lower income tax rates for the purpose of determining income tax liability for the year.



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

32 Earnings per share (EPS)

Weighted average number of shares outstanding during the year
Add: Dilutive effect of stock options
Weighted average number of shares used to compute diluted EPS
Net profit after tax attributable to equity shareholders

Year ended 31 March 2020	Year ended 31 March 2019
14,84,11,448	14,84,11,448
20,020	1,97,814
14,84,31,468	14,86,09,262
98.47	251.55

Earnings per share

Basic	0.66	1.69
Diluted	0.66	1.69

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

As auditor:

Audit fee
Other services (*)
Reimbursement of expenses

4.80	4.80
9.00	14.00
0.27	0.37
14.07	19.17

(*) Includes ₹ Nil (31 March 2019: ₹ 4 million) towards audit of interim consolidated financial statements, ₹ 6 million (31 March 2019: Nil) towards interim agreed upon procedures and ₹ 3 million (31 March 2019: ₹ 10 million) towards issuance of consent and comfort letter in connection with filing of Draft Red Herring Prospectus ("DRHP") towards initial public offer of equity shares

34 Assets pledged as security

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

Current

Financial assets

First charge

Trade receivables	112.95	384.92
Bank balances in current accounts	67.91	32.48
Advance towards joint development agreement	212.74	
Investments in mutual funds	344.73	942.98

Non-financial assets

First charge

Inventories	1,994.17	2,163.54
Total current assets pledged as securities	2,732.50	3,523.92

Non-current

First charge

Vehicles	3.86	4.06
Investments in subsidiaries	0.10	0.10
Investments in joint venture	25.32	25.32
Land	277.79	277.79
Building	186.93	-
Capital work-in-progress	-	63.35
Total non-current assets pledged as securities	494.00	370.62

Total assets pledged as security

3,226.50	3,894.54
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Shriram Properties Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ millions, unless otherwise mentioned)

35 Financial Instruments

Financial Instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Investments (*)	6A & 6B	584.05	-	-	584.05	584.05
Trade receivables	11	-	-	225.83	225.83	225.83
Loans	7A & 7B	-	-	7,480.70	7,480.70	7,480.70
Cash and bank balances	12 & 13	-	-	216.12	216.12	216.12
Other financial assets	14	-	-	462.76	462.76	462.76
Total financial assets		584.05	-	8,385.41	8,969.46	8,969.46
Financial liabilities :						
Borrowings (**)	17A & 17B	-	-	3,008.40	3,008.40	3,008.40
Trade payables	19	-	-	443.61	443.61	443.61
Other financial liabilities	20	-	-	1,845.84	1,845.84	1,845.84
Total financial liabilities		-	-	5,297.85	5,297.85	5,297.85

(*) 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

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

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Investments (*)	6A & 6B	1,415.01	-	-	1,415.01	1,415.01
Trade receivables	11	-	-	475.33	475.33	475.33
Loans	7A & 7B	-	-	7,499.61	7,499.61	7,499.61
Cash and bank balances	12 & 13	-	-	122.10	122.10	122.10
Other financial assets	14	-	-	709.52	709.52	709.52
Total financial assets		1,415.01	-	8,806.56	10,221.57	10,221.57
Financial liabilities :						
Borrowings (**)	17A & 17B	-	-	3,847.57	3,847.57	3,847.57
Trade payables	19	-	-	645.52	645.52	645.52
Other financial liabilities	20	-	-	770.62	770.62	770.62
Total financial liabilities		-	-	5,263.71	5,263.71	5,263.71

(*) 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.



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35 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 2020 and 31 March 2019:

As at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Investment	344.73	-	239.32	584.05
	<u>344.73</u>	<u>-</u>	<u>239.32</u>	<u>584.05</u>
Financial liabilities	-	-	-	-
	<u>344.73</u>	<u>-</u>	<u>239.32</u>	<u>584.05</u>
Net fair value				
	<u>344.73</u>	<u>-</u>	<u>239.32</u>	<u>584.05</u>
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>1,051.21</u>	<u>-</u>	<u>363.80</u>	<u>1,415.01</u>
Net fair value				
	<u>1,051.21</u>	<u>-</u>	<u>363.80</u>	<u>1,415.01</u>

The following table presents the changes in level 3 items for the periods ended 31 March 2020 and 31 March 2019:

	Debentures	Total
As at 1 April 2018	381.85	381.85
Fair value changes	(18.05)	(18.05)
As at 31 March 2019	<u>363.80</u>	<u>363.80</u>
Fair value changes	(124.48)	(124.48)
As at 31 March 2020	<u>239.32</u>	<u>239.32</u>

Sensitivity analysis of Level III

31 March 2020

Particulars	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investments in unquoted debentures	DCF method	Discounting rate - 15%	1%	1% increase/(decrease) in the discount rate would (decrease)/increase the fair value by (₹ 0.09 million)/ ₹ 0.09 million
Investments in unquoted debentures	DCF method	Discounting rate - 15.08%	1%	1% increase/(decrease) in the discount rate would (decrease)/increase the fair value by (₹ 0.82 million)/ ₹ 0.84 million

31 March 2019

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



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(All amounts in ₹ millions, unless otherwise mentioned)

36 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 2020 and 31 March 2019 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 standalone financial statements :

	31 March 2020	31 March 2019
	Gratuity	Gratuity
1 The amounts recognized in the Balance Sheet are as follows:		
Present value of the obligation as at the end of the year	50.28	45.59
Fair value of plan assets as at the end of the year	(0.62)	(3.61)
Net liability recognized in the Balance Sheet	<u>49.66</u>	<u>41.98</u>
2 Changes in the present value of defined benefit obligation		
Defined benefit obligation as at beginning of the year	45.59	34.54
Current service cost	6.32	5.05
Past service cost	-	-
Interest cost	2.54	2.27
Actuarial losses/(gains) arising from		
- change in demographic assumptions	-	(2.91)
- change in financial assumptions	2.59	5.01
- experience variance (i.e. Actual experiences assumptions)	(1.08)	4.14
Benefits paid	(5.68)	(3.11)
Defined benefit obligation as at the end of the year	<u>50.28</u>	<u>45.59</u>
3 Changes in the fair value of plan assets		
Fair value as at the beginning of the year	3.61	6.32
Interest on plan assets	(0.21)	0.19
Actuarial gains/(losses)	0.42	0.21
Contributions	2.48	-
Benefits paid	(5.68)	(3.11)
Fair value as at the end of the year	<u>0.62</u>	<u>3.61</u>
Non-current	37.57	30.95
Current	12.09	11.03
Assumptions used in the above valuations are as under:		
Interest rate	5.40%	6.65%
Discount rate	5.40%	6.65%
Salary increase		
- Executives and Sr.Executives and DGM	15.00%	15.00%
- GM and above	5.00%	5.00%
Attrition rate based on age band		
- 21-30	63.00%	63.00%
- 31-40	37.00%	37.00%
- 41-50	33.00%	33.00%
- 51 and Above	8.00%	8.00%
Retirement age	60 to 65 years	60 to 65 years

4 Net gratuity cost for the year ended 31 March 2020 and 31 March 2019 comprises of following components.

	31 March 2020	31 March 2019
	Gratuity	Gratuity
Current service cost	6.32	5.05
Past service cost	-	-
Net interest cost on the net defined benefit liability	2.75	2.08
Components of defined benefit costs recognized in Statement of Profit and Loss	<u>9.07</u>	<u>7.13</u>

5 Other comprehensive income

	31 March 2020	31 March 2019
Change in financial assumptions	(2.59)	(5.61)
Experience variance (i.e. actual experience vs assumptions)	1.08	(4.14)
Return on plan assets, excluding amount recognized in net interest expense	0.42	0.21
Change in demographic assumptions	-	2.91
Components of defined benefit costs recognized in other comprehensive income	<u>(1.09)</u>	<u>(6.63)</u>

6 Experience adjustments

	31 March 2020	31 March 2019
Defined benefit obligation as at the end of the year	50.28	45.59
Plan assets	0.62	3.61
Surplus/(deficit)	49.66	41.98
Experience adjustments on plan liabilities	(1.08)	4.14
Experience adjustments on plan assets	0.42	0.21

Maturity profile of defined benefit obligation

	31 March 2020	31 March 2019
Within the next 12 months	12.71	14.65
Between 1 and 5 years	24.93	22.60
From 5 years and onwards	27.61	23.94



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. The Company has recognized the following amounts in the Statement of Profit and Loss under defined contribution plan whereby the Company is required to contribute a specified percentage of the payroll costs to fund the benefits:

	31 March 2020	31 March 2019
Employers' contribution to provident fund (refer note below)	22.41	19.98
Employees' state insurance scheme	0.35	0.71
	22.76	20.69

Note:

The contributions payable to the above plan by the Company is at rates specified in the rules of the schemes. In respect of the Honourable Supreme Court ruling in February 2019 relating to computation of salaries for Provident Fund contribution, there is uncertainty and ambiguity in retrospective application and accordingly the Company will evaluate its position as clarity emerges.

C. Vacation pay

Assumptions used in accounting for vacation pay:

	31 March 2020	31 March 2019
Interest rate	5.40%	6.65%
Discount rate	5.40%	7.50%
Salary increase		
- Executives and Sr.Executives and DGM	15.00%	15.00%
- GM and above	5.00%	5.00%
Attrition rate based on age band		
- 21-30	63.00%	63.00%
- 31-40	37.00%	37.00%
- 41-50	33.00%	33.00%
- 51 and above	8.00%	8.00%
Retirement age	60 to 65 years	60 to 65 years

D. Sensitivity analysis

Description of risk exposures

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

Interest rate risk	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).
Liquidity risk	This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.
Salary escalation risk	The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Demographic risk	The company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Regulatory risk:	Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 2 million).
Investment risk	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
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.

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:

	31 March 2020		31 March 2019	
Gratuity	Decrease	Increase	Decrease	Increase
Discount rate (+ / - 1.0%)	4.51%	4.16%	4.08%	3.77%
Salary growth rate (- / + 1.0%)	3.17%	3.23%	2.88%	2.89%

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

There is no change in the method of valuation for the prior period.

37 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 2020	Year ended 31 March 2019
a) Gross amount required to be spent by the company during the year	-	5.00
b) Amount spent during the year on purposes other than construction/ acquisition of any asset		
- Paid	-	-
- Yet to be paid	-	-



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38 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the standalone financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, other bank balances, trade receivables, investment carried at amortised cost, loans, 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	Long-term 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 and investment of excess

A Credit risk

Credit risk arises from Cash and cash equivalent, other bank balances, trade receivables, investment carried at amortised cost, loans, 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.

a. Low credit risk

b. High credit risk

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

Asset group	Description	Provision for expenses credit loss (*)	31 March 2020	31 March 2019
Low credit risk	Cash and cash equivalent, other bank balances, trade receivables, investment carried at amortised cost, loans, other financial assets and financial guarantees	12 months expected credit loss/ life time expected credit loss	23,137.40	22,143.56
High credit risk	Loans and other financial assets	Life time expected credit loss or fully provided for	520.13	510.13
			23,657.53	22,653.69

(*) 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 2020

Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	235.83	10.00	225.83
Loans (excluding security deposits)	7,409.99	510.13	6,899.86
Security deposit	580.84	-	580.84
Cash and cash equivalents	209.83	-	209.83
Other bank balance	6.29	-	6.29
Other financial assets	462.76	-	462.76
Financial guarantees	14,752.00	-	14,752.00

31 March 2019

Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	475.33	-	475.33
Loans (excluding security deposits)	7,625.66	510.13	7,115.53
Security deposit	384.08	-	384.08
Cash and cash equivalents	117.07	-	117.07
Other bank balance	5.03	-	5.03
Other financial assets	709.52	-	709.52
Financial guarantees	13,337.00	-	13,337.00

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.

Reconciliation of loss allowance provision - Loans and other financial assets

Reconciliation of loss allowance

	Loans	Other financial assets
Loss allowance on 1 April 2018	425.98	109.15
Allowance for expected credit loss	84.15	-
Write-off	-	(109.15)
Loss allowance on 31 March 2019	510.13	-
Allowance for expected credit loss	-	-
Loss allowance on 31 March 2020	510.13	-



38 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.

31 March 2020	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings (*)	2,238.56	1,115.22	12.38	3,366.16
Trade payables	141.53	302.08	-	443.61
Other financial liabilities	1,845.84	-	-	1,845.84
Total	4,225.92	1,417.30	12.38	5,655.61
31 March 2019	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings (*)	2,424.52	1,918.41	65.32	4,408.25
Trade payables	438.69	206.83	-	645.52
Other financial liabilities	770.62	-	-	770.62
Total	3,633.83	2,125.24	65.32	5,824.39

(*) 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:

Particulars	31 March 2020	31 March 2019
Variable rate borrowing (*)	945.61	1,817.72
Fixed rate borrowing (*)	2,088.66	2,036.24
	3,014.27	3,853.96

(*) Excluding adjustment for unamortised processing fees

Sensitivity

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

Particulars	31 March 2020	31 March 2019
Interest rates – increase by 50 basis points (50 bps)	(4.04)	(3.39)
Interest rates – decrease by 50 basis points (50 bps)	4.04	3.39

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 periods.

Particulars	31 March 2020	31 March 2019
Price increase by 5% - FVTPL	17.24	52.56
Price decrease by 5% - FVTPL	(17.24)	(52.56)



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39 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 2020	31 March 2019
Long term borrowings	817.81	1,224.02
Current maturities of non-current borrowings	179.86	77.02
Current borrowings	2,010.73	2,546.53
Less: Cash and cash equivalents	(209.83)	(117.07)
Less : Bank balances other than cash and cash equivalents	(6.29)	(5.03)
Net debt	2,792.28	3,725.47
Total equity	12,755.20	12,649.68
Gearing ratio	0.22	0.29

(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 in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

40 Operating lease

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2020

Particulars	ROU asset Buildings
Gross block as on 01 April 2019	-
Impact on account of adoption of Ind AS 116	3.36
Depreciation for the year	(1.56)
Gross block as on 31 March 2020	1.80

The following is the movement in lease liabilities during the year ended 31 March 2020

Particulars	Lease Liability
As on 01 April 2019	-
Additions on account of adoption of Ind As 116	3.36
Finance cost accrued during the year	0.35
Payment of lease liabilities	(1.78)
As on 31 March 2020	1.93
Current	1.93
Non-current	-

The incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 13%

Lease liabilities:

The maturity analysis of lease liabilities are disclosed below:

Not later than one year	2.09
Later than one year and not later than five year	-
Later than five years	-
Total	2.09

The following are the amounts recognised in profit & loss

Depreciation expense of right-of-use assets	1.56
Interest expense on lease liabilities	0.35
Expense relating to short-term leases	32.58
Expense relating to leases of low-value assets	-
Variable lease payments	-
Total amount recognised in profit or loss	34.49



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41 Contingent liabilities and commitments

A	Contingent liabilities	31 March 2020	31 March 2019
		12.51	3.65
	Service tax matters		
B	Commitments	31 March 2020	31 March 2019
i.	Financial guarantees		
	Guarantee given by the Company on behalf of subsidiaries, joint venture and development management co.	14,752.00	13,337.00
ii.	The Company is committed to provide business and financial support as and when required to 8 subsidiaries and 1 joint venture, which are in losses and are dependent on the Company for meeting out their cash requirements.		
iii.	The Company has entered into joint development agreements with owners of land for its construction and development. Under the agreements the Company is required to pay certain payments/ deposits to the owners of the land and share in built up area/ revenue from such developments in exchange of undivided share in land as stipulated under the agreements.		
iv.	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 affect its standalone financial statements.		
v.	As at 31 March 2020, the Company had committed to spend approximately ₹ Nil (31 March 2019: ₹ 20.41 million), under agreements to construct office building. These amounts are net of capital advances paid in respect of these purchases.		

42 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 million 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 previous 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.



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

43 Subsidiary and affiliates information

Name of the entity	Country of incorporation and principal place of	Primary activity	Portion of ownership interests held by the Company as on	
			31 March 2020	31 March 2019
Subsidiary companies				
Global Entropolis (Vizag) Private Limited	India, Vishakhapatnam	Real estate development and construction	100%	100%
Bengal Shriram Hitech City Private Limited	India, Kolkata	Real estate development and construction	100%	100%
Shriprop Structures Private Limited	India, Chennai	Real estate development and construction	100%	100%
Shriprop Projects Private Limited	India, Bengaluru	Real estate development and construction	100%	100%
Shriprop Builders Private Limited (w.e.f 05 September 2018)	India, Bengaluru	Real estate development and construction	100%	100%
Shrivision Homes Private Limited (w.e.f. 29 January 2020)	India, Bengaluru	Real estate development and construction	100%	N/A
SPL Realtors Private Limited	India, Bengaluru	Real estate development and construction	51%	51%
SPL Constructors Private Limited	India, Bengaluru	Real estate development and construction	100%	100%
Shriprop Constructors Private Limited	India, Coimbatore	Real estate development and construction	100%	100%
Shriprop Homes Private Limited	India, Bengaluru	Real estate development and construction	100%	100%
Shriprop 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%
Shriprop Living Space Private Limited (till 29 November 2018)	India, Bengaluru	Real estate development and construction	N/A	N/A
SPL Towers Private Limited (till 29 November 2018)	India, Bengaluru	Real estate development and construction	N/A	N/A
SPL Estates Private Limited (till 31 March 2019) (*)	India, Kolkata	Real estate development and construction	N/A	100%
SPL Housing Projects Private Limited (w.e.f. 30 June 2019)	India, Bengaluru	Real estate development and construction	100%	100%
Shriprop Properties Private Limited	India, Bengaluru	Real estate development and construction		
Joint Ventures				
Shrivision Homes Private Limited (upto 28 January 2020)	India, Bengaluru	Real estate development and construction	N/A	30%
Shrivision Towers Private Limited	India, Bengaluru	Real estate development and construction	50%	50%
Shriprop Builders Private Limited (upto 04 September 2018)	India, Bengaluru	Real estate development and construction	N/A	N/A
Shriprop Living Space Private Limited (w.e.f. 30 November 2018)	India, Bengaluru	Real estate development and construction	51%	51%
Shriprop Properties Private Limited	India, Bengaluru	Real estate development and construction	27.71%	27.71%
SPL Towers Private Limited (w.e.f. 30 November 2018)	India, Bengaluru	Real estate development and construction	51%	51%
Shrivision Htech City Private Limited (w.e.f 11 September 2019)	India, Bengaluru	Real estate development and construction	50%	N/A
SPL Estates Private Limited (w.e.f 1 April 2019) (*)	India, Kolkata	Real estate development and construction	N/A	N/A
(*) SPL Estates Private Limited is a step down subsidiary of the Company until 31 March 2019. W.e.f 01 April 2019, SPL Estates Private Limited is a joint venture of one of the subsidiary company.				

(*) SPL Estates Private Limited is a step down subsidiary of the Company until 31 March 2019. W.e.f 01 April 2019, SPL Estates Private Limited is a joint venture of one of the subsidiary company.



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44 Related party transactions

(i) Key management personnel

Murali Malayappan	Chairman & Managing Director
Srinivasan Natarajan	Non-Executive Director
Rapahel Rene Dawson	Non-Executive Director
Gautham Radhakrishnan	Non-Executive Director
Vaidyanathan Ramamurthy	Independent Director
Anil Goswami	Independent Director (w.e.f 13 December 2018 till 4 March 2019)
Anita Kapur	Independent Director
Thai Salas Vijayan	Independent Director
KG Krishnamurthy	Independent Director

(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 Shelters 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. 26 December 2018 till 31 March 2019)
 Shrivision Homes Private Limited (w.e.f. 29 January 2020)
 Shriprop Properties Private Limited

(iii) Joint venture

Shrivision Homes Private Limited (till 28 January 2020)
 Shrivision Towers Private Limited
 Shriprop Builders Private Limited (till 4 September 2018)
 Shriprop Living Space Private Limited (w.e.f. 30 November 2018)
 SPL Towers Private Limited (w.e.f. 30 November 2018)
 Shriprop Hitech City Private Limited (w.e.f. 11 September 2019)
 SPL Estates Private Limited (w.e.f 1 April 2019)

(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

(v) Relatives of key management personnel (other related parties)

Akshay Murali (w.e.f 01 October 2019)



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

44 Related party transactions (contd.)

(vi) Transactions with related parties are as follows

Nature of transaction	Subsidiaries		Joint ventures		Key management personnel		Other related parties	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Loans given	1,933.61	3,530.06	515.31	193.69	-	-	-	0.95
Loans repaid	2,054.95	2,755.39	285.16	157.72	-	-	-	0.25
Borrowings availed	126.29	-	674.31	532.58	-	-	-	-
Borrowings repaid	27.88	-	435.56	149.56	-	-	-	-
Provision/(reversal) of impairment on loans	-	84.16	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	-	-	0.25
Sale consideration received	-	-	-	-	-	-	-	0.25
Advance given for purchase of land	-	-	-	-	-	-	-	0.51
Interest income on loans given	753.97	824.75	55.59	23.24	-	-	-	-
Development management fees and administrative income	41.34	87.52	290.60	111.85	-	-	-	-
Remuneration(*)/(#)	-	-	-	-	10.00	10.00	0.37	-
Directors' commission and sitting fees	-	-	-	-	1.74	2.23	-	-
Advances given	-	-	-	-	0.08	6.52	-	-
Advances recovered	-	-	-	-	0.84	6.42	-	-
Guarantee given	680.00	3,400.00	-	3,512.00	-	-	-	-
Guarantee released	550.00	1,450.00	-	-	-	-	-	-
Guarantee commission income	17.04	34.78	8.44	2.41	-	-	-	-
Interest expense on borrowings	1.80	-	58.43	17.71	-	-	-	-
Gain arising from financial instruments designated as FVTPL	-	-	-	21.30	-	-	-	-
Loss arising from financial instruments designated as FVTPL	55.00	30.00	59.48	9.35	-	-	-	-
Income under joint development arrangement	-	-	-	159.78	-	-	-	-
Income from sale of development right	-	-	-	150.00	-	-	-	-
Income from sale of co-development right	-	-	6.71	-	-	-	-	-

(*) 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



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

44 Related party transactions (contd.)

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

Nature of transaction	Subsidiaries		Joint ventures		Key Management Personnel		Other related parties	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Loans given (Net of impairment allowance)	5,976.91	6,198.27	519.59	286.41	-	-	0.60	0.60
Trade receivables	-	-	22.24	22.24	-	-	-	-
Borrowings	98.41	-	648.46	409.71	-	-	-	-
Advance received towards joint development arrangement	-	-	231.12	-	-	-	-	-
Revenue share receivable from joint development arrangement	-	-	8.71	-	-	-	-	-
Proportionate share of constructed properties receivable	-	-	159.78	159.78	-	-	-	-
Salary advance	-	-	-	-	0.54	1.10	-	-
Director's sitting fee and commission payable	-	-	-	-	1.20	2.00	-	-
Investment in debentures	239.32	110.00	-	-	-	-	-	-
Advance for rendering service	-	-	-	253.80	-	-	-	-
Unbilled revenue	37.49	-	229.47	33.40	-	-	-	-
Unearned revenue	5.19	-	-	66.13	-	-	-	-
Guarantees outstanding	8,190.00	5,550.00	4,782.00	7,262.00	-	-	-	-



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Shriram Properties Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ millions, unless otherwise mentioned)

45 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 rateably 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

The stock compensation expense recognised for employee services received during for the year ended 31 March 2020 is ₹ 8.14 (31 March 2019 is ₹ 48.56 million).

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

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	Number	Grant date fair value Amount	Number	Grant date fair value Amount
Balance as at the beginning of the period	6,27,759	79.83	-	-
Granted	-	-	6,27,759	79.83
Options exercised	-	-	-	-
Expired/ forfeited	(1,24,850)	(15.86)	-	-
Balance as at the end of the period	5,03,109	63.98	6,27,759	79.83
Exercisable as at the end of the period	-	-	-	-

Inputs into the Binomial Options Pricing Model	Tranche 1	Tranche 2
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%

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46 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 2020	As at 31 March 2019
Contract assets		
Unbilled revenue	658.51	213.78
Total contract assets	658.51	213.78
Contract liabilities		
Advance from customers	1,043.13	2,690.58
Payable to land owner	923.77	1,005.03
Total contract liabilities	1,966.90	3,695.61
Receivables		
Trade receivables	225.83	475.33
Total receivables	225.83	475.33

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 2020		As at 31 March 2019	
	Advances from customers	Payable to land owner	Advances from customers	Payable to land owner
Opening balance	2,690.58	1,005.03	5,207.77	1,405.52
Adjustments during the year	202.31	49.84	907.38	(48.67)
Revenue recognised during the year	(1,849.76)	(131.10)	(3,424.57)	(351.82)
Closing balance	1,043.13	923.77	2,690.58	1,005.03

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

Particulars	As at 31 March 2020	As at 31 March 2019
	Unbilled revenue	Unbilled revenue
Opening balance	213.78	62.34
Revenue recognised from sale of constructed properties	4.56	15.45
Development management fees recognised	609.65	418.75
Commission income	27.26	-
Billed during the year	(196.74)	(282.76)
Closing balance	658.51	213.78

D Reconciliation of revenue recognised with contract revenue:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Contract revenue	2,622.33	4,210.59
Revenue recognised	2,622.33	4,210.59

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 2020 is ₹ 1,567.50 million (31 March 2019 is ₹ 2,871.46 million). The same is expected to be recognised within 1 to 4 years



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Shriram Properties Limited
Summary of significant accounting policies and other explanatory information
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47 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.

- 48** World Health Organisation (WHO) declared outbreak of Corona virus Disease (COVID-19) a global pandemic on 11 March 2020. Consequent to this, the Government of India declared national wide lockdown on 25 March 2020 and the Company suspended the operations in all ongoing project in compliance with the lockdown instructions issued by the Central and respective State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in project execution, supply chain disruption and unavailability of personnel during the lockdown period.

The Company has made detailed assessment of its liquidity position and going concern, recoverability and carrying value of its financial and non-financial assets. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these financial statements.

The Central and State Governments have initiated steps to lift the lockdown and the Company has resumed its operations gradually. The Company will continue to monitor any material changes to future economic conditions.

49 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2020 and the date of authorization of these standalone financial

As per report of even date
For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of Shriram Properties Limited

Adi P. Sethna
Partner
Membership No. : 108840

Mumbai
01 September 2020



M. Murali
Chairman and Managing Director
DIN : 0030096

Bengaluru
01 September 2020



Gopalakrishnan J
Chief Financial Officer

Bengaluru
01 September 2020

D Srinivasan
Company Secretary
FCS No : F5550

Bengaluru
01 September 2020