

# Walker Chandio & Co LLP

## Independent Auditor's Report

To the Members of Shriram Properties Limited

Report on the Audit of the Standalone Financial Statements

Walker Chandio & Co LLP  
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## 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 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

## Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the relevant 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 49 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 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.



Chartered Accountants

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

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

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

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

6. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these 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 standalone 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 standalone financial statements, Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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



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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/provided for 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:

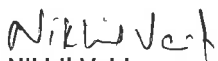
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



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- c) the standalone financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 08 September 2021 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 42 to the standalone financial statements, has disclosed the impact of pending litigation(s) on its financial position as at 31 March 2021;
  - 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 2021; and
  - 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 2021.

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

  
**Nikhil Vaid**  
Partner  
Membership No.: 213356  
UDIN: 21213356AAAAEL4283

Hyderabad  
08 September 2021



# Walker Chandiok & Co LLP

## 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 2021

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment 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 real estate development and related services and holds inventory only in the form of land, property 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 Sections 185 and 186 of the Act, to the extent applicable, in respect of loans, investments, 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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- (vii)(a) 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, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) 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*	-	2010-11	The Honourable Madras High Court
Income Tax Act, 1961	Tax/Interest demanded	Nil*	-	2012-13	The Honourable Madras High Court
Income Tax Act, 1961	Tax/Interest demanded	Nil*	-	2013-14	The Honourable Madras High Court
Income Tax Act, 1961	Tax/Interest demanded	Nil*	-	2016-17	CIT (A)
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 disallowances are under appeal.

- (viii) The Company has not defaulted in repayment of its loans or borrowings to any financial institutions or a bank or government or any dues to debenture-holders during the year. Further, with respect to repayments aggregating to ₹ 69.00 million pertaining to a loan taken from a financial institution due during the period from January 2021 to March 2021, the Company has obtained an Addendum Sanction Letter dated 29 June 2021 for restructuring of the loan under the 'Resolution Framework for Covid-19-related Stress' notified by the Reserve Bank of India vide circular dated 06 August 2020, as further explained in Note 18 to the accompanying standalone financial statements.
- (ix) In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments) during the year.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.



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- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS, except for delay in ratification of transactions disclosed in Note 45 (vi) of the accompanying standalone financial statements by the Audit Committee beyond three months from the date of such transactions as stipulated under Section 177 of the Act
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Nikhil Vaid*

**Nikhil Vaid**

Partner

Membership No.: 213356

UDIN: 21213356AAAAEL4283



Hyderabad

08 September 2021

# Walker Chandiok & Co LLP

## Annexure II

### **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 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

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

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 standalone financial statements.

### **Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

6. A company's internal financial controls with reference to standalone 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 standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the





# Walker Chandiok & Co LLP

## 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 2021

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 Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

*Nikhil Vaid*  
**Nikhil Vaid**  
Partner  
Membership No.: 213356  
UDIN: 21213356AAAAEL4283

Hyderabad  
08 September 2021



**Standalone Balance Sheet as at 31 March 2021**  
 (All amounts in ₹ million, unless otherwise mentioned)

	Note	As at 31 March 2021	As at 31 March 2020
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	507.14	526.85
(b) Capital work-in-progress	3	-	-
(c) Other intangible assets	4	35.82	32.37
(d) Intangible assets under development	5	-	-
(c) Financial assets			
(i) Investments	6A	5,355.91	5,274.39
(ii) Loans	7A	2,984.71	2,740.78
(f) Deferred tax assets (net)	8	111.59	-
(g) Non-current tax assets (net)	9	26.40	25.79
(h) Other non-current assets	10A	1,230.35	1,583.54
<b>Total non-current assets</b>		<b>10,251.92</b>	<b>10,183.72</b>
<b>Current assets</b>			
(a) Inventories	11	2,583.18	2,841.83
(b) Financial assets			
(i) Investments	6B	-	344.73
(ii) Trade receivables	12	395.00	227.19
(iii) Cash and cash equivalents	13	88.36	209.83
(iv) Bank balances other than (iii) above	14	10.30	6.29
(v) Loans	7B	4,982.59	4,716.32
(vi) Other financial assets	15	1,010.82	1,330.72
(c) Other current assets	10B	189.40	316.65
<b>Total current assets</b>		<b>9,259.65</b>	<b>9,993.56</b>
<b>Total assets</b>		<b>19,511.57</b>	<b>20,177.28</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	1,481.10	1,481.10
(b) Other equity	17	11,436.54	11,274.11
<b>Total equity</b>		<b>12,917.64</b>	<b>12,755.21</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18A	331.11	817.81
(b) Provisions	19A	38.27	37.57
<b>Total non-current liabilities</b>		<b>369.38</b>	<b>855.38</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18B	2,245.66	2,010.73
(ii) Trade payables	20		
(a) Total outstanding dues of micro and small enterprises		24.94	43.84
(b) Total outstanding dues of creditors other than (ii) (a) above		355.20	399.77
(iii) Other financial liabilities	21	1,931.87	2,148.02
(b) Other current liabilities	22	1,465.67	1,762.76
(c) Provisions	19B	28.18	28.54
(d) Current tax liabilities (net)	23	173.03	173.03
<b>Total current liabilities</b>		<b>6,224.55</b>	<b>6,566.69</b>
<b>Total equity and liabilities</b>		<b>19,511.57</b>	<b>20,177.28</b>
<b>Significant accounting policies</b>			
	1.2		
The accompanying notes referred to above form an integral part of the financial statements			

As per report of even date

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

*Nikhil Vaid*  
**Nikhil Vaid**  
 Partner

Membership No.: 213356

Hyderabad  
 08 September 2021

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

*Murali M*  
**Murali M**  
 Chairman and Managing Director  
 DIN : 00030096

Bengaluru  
 08 September 2021

*Gopalakrishnan J*  
**Gopalakrishnan J**  
 Chief Financial Officer

Bengaluru  
 08 September 2021

*Srinivasan D*  
**Srinivasan D**  
 Company Secretary  
 FCS : F55560

Bengaluru  
 08 September 2021



**Shriram Properties Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2021**  
**(All amounts in ₹ million, unless otherwise mentioned)**

	Note	Year ended 31 March 2021	Year ended 31 March 2020
<b>Revenue</b>			
Revenue from operations	24	1,245.61	2,629.04
Other income	25	1,205.97	1,121.62
<b>Total income</b>		<b>2,451.58</b>	<b>3,750.66</b>
<b>Expenses</b>			
Land cost		-	90.10
Material and contract cost		211.23	335.70
Changes in Inventory	26	347.73	1,300.50
Employee benefits expense	27	526.31	727.69
Finance costs, net	28	456.00	459.98
Depreciation and amortisation expense	2 & 4	28.86	21.68
Impairment losses in value of loans and other financial assets	29	478.21	34.28
Other expenses	30	352.53	569.89
<b>Total expenses</b>		<b>2,400.87</b>	<b>3,539.82</b>
<b>Profit before exceptional items and tax</b>		<b>50.71</b>	<b>210.84</b>
Exceptional items	31	11.73	15.45
<b>Profit before tax</b>		<b>38.98</b>	<b>195.39</b>
<b>Tax expense</b>	32		
Current tax expense		-	96.92
Deferred tax credit		(111.60)	-
<b>Profit for the year</b>		<b>150.58</b>	<b>98.47</b>
<b>Other comprehensive income</b>	37A		
(a) Items that will not be reclassified to profit or loss		-	-
(i) Re-measurement gain/(loss) on defined benefit plans		5.09	(1.09)
<b>Total other comprehensive income/(loss) for the year</b>		<b>5.09</b>	<b>(1.09)</b>
<b>Total comprehensive income for the year</b>		<b>155.67</b>	<b>97.38</b>
<b>Earnings per share (Nominal value ₹ 10 per share)</b>			
Basic (₹)	33	1.01	0.66
Diluted (₹)	33	1.01	0.66
<b>Significant accounting policies</b>			
The accompanying notes referred to above form an integral part of the financial state	1.2		

As per report of even date

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Nikhil Vaid*  
**Nikhil Vaid**

Partner

Membership No. : 213356

Hyderabad  
08 September 2021

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

*M Murali*  
**M Murali**

Chairman and Managing Director  
DIN : 00030096

Bengaluru  
08 September 2021

*Gopalakrishnan J*  
**Gopalakrishnan J**

Chief Financial Officer

Bengaluru  
08 September 2021

*Srinivasan D*  
**Srinivasan D**

Company Secretary  
FCS : F5550

Bengaluru  
08 September 2021



**Shriram Properties Limited**  
**Standalone Cash Flow Statement for the year ended 31 March 2021**  
**(All amounts in ₹ million, unless otherwise mentioned)**

	Year ended 31 March 2021	Year ended 31 March 2020
<b>A. Cash flow from operating activities</b>		
<b>Net profit before tax</b>	<b>38.98</b>	<b>195.39</b>
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation	28.86	21.68
Finance expense, net	456.00	459.98
Employee stock option expense	6.76	8.14
Provision for doubtful advances	478.21	34.28
Provision for doubtful debts and assets	28.34	10.00
Provision for miscellaneous receivables	-	34.53
Loss arising out of modification of financial instrument (net)	77.17	27.39
Interest income	(1,131.53)	(1,041.54)
Income from guarantee commission	(33.72)	(23.48)
Unwinding of discount relating to receivable	(1.51)	-
Fair value (gain)/loss on financial instruments at FVTPL	(11.99)	124.48
Profit on sale of mutual funds	(25.76)	(54.35)
Liability no longer payable written back	(0.93)	(1.05)
Profit on sale of property, plant & equipment	(0.30)	(0.49)
<b>Operating (loss) before working capital changes</b>	<b>(91.42)</b>	<b>(205.04)</b>
<b>Working capital adjustments:</b>		
Decrease in inventories	258.65	1,300.50
(Increase)/decrease in trade receivables	(169.54)	239.50
Decrease/(increase) in loans and advances and other assets	259.22	(896.93)
(Decrease) in trade payables	(63.47)	(201.91)
Increase in provisions	5.43	6.01
(Decrease) in current liabilities	(396.63)	(753.23)
<b>Cash flow used in operations</b>	<b>(197.76)</b>	<b>(511.10)</b>
Income tax (paid)/received (net)	(0.54)	7.53
<b>Net cash flows used in operating activities</b>	<b>(198.30)</b>	<b>(503.57)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including capital advances)	(12.68)	(161.71)
Proceeds from sale of property, plant and equipment	0.31	0.49
Purchase of mutual funds	-	(660.37)
Sale of mutual funds	370.49	1,494.78
Net investment in bank deposits	(4.11)	(1.26)
Interest income received	0.81	1.25
Investment in subsidiary	-	(0.10)
Receipt of loans given to subsidiaries, joint ventures and other related parties, net of disbursement	662.30	797.83
Loans given to/(received from) other body corporates, net of repayment/disbursement	(64.92)	455.46
<b>Net cash flows from investing activities</b>	<b>952.20</b>	<b>1,926.37</b>



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**Shriram Properties Limited**  
**Standalone Cash Flow Statement for the year ended 31 March 2021**  
**(All amounts in ₹ million, unless otherwise mentioned)**

	Year ended 31 March 2021	Year ended 31 March 2020
<b>C. Cash flows from financing activities</b>		
Proceeds from term loans	452.58	159.31
Repayment of term loans	(589.15)	(1,514.11)
Proceeds from issue of debentures	90.00	500.00
Redemption of debentures	(652.75)	(299.75)
Proceeds from borrowings from related parties, net of repayment	192.87	276.93
Finance cost paid	(367.28)	(450.99)
Outflow towards principal component of lease liability	(1.64)	(1.43)
<b>Net cash flows (used in)/from financing activities</b>	<b>(875.37)</b>	<b>(1,330.04)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>(121.47)</b>	<b>92.76</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>209.83</b>	<b>117.07</b>
<b>Cash and cash equivalents at the end of the year (refer note 13)</b>	<b>88.36</b>	<b>209.83</b>

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

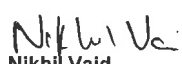
Liabilities	As at 1 April 2019	Cash flow	Non-cash changes			As at 31 March 2020
			Amortisation of transaction cost	Accrued interest	Initial recognition of lease liability	
Borrowings from banks and others (*)	2,297.71	(1,360.71)	0.52	2.22	-	939.74
Non-convertible debentures	973.71	200.25	-	(6.46)	-	1,167.50
Lease liability	-	(1.43)	-	-	3.36	1.93
Unsecured loans from related parties	409.71	276.93	-	60.23	-	746.87
Unsecured loans from others	166.44	5.91	-	(18.06)	-	154.29
	<b>3,847.57</b>	<b>(879.05)</b>	<b>0.52</b>	<b>37.93</b>	<b>3.36</b>	<b>3,010.33</b>

Liabilities	As at 1 April 2020	Cash flow	Non-cash changes			As at 31 March 2021
			Amortisation of transaction cost	Accrued interest	Initial recognition of lease liability	
Borrowings from banks and others (*)	939.74	3.44	4.87	(8.67)	-	939.38
Non-convertible debentures	1,167.50	(562.75)	-	(14.75)	-	590.00
Lease liability	1.93	(1.64)	-	-	-	0.29
Unsecured loans from related parties	746.87	192.87	-	123.37	-	1,063.11
Unsecured loans from other body corporates	154.29	(140.01)	-	-	-	14.28
	<b>3,010.33</b>	<b>(508.09)</b>	<b>4.87</b>	<b>99.95</b>	<b>-</b>	<b>2,607.06</b>

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

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**

  
**Nikhil Vaid**  
Partner  
Membership No. : 213356

Hyderabad  
08 September 2021




  
**M Murali**  
Chairman and Managing Director  
DIN : 0030096

Bengaluru  
08 September 2021

  
**Gopalakrishnan J**  
Chief Financial Officer

Bengaluru  
08 September 2021

  
**Srinivasan D**  
Company Secretary  
FCS : F5550

Bengaluru  
08 September 2021





**Shriram Properties Limited**  
**Standalone Statement of Changes in Equity for the year ended 31 March 2021**  
 (All amounts in ₹ million, unless otherwise mentioned)

Particulars	Amount	Reserves and surplus					Total
		Securities premium	General reserve	Retained earnings	Debt redemption reserve	Share based payment reserve	
<b>A. Equity share capital</b>							
Particulars							
Balance as at 01 April 2019	1,481.10						
Changes in equity share capital during the year	-						
<b>Balance as at 31 March 2020</b>	<b>1,481.10</b>						
Changes in equity share capital during the year	-						
<b>Balance as at 31 March 2021</b>	<b>1,481.10</b>						
<b>B. Other equity</b>							
Particulars							
Balance as at 01 April 2019	16,685.74	432.10	(6,235.94)	238.13	48.56		11,168.59
Profit for the year	-	-	98.47	-	-	-	98.47
Other comprehensive (loss)	-	-	(1.09)	-	-	-	(1.09)
Employee stock option expense (refer note 46)	-	-	-	-	8.14	-	8.14
<b>Balance as at 31 March 2020</b>	<b>16,685.74</b>	<b>432.10</b>	<b>(6,138.56)</b>	<b>238.13</b>	<b>56.70</b>		<b>11,274.11</b>
Profit for the year	-	-	150.58	-	-	-	150.58
Other comprehensive income	-	-	5.09	-	-	-	5.09
Transfer to general reserve on redemption of debentures	-	-	-	(238.13)	-	-	-
Transferred to General Reserve on lapsed options	-	238.13	-	-	-	-	-
Employee stock option expense (refer note 46)	-	0.79	-	-	(0.79)	-	-
<b>Balance as at 31 March 2021</b>	<b>16,685.74</b>	<b>671.02</b>	<b>(5,982.89)</b>	<b>-</b>	<b>62.67</b>	<b>6.76</b>	<b>11,436.54</b>

As per report of even date

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Nikhil Vaid*  
**Nikhil Vaid**  
 Partner

Membership No. : 213356

Hyderabad  
 08 September 2021



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

*M Murali*  
**M Murali**  
 Chairman and Managing Director  
 DIN : 00030096

Bengaluru  
 08 September 2021

*Gopalakrishnan J*  
**Gopalakrishnan J**  
 Chief Financial Officer

Bengaluru  
 08 September 2021



*Srinivasan D*  
**Srinivasan D**  
 Company Secretary  
 FCS : F5550

Bengaluru  
 08 September 2021

## 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 (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.

The Company has filed Draft Red Herring Prospectus (DRHP) with Securities Exchange Board of India (SEBI) on 09 April 2021, in connection with proposed IPO.

##### 1.2 Significant accounting policies

###### a. Statement of compliance

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

The standalone financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on 08 September 2021.

###### b. Basis of preparation of financial statements

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, 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 marked data (unobservable inputs)

###### c. Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.3 and 1.4.

###### d. Recent pronouncements

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

###### Balance Sheet:

(i) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

(ii) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

(iii) Specified format for disclosure of shareholding of promoters.

(iv) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

(v) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

(vi) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

###### Statement of profit and loss:

(i) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

###### e. Standards issued but not yet effective

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



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

(a) Initial recognition

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

(b) Conversion

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

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

#### 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.



## Shriram Properties Limited

### Summary of significant accounting policies and other explanatory information

#### 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 consolidated 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 fees and administrative fees when the significant terms of the agreement are enforceable, services have been delivered and the collectability is reasonably assured.

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

**i. Inventories**

**Properties held for development**

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

**Properties under development**

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

**Properties held for sale**

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

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

**j. Property, plant and equipment (PPE)**

**Recognition and initial measurement**

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

**Subsequent measurement**

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

**Depreciation and useful lives**

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

Office equipment	5 years
Furniture and fixtures	10 years
Computers	3 years
Vehicles	8 years
Leasehold improvements	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.



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

**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 as the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries who use the projected unit credit method to calculate the defined benefit obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss or inventorized as a part of project under development, as the case may be.

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

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

**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.

**o. Tax expense**

**Income taxes**

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

**Current tax**

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

**Deferred tax**

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

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

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.



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**Shriram Properties Limited**

**Summary of significant accounting policies and other explanatory information**

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

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

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

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

**Debt instruments at Fair value through profit and loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, 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 FVTOCI, 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.





**Shriram Properties Limited**

**Summary of significant accounting policies and other explanatory information**

**z. IPO transaction cost:**

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

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

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

- 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 (*)	Building	Land	Total
Gross carrying amount									
As at 01 April 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 (*)	1.59	7.61	-	28.04	13.51	-	188.45	-	239.20
Disposals	(10.63)	-	-	-	-	-	-	-	(10.63)
As at 31 March 2020	6.89	36.32	9.11	44.85	20.34	3.36	188.45	277.79	587.11
Additions (*)	0.53	0.42	-	0.37	0.07	-	2.99	-	4.38
Disposals	-	-	(0.92)	-	(0.07)	-	-	-	(0.99)
As at 31 March 2021	7.42	36.74	8.19	45.22	20.34	3.36	191.44	277.79	590.50
Accumulated depreciation									
Up to 01 April 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	-	18.86
Adjustments for disposals	(10.63)	-	-	-	-	-	-	-	(10.63)
Up to 31 March 2020	6.04	24.38	5.25	16.12	5.39	1.56	1.52	-	60.26
Charge for the year	0.08	7.05	1.17	5.96	1.89	1.53	6.33	-	24.01
Adjustments for disposals	-	-	(0.90)	-	-	-	-	-	(0.90)
Up to 31 March 2021	6.12	31.44	5.52	22.08	7.28	3.09	7.85	-	83.37
Net block as at 31 March 2020	0.85	11.93	3.86	28.73	14.95	1.80	186.93	277.79	526.85
Net block as at 31 March 2021	1.30	5.30	2.67	23.14	13.06	0.27	183.60	277.79	507.14

**3 Capital work-in-progress**

Particulars	Capital work in progress (#)	Total
As at 01 April 2019	63.35	63.35
Additions(**)	125.10	125.10
Capitalised during the year	(188.45)	(188.45)
As at 31 March 2020	-	-
Additions	-	-
As at 31 March 2021	-	-

(\*) There are no borrowing costs capitalized during the year ended 31 March 2021 and 31 March 2020.

(\*\*) Capital work in progress includes ₹ Nil (31 March 2020: ₹ 57.40 million) borrowing cost capitalised for the year.

(\*) The Company adopted Ind AS 116, "Leases", using the modified retrospective method of adoption with the date 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 41.

**a. Contractual obligations**

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

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

Details of property, plant and equipment pledged are given as per note 35





**Shriram Properties 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 2019	15.68	15.68
Additions	32.62	32.62
As at 31 March 2020	48.30	48.30
Additions	8.30	8.30
As at 31 March 2021	56.60	56.60
Accumulated amortization		
Up to 01 April 2019	13.11	13.11
Charge for the year	2.82	2.82
Up to 31 March 2020	15.93	15.93
Charge for the year	4.85	4.85
Up to 31 March 2021	20.78	20.78
Net block as at 31 March 2020	32.37	32.37
Net block as at 31 March 2021	35.82	35.82

**5 Intangible assets under development**

Particulars	Intangible assets under development	Total
As at 01 April 2019	17.29	17.29
Additions	15.33	15.33
Transfer to intangible assets	(32.62)	(32.62)
As at 31 March 2020	-	-
Additions	-	-
Up to 31 March 2021	-	-

(\*) The Company has incurred ₹ Nil (31 March 2020: ₹ 32.62 million) towards implementation of SAP ERP modules. On successful implementation, ₹ 32.62 million has been capitalised under 'Computer software' in 'Other intangible assets' in previous year.



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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 2021	As at 31 March 2020
<b>6 Investments</b>		
<b>A Non-current</b>		
Investment in subsidiaries (fully paid-up)	5,257.27	5,239.03
Investment in joint ventures (fully paid-up)	98.64	35.36
<b>Aggregate value of unquoted investments</b>	<b>5,355.91</b>	<b>5,274.39</b>
<b>(i) Investment in equity instruments</b>		
<b>Investment valued at cost unless stated otherwise (fully paid)</b>		
<b>Unquoted</b>		
<b>Subsidiaries</b>		
Bengal Shriram Hitech City Private Limited		
21,498,000 (31 March 2020: 21,498,000) Class "A" fully paid equity shares of ₹ 10 each	2,670.16	2,670.16
12,500,000 (31 March 2020: 12,500,000) Class "B" fully paid equity shares of ₹ 10 each	21.50	21.50
1,135,398 (31 March 2020: 1,135,398) Class "C" fully paid equity shares of ₹ 10 each	463.80	463.80
750,000 (31 March 2020: 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 2020: 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 2020: 51,000) fully paid equity shares of ₹ 10 each	0.51	0.51
Shriprop Homes Private Limited		
9,999 (31 March 2020: 9,999) fully paid equity shares of ₹ 10 each	0.10	0.10
SPL Constructors Private Limited		
9,999 (31 March 2020: 9,999) fully paid equity shares of ₹ 10 each	0.10	0.10
Shriprop Constructors Private Limited		
9,999 (31 March 2020: 9,999) fully paid equity shares of ₹ 10 each	0.10	0.10
Shriprop Structures Private Limited		
9,999 (31 March 2020: 9,999) fully paid equity shares of ₹ 10 each	0.10	0.10
Shriprop Projects Private Limited		
9,999 (31 March 2020: 9,999) fully paid equity shares of ₹ 10 each	6.35	0.10
Shriprop Builders Private Limited		
19,607 (31 March 2020: 19,607) fully paid equity shares of ₹ 10 each	0.11	0.11
Shrivision Homes Private Limited (from 29 Jan 2020) (refer note a below)		
175,000 (31 March 2020: 175,000) fully paid equity shares of ₹ 10 each	1.75	1.75
Shriprop Developers Private Limited		
1,000 (31 March 2020: 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 2020: 10,000) fully paid equity shares of ₹ 10 each	0.10	0.10
SPL Shelters Private Limited		
10,000 (31 March 2020: 10,000) fully paid equity shares of ₹ 10 each	0.10	0.10
	<b>4,923.73</b>	<b>4,917.48</b>
Less : Impairment in the value of investment	(52.57)	(52.57)
	<b>4,871.16</b>	<b>4,864.91</b>
<b>Joint ventures</b>		
Shrivision Towers Private Limited		
509,999 (31 March 2020: 509,999) fully paid equity shares of ₹ 10 each	5.10	5.10
Shriprop Living Space Private Limited		
5,100 (31 March 2020: 5,100) fully paid equity shares of ₹ 10 each	71.98	25.27
Shriprop Properties Private Limited		
1,000 (31 March 2020: 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 2020: 500) fully paid equity shares of ₹ 10 each	0.01	0.01
SPL Towers Private Limited		
5,100 (31 March 2020: 5,100) fully paid equity shares of ₹ 10 each	16.62	0.05
	<b>103.74</b>	<b>40.46</b>
Less : Impairment in the value of investment	(5.10)	(5.10)
	<b>4,969.80</b>	<b>4,900.27</b>

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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 2021	As at 31 March 2020
<b>(ii) Investment in preference shares</b>		
Unquoted		
Investments carried at cost		
Subsidiaries		
Bengal Shriram Hitech City Private Limited		
13,480,000 (31 March 2020: 13,480,000) fully paid class "A" 0.01% compulsorily convertible cumulative preference shares of ₹ 10 each	134.80	134.80
	<b>134.80</b>	<b>134.80</b>
<b>(iii) Investment in debentures</b>		
Investments carried at fair value through profit or loss (FVTPL)		
Unquoted		
Subsidiaries		
Shrivision Homes Private Limited (from 29 Jan 2020) (refer note a below)	251.31	184.32
898,500 (31 March 2020: 898,500) fully paid debentures of ₹ 100 each		
Shriprop Builders Private Limited		
1,224,005 (31 March 2020: 1,224,005) fully paid debentures of ₹ 100 each	-	55.00
	<b>251.31</b>	<b>239.32</b>
	<b>5,355.91</b>	<b>5,274.39</b>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	5,413.58	5,332.06
Aggregate amount of impairment in value of investments	(57.67)	(57.67)
<b>B Current</b>		
Investment in mutual funds		
Quoted		
Investments carried at fair value through profit or loss (FVTPL)		
Nil (31 March 2020: 25,797,765) UTI-Fixed term income fund series XXVII - II (1161 DAYS) - growth plan	-	287.63
Nil (31 March 2020: 53,661) units IDFC Overnight Fund - Regular Plan - Growth	-	57.10
	<b>-</b>	<b>344.73</b>
Aggregate amount of quoted investments and market value thereof	-	344.73
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 2021	As at 31 March 2020
<b>7 Loans and advances</b>		
<b>A Non-current</b>		
Security deposits	2.11	11.80
Loans and advances to related party (refer note 45)	2,982.60	3,073.87
	2,984.71	3,085.67
Less: Allowance for doubtful loans	-	(344.89)
	<b>2,984.71</b>	<b>2,740.78</b>
<b>Break up of security details</b>		
Security deposits considered good - Secured	2.11	11.80
Loans considered good - Unsecured	2,982.60	2,728.98
Loans considered doubtful - Unsecured	-	344.89
Credit impaired	-	(344.89)
	<b>2,984.71</b>	<b>2,740.78</b>
<b>B Current</b>		
Security deposits	717.42	569.04
Loans to related party (refer note 45)	3,704.24	3,933.36
Loans to other body corporate	560.93	379.16
	<b>4,982.59</b>	<b>4,881.56</b>
Less: Allowance for doubtful loans	-	(165.24)
	<b>4,982.59</b>	<b>4,716.32</b>
<b>Break up of security details</b>		
Security deposits considered good - Unsecured	717.42	569.04
Loans considered good - Unsecured	4,265.17	4,147.28
Loans considered doubtful - Unsecured	-	165.24
Credit impaired	-	(165.24)
	<b>4,982.59</b>	<b>4,716.32</b>
<b>8 Deferred tax assets (net)</b>		
<b>A Deferred tax asset arising on account of</b>		
Carry forward business losses	117.04	-
Timing difference on certain provisions for expected credit losses on receivables	43.21	-
Timing difference on allowability of expenses	27.70	-
Fair valuation of investment	31.65	-
Others	4.18	-
<b>Gross deferred tax assets</b>	<b>223.78</b>	-
<b>B Deferred tax liability arising on account of</b>		
Change in measurement of revenue from real estate development (net of cost) as per Ind AS 115	109.65	-
Excess of depreciation allowable under the income-tax laws over depreciation provided for in the books	2.54	-
<b>Gross deferred tax liabilities</b>	<b>112.19</b>	-
<b>Deferred tax assets (net)</b>	<b>111.59</b>	-
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. Up to previous year ended 31 March 2020, due to lack of convincing evidence on probability of future taxable business profits, the Company had not recorded deferred tax asset on deductible temporary differences which primarily includes the carry forward losses amounting to ₹ 8.74 million. Further, due to lack of convincing evidence on probability of future long term capital gains, the Company has not recorded deferred tax asset on deductible temporary differences which primarily includes the carry forward long term capital losses amounting to ₹158.50 million (31 March 2020: ₹186.12 million). The above losses will expire over 6-8 years.		
<b>9 Income tax assets (net)</b>		
Advance tax, net of provision for income tax	26.40	25.79
	<b>26.40</b>	<b>25.79</b>
<b>10 Other assets</b>		
<b>A Non-current</b>		
<b>Unsecured, considered good</b>		
Advance for land	1,230.35	1,583.54
	<b>1,230.35</b>	<b>1,583.54</b>
<b>Unsecured, considered doubtful</b>		
Advance for land	-	160.00
Less: Allowance for doubtful advances	-	(160.00)
	-	-
	<b>1,230.35</b>	<b>1,583.54</b>



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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 2021	As at 31 March 2020
<b>10 Other assets</b>		
<b>B Current</b>		
<b>Unsecured, considered good</b>		
Advance to staff (^)	11.64	13.72
Advance to vendors	42.85	93.09
Unbilled revenue	13.01	52.43
Balance with government authorities	58.14	110.14
Prepaid expenses	63.76	47.27
	<b>189.40</b>	<b>316.65</b>
<b>Unsecured, considered doubtful</b>		
Advances for purchase of goods and rendering services	3.26	3.26
Less: Allowance for doubtful advances	-3.26	(3.26)
	<b>189.40</b>	<b>316.65</b>
(^) Includes ₹ Nil million (31 March 2020 : ₹ 0.54 million) given to related party. Refer note 45		
<b>11 Inventories (*)</b>		
Properties held for development	618.09	635.51
Properties under development (#)	1,852.80	2,179.81
Properties held for sale	112.29	26.51
	<b>2,583.18</b>	<b>2,841.83</b>
(*) Details of assets pledged are as per note 35		
(#) Includes Company's entitlement on proportionate share of constructed properties receivable pursuant to Joint Development Agreements and other contractual agreements amounting to ₹ 248.86 million (31 March 2020 : ₹ 228.70 million) which includes ₹ 159.78 million (31 March 2020: ₹ 228.70 million) from related party (Refer note 45)		
<b>Note:</b>		
Write-down of inventories to net realisable value amounted to ₹ 40.95 million and ₹ 22.11 million for the year ended 31 March 2021 and 31 March 2020 respectively. This was recorded as an expense during the respective years and included in 'changes in inventories' in statement of profit and loss.		
<b>12 Trade receivables</b>		
Trade receivables	412.70	243.15
	<b>412.70</b>	<b>243.15</b>
Less : Provision for doubtful debts	(17.70)	(15.96)
<b>Total receivables</b>	<b>395.00</b>	<b>227.19</b>
<b>Break up of security details</b>		
Trade receivables considered good - Secured	75.65	81.05
Trade receivables considered good - Unsecured	337.05	162.10
Credit impaired	(17.70)	(15.96)
	<b>395.00</b>	<b>227.19</b>
(*) Details of assets pledged are given under note 35		
<b>13 Cash and cash equivalents</b>		
Cash on hand	2.67	1.94
<b>Balances with banks (*)</b>		
In current accounts	85.69	207.64
Deposits with original maturity less than three months	-	0.25
	<b>88.36</b>	<b>209.83</b>
(*) Details of assets pledged are given under note 35		
<b>14 Bank balances other than cash and cash equivalents (*)</b>		
Deposits with maturity less than 12 months	10.30	6.29
	<b>10.30</b>	<b>6.29</b>
(*) Details of assets pledged are given under note 35		
<b>Note :</b>		
The Company had available ₹ 70 million (31 March 2020 ₹ 590 million) of undrawn committed borrowing facilities.		
<b>15 Other financial assets</b>		
<b>Current</b>		
<b>Unsecured, considered good</b>		
Advances towards joint development arrangement (*)	222.38	409.65
Advances towards development management arrangement	36.04	59.67
Unbilled revenue	352.20	606.08
Revenue share receivable from joint development arrangement (refer note 45)	28.00	-
Other receivable	372.20	255.32
	<b>1,010.82</b>	<b>1,330.72</b>
(*) Details of assets pledged are given under note 35		



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

**16 Equity share capital**

**Authorized share capital**

**Equity share capital of face value of ₹ 10 each**  
Equity shares of ₹ 10 each

**Issued, subscribed and fully paid up shares**

Equity shares of ₹ 10 each

Less: Classified as financial liability (\*)

**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**

Changes during the year

**Balance at the end of the year**

(\*) 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 30 September 2021. 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 third amendment agreement dated 16 March 2021, the Company shall initiate and successfully consummate initial public offer (IPO) by 30 September 2021 (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**

Shriram Properties Holdings Private Limited  
WSI/WSQI V (XXXII) Mauritius Investors Limited  
Omega TC Sabre Holdings Pte Limited  
TPG Asia SF V Pte. Ltd.  
Brijkishore Trading Private Limited

**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:**

There have been no buy back of shares, issue of bonus shares and issue of shares pursuant to contract without payment being received in cash for the period of 5 years immediately preceding the reporting date.

**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 2021			31 March 2020		
	Number	Amount	% holding	Number	Amount	% holding
Under Employee Stock Option Plan 2013, 494,601 equity shares of ₹ 10 each, at an exercise price of ₹ 10 per share (see note 46)	494,601	4.95		503,109	5.03	



	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Authorized share capital				
Equity share capital of face value of ₹ 10 each	2,500,000,000	25,000.00	2,500,000,000	25,000.00
Equity shares of ₹ 10 each	2,500,000,000	25,000.00	2,500,000,000	25,000.00
Issued, subscribed and fully paid up shares				
Equity shares of ₹ 10 each	148,411,448	1,484.11	148,411,448	1,484.11
Less: Classified as financial liability (*)		(3.01)		(3.01)
	148,411,448	1,481.10	148,411,448	1,481.10
Reconciliation of number of equity shares outstanding at the beginning and at the end of the year				
Equity shares				
Balance at the beginning of the year	148,411,448	1,484.11	148,411,448	1,484.11
Changes during the year		-		-
Balance at the end of the year	148,411,448	1,484.11	148,411,448	1,484.11

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

**17 Other equity**

	As at 31 March 2021	As at 31 March 2020
Securities premium	16,685.74	16,685.74
General reserve	671.02	432.10
Retained earnings (*)	(5,982.89)	(6,138.56)
Share based payment reserve	62.67	56.70
Debtenture redemption reserve (*)	-	238.13
	<b>11,436.54</b>	<b>11,274.11</b>

(\*) Includes other comprehensive (loss) of ₹ (10.71) million (31 March 2020 ₹ (15.80) million), which pertains to accumulated re-measurement of defined benefit plans

(\*) During the year ended 31 March 2021, there were no amounts required to be transferred to debtenture redemption reserve.

**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) Debtenture redemption reserve**

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

**(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.



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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 2021	As at 31 March 2020
<b>18 Borrowings (*)</b>		
<b>A Non-current</b>		
<b>Debentures (Secured)</b>		
Series I, Nil (31 March 2020: 5,495,000), 13.20% Redeemable, Non Convertible Debentures of ₹ 100 each	-	561.39
Series II, Nil (31 March 2020: 1,032,500), 16.91% Redeemable, Non Convertible Debentures of ₹ 100 each	-	106.11
<b>Term loans (Secured)</b>		
From financial institutions	361.11	330.17
	<b>361.11</b>	<b>997.67</b>
Amount disclosed under "Other current financial liabilities" (refer note 21)	(30.00)	(179.86)
	<b>331.11</b>	<b>817.81</b>
<b>B Current</b>		
<b>Debentures (Secured)</b>		
Series A - Group I: 170 (31 March 2020: 170) 16.75% Redeemable, Non Convertible Debentures of ₹ 1,000,000 each	170.00	170.00
Series A - Group II: 130 (31 March 2020: 130) 16.75% Redeemable, Non Convertible Debentures of ₹ 1,000,000 each	130.00	130.00
Series B : 200 (31 March 2020: 200) 16.75% Redeemable, Non Convertible Debentures of ₹ 1,000,000 each	200.00	200.00
Series C : 90 (31 March 2020: Nil) 16.75% Redeemable, Non Convertible Debentures of ₹ 1,000,000 each	90.00	-
<b>Term loans (Secured)</b>		
From financial institutions (#)	578.27	609.57
<b>Unsecured</b>		
Loans from related parties (refer note 45)	1,063.11	746.87
Loans from other body corporates	14.28	154.29
	<b>2,245.66</b>	<b>2,010.73</b>
	<b>2,576.77</b>	<b>2,828.54</b>

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

(#) During the current year, the Company has applied for rescheduling of loan amounting to ₹ 279.28 million outstanding as at 31 March 2021 with one financial institution, LIC Housing Finance Limited, under the "Resolution Framework for COVID-19 related stress" ("the Resolution Framework") issued by the Reserve Bank of India ("RBI") on 06 August 2020. Such application was made on 12 October 2020 and acknowledged by lender on 31 December 2020 which is considered to be the 'date of invocation' under the Resolution Framework and accordingly, the Company has ceased re-payments to this financial institution after the date of such invocation. Pursuant to such restructuring, an Addendum Sanction Letter with respect to the aforesaid loan has been obtained from the lender subsequent to the year end on 29 June 2021, before the approval of these standalone financial statements.

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

**18 Borrowings (continued)**

Sl. No.	Particulars	Nature of security	Repayment details	As at 31 Mar 2021	As at 31 March 2020
A	Non-current borrowings				
	<b>Redeemable, non convertible debentures (Secured)</b>				
i.	Aditya Birla Real Estate Fund	a) Equitable mortgage of the land and structure thereon of the project 'Signia', 'Sameeksha', 'Smriti' and Repayable in 10 quarterly instalments commencing from August 2019. b) Equitable mortgage of all land and structure thereon of project 'Southern Crest' including any additional FSI that may be available in the future. c) Registered mortgage of land measuring 21,122 acres situated in Uttarpara, West Bengal including all present and future structures standing thereon. d) First charge by way of hypothecation of the DM Fees to the extent of ₹ 850 million receivable from the project 'The Gateway office parks'. e) First charge by way of hypothecation of the receivables from projects 'Signia', 'Sameeksha', 'Smriti', 'Hebbal One' and 'Southern Crest' including any refundable deposits arising out of development agreements of the aforesaid projects. f) First charge over the DSRA account maintained with HDFC Bank Ltd in the manner set out in the agreement		-	667.50
	The effective coupon rate per annum on above debentures is			13.20% and 16.91%	13.20% and 16.91%
	<b>Term loan from financial institutions (Secured)</b>				
ii.	Housing Development Finance Corporation Limited	Equitable mortgage of land and structure thereon of 'Shriram Corporate Office' located at Bengaluru, Karnataka.	Repayable in 60 monthly instalments after a moratorium period of 24 months starting from May 2018	301.11	303.06
iii.	Housing Development Finance Corporation Limited	(i) Second charge on all piece and parcel of land and structure thereon of 'Shriram Corporate Office' located at Bengaluru, Karnataka. (ii) 100% loan guaranteed by the National Credit Guarantee Trustee Company Emergency Credit Line Scheme	Repayable in 48 monthly instalments commencing from April 2022.	60.00	-
iv.	Piramal Capital and Housing Finance Limited	The facility, all interest thereon, costs, charges, expenses and all other monies in respect thereof is secured by way of: 1) Equitable mortgage of land and structure thereon of the project 'Summitt' located at Bengaluru, Karnataka 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 Uttarpara 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	Repayable in 6 quarterly instalments commencing from March 2019	-	27.31
	The interest on above term loans from financial institutions are linked to the respective benchmarks. The effective interest rates per annum ranges between			10.50% to 17.60%	8.02% to 13.95%
				361.11	330.17
				(0.20)	



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

**18 Borrowings (continued)**

Sl. No.	Particulars	Nature of security	Repayment details	As at 31 Mar 2021	As at 31 March 2020
<b>B</b>	<b>Current borrowings</b>				
	<b>Redeemable, non convertible debentures (Secured)</b>				
v.	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; Nisus Finance and Investment Managers LLP; Punctual Properties Private Limited; B S Rao; Suman S Rao; Vandana Kanoria; Capital Nxt LLP; Sanjay Kakra; Harsha Sanjay Siroya; NVL Holdings Private Limited ; M V Sampath Kumar; Vasundhara Uppaluri; Manju Modi; Gaurav Menon; Naveen G Kumar; Rakesh Moolchand Asrani; Shanmugam Krishnasamy; Gopala Swamy C	a) A first ranking exclusive mortgage to be created over the Land measuring 42.78 acres, situated in Uttarapara West Bengal. b) A first ranking exclusive mortgage to be created over the receivables arising from sale, transfer, lease, rent, assignment or encumbrance of the aforesaid mortgaged property	Redeemable at any point in time after the expiry of 183 days after allotment but before December 2021 at the option of the issuer	590.00	500.00
				16.75%	16.75%
				279.28	352.93
			Repayable in 9 monthly installments commencing from April 2023.		
			a) Equitable Mortgage of the Project land and structure thereon of "Shriram One City"		
			b) Cross collateral Security with the Project Shriram Shankari of Shriprop Structures Private Limited (Subsidiary) coming up at Perumattunallur Village, Chengalpet Taluk, Kancheepuram District, Tamilnadu		
			c) Hypothecation of receivables of the builder's share from the project "Shriram One City"		

The effective coupon rate per annum on above debentures is

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

vii. IIFL Wealth Finance Limited

The facility is secured by way of pledge of units of scheme of mutual funds and / or fully paid up Repayable by end of one year from debenture bonds and/ or shares held by Shriram Properties Limited

219.52





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

18 Borrowings (continued)		Repayment details		As at	As at
Sl. No.	Particulars	Nature of security	31 Mar 2021	31 March 2020	
<b>B Current borrowings</b>					
vii.	<b>Piramal Capital and Housing Finance Limited</b>		-	42.79	
		1) Equitable mortgage of land and structure thereon of the project 'Summit' located at Bengaluru, Karnataka, 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 Summit project			
		4) First and exclusive charge over escrow accounts opened with the bank account in manner set out in the escrow agreement			
viii.	<b>ARKA Fincap Limited</b>		300.00		
		a) Exclusive charge by way of Hypothecation over Development management fees receivables (both present and future) by Global Entropolis (Vizag) Private Limited.			
		b) A first ranking exclusive mortgage to be created over the Land measuring 25 acres, situated in disbursement Uttarapara West Bengal.			
		Unamortised upfront fees on borrowing	(1.01)	(5.67)	
			578.27	609.57	
			9.25% to 15.00%	9.25% to 15.00%	
The interest on above term loans from financial institutions are linked to the respective benchmarks. The effective interest rates per annum ranges between					
<b>Loans from related party (Unsecured)</b>					
i.	Shrivision Homes Private Limited	Unsecured	225.04	98.41	
ii.	Shrivision Towers Private Limited	Unsecured	714.13	648.46	
iii.	Shriprop Builders Private Limited	Unsecured	80.74	-	
iv.	Shriprop Developers Private Limited	Unsecured	43.20	-	
			1,063.10	746.87	
			15.00%	15.00%	
The interest rate per annum ranges is					
<b>Loans from other body corporates (Unsecured)</b>					
i.	Maars Infra Developers Private Limited	Unsecured	-	140.00	
ii.	Shriram Properties Coimbatore Private Limited	Unsecured (Interest free)	5.73	5.73	
iii.	Shriram Properties Constructions (Chennai) Private Limited	Unsecured (Interest free)	8.55	8.56	
			14.28	154.29	
			0% to 15%	0% to 15%	
The interest rate per annum ranges between					



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

(All amounts in ₹ millions, unless otherwise mentioned)

	As at 31 March 2021	As at 31 March 2020
<b>19 Provisions</b>		
<b>A Non-current</b>		
Provision for employee benefits:		
Gratuity (*)	38.27	37.57
	<b>38.27</b>	<b>37.57</b>
<b>B Current</b>		
Provision for employee benefits:		
Gratuity (*)	9.05	12.09
Compensated absences (*)	19.13	16.45
	<b>28.18</b>	<b>28.54</b>
(*) For details of employee benefits, refer note 37		
<b>20 Trade payables</b>		
Total outstanding dues of micro and small enterprises (refer note below)	24.94	43.84
Total outstanding dues other than to micro and small enterprises	355.20	399.77
	<b>380.14</b>	<b>443.61</b>

**Note**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSME Act'). Accordingly, the disclosure in respect of amounts payable to such enterprises as at 31 March 2021 has been made in the financial statements based on the information received and available with the Company. The Company has not received any claim for interest from any supplier as at the balance sheet date. The disclosures as required under section 22 of MSMED Act, 2006 under the Chapter on Delayed Payments to Micro, Small and Medium Enterprises is as below:

Particulars	31 March 2021 (₹)	31 March 2020 (₹)
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; (#)	29.25	43.84
(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	7.08	6.72
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

**21 Other financial liabilities**
**Current**

Current maturities of non-current borrowings (refer note 18A)	30.00	179.86
Refund due to customers	9.94	9.68
Corpus and maintenance due to association	33.05	68.11
Security deposit from related parties (refer note 45)	785.00	785.00
Advance received towards joint development arrangement from related parties (refer note 45)	231.12	231.12
Payable to land owner	472.00	496.34
Payable under buy-back obligations (refer note 16)	65.00	65.00
Lease liability (refer note 41)	0.29	1.93
Other payables (*) (^)	305.47	310.98
	<b>1,931.87</b>	<b>2,148.02</b>

(\*) Includes ₹ 2.54 million (31 March 2020: ₹ 1.20 million) payable towards commission to key managerial person (refer note 45).

(^) Includes ₹ 4.31 million (31 March 2020: ₹ Nil) towards dues of micro and small enterprises.

**22 Other current liabilities**

Payable to land owner (*)	382.60	441.36
Deferred income	94.56	58.74
Advance received from land owner towards revenue share (refer note 45)	-	2.65
Advance from customers	907.76	1,157.80
Statutory dues	80.75	102.21
	<b>1,465.67</b>	<b>1,762.76</b>

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

**23 Current tax liabilities**

Provision for income tax, net of advance tax	173.03	173.03
	<b>173.03</b>	<b>173.03</b>



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

	Year ended 31 March 2021	Year ended 31 March 2020
<b>24 Revenue from operations</b>		
Proceeds from sale of constructed properties	703.03	1,985.42
Development management fees and administrative income (#) (^)	425.58	609.65
	<b>1,128.61</b>	<b>2,595.07</b>
<b>Other operating income</b>		
Commission income	-	27.26
Income arising on account of foregoing of development right (*)	86.35	-
Income from co-development right (^)	30.65	6.71
	<b>117.00</b>	<b>33.97</b>
	<b>1,245.61</b>	<b>2,629.04</b>
<p>(*) In the earlier years, the Company has acquired right to purchase a parcel of land from a consortium of landowners for a pre-determined consideration. In the current year, the Company has relinquished its right to purchase for an agreed consideration which shall be received in the form of both monetary consideration and share of constructed built-up area. Accordingly, on relinquishment, a net gain of ₹86.35 million is recognised in the statement of profit &amp; loss.</p> <p>(#) During the previous 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 in the previous year.</p> <p>(^ ) Includes revenue recognised from related parties. Refer note 45</p>		
<b>25 Other income</b>		
Interest income		
- on deposits	0.71	1.25
- from related parties (refer note 45)	856.77	809.66
- from other companies	273.99	227.97
- on income tax refund	0.06	2.66
Income from guarantee commission (refer note 45)	33.72	23.48
Unwinding of discount relating to receivable	1.51	-
Fair value gain on financial instruments at FVTPL	11.99	-
Profit on sale of mutual funds	25.76	54.35
Liability no longer required written back	0.93	1.05
Profit on sale of property, plant and equipment	0.30	0.49
Miscellaneous income	0.23	0.71
	<b>1,205.97</b>	<b>1,121.62</b>
<b>26 Changes in inventory</b>		
Inventory at the beginning of the year	2,841.83	4,142.33
Inventory at the end of the year	2,583.18	2,841.83
	<b>258.65</b>	<b>1,300.50</b>
Add: Adjustment of fair value of constructed properties receivable under relinquishment of agreement to purchase (refer note 24) (*)	89.08	-
	<b>347.73</b>	<b>1,300.50</b>
<p>(*) The Company has transferred development rights in the current year 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'.</p>		
<b>27 Employee benefits expense</b>		
Salaries and wages	486.71	678.38
Contribution to provident fund and other funds (refer note 37B)	19.59	22.76
Staff welfare expenses	2.93	9.34
Gratuity (refer note 37A)	10.32	9.07
Employee stock option expense (refer note 46)	6.76	8.14
	<b>526.31</b>	<b>727.69</b>



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

	Year ended 31 March 2021	Year ended 31 March 2020
<b>28 Finance expense, net (*)</b>		
<b>Finance expense:</b>		
Interest expense		
- term loans from others	119.47	206.11
- on related party loans	123.37	60.23
- on others	57.65	82.14
- on non-convertible debentures	155.38	132.05
Processing fees and other charges	16.23	8.91
	<u>472.10</u>	<u>489.44</u>
Less interest capitalised to capital work-in-progress	-	(29.46)
	<u><b>472.10</b></u>	<u><b>459.98</b></u>
<b>Finance income:</b>		
Unwinding of discount relating to refundable security deposits	16.10	-
	<u><b>16.10</b></u>	<u>-</u>
<b>Finance expense, net</b>	<u><b>456.00</b></u>	<u><b>459.98</b></u>
(*) includes finance income capitalized amounting to ₹ 16.10 million in current year and finance expense (net) amounting to ₹ 169.68 million in previous year.		
<b>29 Impairment losses in value of loans and other financial assets</b>		
Impairment losses in value of:		
- Loans	250.80	-
- Trade receivables	1.73	5.96
- Other financial assets	225.68	28.32
	<u><b>478.21</b></u>	<u><b>34.28</b></u>
<b>30 Other expenses</b>		
Brand license fee	5.00	5.00
Sales promotion	41.72	39.58
Flat compensation	29.80	25.26
Communication expenses	7.45	8.75
Donation	2.27	1.13
Directors' commission and sitting fees	2.89	1.74
Corporate social responsibility expenses (refer note 38)	2.50	-
Legal and professional (*)	40.76	94.85
Power and fuel expenses	5.78	9.12
Printing and stationery	5.25	5.02
Insurance expenses	9.04	7.38
Rates and taxes	14.59	63.37
Expenses related to short-term leases (refer note 41)	5.59	32.58
Recruitment and training expenses	1.35	0.66
Repairs and maintenance-others	16.34	23.53
Security expenses	4.79	11.26
Traveling and conveyance expenses	7.91	18.41
Software development expenses	25.67	22.27
Bad debt written off	0.02	-
Provision for doubtful debts	-	5.00
Provision for doubtful assets	28.34	-
Loss arising out of modification of financial instrument (net)	77.17	27.39
Fair value loss on financial instruments at FVTPL	-	124.48
Miscellaneous expenses	18.30	43.11
	<u><b>352.53</b></u>	<u><b>569.89</b></u>
(*) Includes remuneration paid to auditor as given in note 34		
<b>31 Exceptional items</b>		
Expenses in connection with Initial Public Offer (IPO) (^)	11.73	15.45
	<u><b>11.73</b></u>	<u><b>15.45</b></u>

(^\*) 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.



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

	Year ended 31 March 2021	Year ended 31 March 2020
<b>32 Tax expense</b>		
<b>A. Tax expense comprises of:</b>		
Current tax	-	96.92
Deferred tax	(111.60)	-
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(111.60)</b>	<b>96.92</b>
<b>B. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate</b>		
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	38.98	195.39
<b>Accounting profit before income tax</b>	<b>38.98</b>	<b>195.39</b>
Effective tax rate in India	<b>25.17%</b>	<b>25.17%</b>
At India's statutory income tax rate of 25.17% (31 March 2020: 25.17%)	9.81	49.18
<b>Adjustments:</b>		
Deferred tax created in current period w.r.t. temporary differences pertaining to earlier years	(51.57)	-
Unrecorded deferred tax asset on current year temporary differences	2.26	48.02
Deferred tax asset not created on brought forwarded capital losses, utilised now	(6.71)	-
Temporary differences pertaining to earlier years on which DTA was not created earlier, utilised in current year	(57.83)	-
Tax effect of permanent non-deductible expenses	3.90	4.64
Tax effect of non-taxable income	(11.36)	(5.91)
Others	(0.09)	0.99
<b>Income tax expense</b>	<b>(111.60)</b>	<b>96.92</b>
<b>C. Recognised deferred tax assets and liabilities</b>		
Refer note 8		
<b>D. Income tax rate change</b>		
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.		
<b>33 Earnings per share (EPS)</b>		
Weighted average number of shares outstanding during the year	148,411,448	148,411,448
Add: Dilutive effect of stock options	-	20,020
Weighted average number of shares used to compute diluted EPS	<b>148,411,448</b>	<b>148,431,468</b>
Net profit after tax attributable to equity shareholders	150.58	98.47
<b>Earnings per share</b>		
Basic	1.01	0.66
Diluted	1.01	0.66
<b>34 Payment to auditor (on accrual basis, excluding GST)</b>		
<b>As auditor:</b>		
Audit fee	4.80	4.80
Other services (*)	4.00	9.00
Reimbursement of expenses	0.37	0.27
	<b>9.17</b>	<b>14.07</b>

(\*) Includes ₹ 4 million (31 March 2020: ₹ Nil) towards audit of interim consolidated financial statements, ₹ Nil (31 March 2020: ₹ 6 million) towards interim agreed upon procedures and ₹ Nil (31 March 2020 : ₹ 3 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.



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

(All amounts in ₹ millions, unless otherwise mentioned)

**35 Assets pledged as security**

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

	Year ended 31 March 2021	Year ended 31 March 2020
<b>Current</b>		
<b>Financial assets</b>		
<b>First charge</b>		
Trade receivables	54.55	112.95
Bank balances in current accounts	-	67.91
Bank balances other than cash and cash equivalents	10.30	-
Advance towards joint development agreement	-	216.05
Investments in mutual funds	-	344.73
<b>Non-financial assets</b>		
<b>First charge</b>		
Inventories	894.66	1,994.17
<b>Total current assets pledged as securities</b>	<b>959.50</b>	<b>2,735.81</b>
<b>Non-current</b>		
<b>First charge</b>		
Vehicles	-	3.86
Investments in subsidiaries	-	0.10
Investments in joint venture	88.60	25.32
Land	277.79	277.79
Building	183.60	186.93
<b>Total non-current assets pledged as securities</b>	<b>549.99</b>	<b>494.00</b>
<b>Total assets pledged as security</b>	<b>1,509.49</b>	<b>3,229.81</b>

**36 Financial instruments**
**Financial instruments by category**

The carrying value and fair value of financial instruments by categories as at 31 March 2021 were as follows :

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
<b>Financial assets :</b>						
Investments (*)	6A & 6B	251.31	-	-	251.31	251.31
Trade receivables	12	-	-	395.00	395.00	395.00
Loans and advances	7A & 7B	-	-	7,967.30	7,967.30	7,967.30
Cash and bank balances	13 & 14	-	-	98.66	98.66	98.66
Other financial assets	15	-	-	1,010.82	1,010.82	1,010.82
<b>Total financial assets</b>		<b>251.31</b>	<b>-</b>	<b>9,471.78</b>	<b>9,723.09</b>	<b>9,723.09</b>
<b>Financial liabilities :</b>						
Borrowings (**)	18A & 18B	-	-	2,606.77	2,606.77	2,606.77
Trade payables	20	-	-	380.14	380.14	380.14
Other financial liabilities	21	-	-	1,901.87	1,901.87	1,901.87
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>4,888.78</b>	<b>4,888.78</b>	<b>4,888.78</b>

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

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

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
<b>Financial assets :</b>						
Investments (*)	6A & 6B	584.05	-	-	584.05	584.05
Trade receivables	12	-	-	227.19	227.19	227.19
Loans and advances	7A & 7B	-	-	7,457.10	7,457.10	7,457.10
Cash and bank balances	13 & 14	-	-	216.12	216.12	216.12
Other financial assets	15	-	-	1,330.72	1,330.72	1,330.72
<b>Total financial assets</b>		<b>584.05</b>	<b>-</b>	<b>9,231.13</b>	<b>9,815.18</b>	<b>9,815.18</b>
<b>Financial liabilities :</b>						
Borrowings (**)	18A & 18B	-	-	3,008.40	3,008.40	3,008.40
Trade payables	20	-	-	443.61	443.61	443.61
Other financial liabilities	21	-	-	1,968.16	1,968.16	1,968.16
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>5,420.17</b>	<b>5,420.17</b>	<b>5,420.17</b>

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

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

**Notes to financial instruments**

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

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

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



**Shriram Properties Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ millions, unless otherwise mentioned)

**36 Financial instruments (contd.)**

**ii. Fair value hierarchy**

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

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

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

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

**Measurement of fair value of financial instruments**

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

**Investment in debentures and preference shares**

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

**Investment in mutual funds**

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

The following table shows the fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 March 2021 and 31 March 2020:

As at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Investment	-	-	251.31	251.31
	-	-	251.31	251.31
Financial liabilities	-	-	-	-
<b>Net fair value</b>	-	-	251.31	251.31
As at 31 March 2020				
Financial assets				
Investment	344.73	-	239.32	584.05
	344.73	-	239.32	584.05
Financial liabilities	-	-	-	-
<b>Net fair value</b>	344.73	-	239.32	584.05

The following table presents the changes in level 3 items for the periods ended 31 March 2021 and 31 March 2020:

	Debentures	Total
As at 1 April 2019	363.80	363.80
Fair value changes	(124.48)	(124.48)
As at 31 March 2020	239.32	239.32
Fair value changes	11.99	11.99
As at 31 March 2021	251.31	251.31

**Sensitivity analysis of Level III**

**31 March 2021**

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 (₹ Nil million)/ ₹ Nil million
Investments in unquoted debentures	DCF method	Discounting rate - 13.88%	1%	1% increase/(decrease) in the discount rate would (decrease)/increase the fair value by (₹ 0.50 million)/ ₹ 0.50 million

**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



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

**37 A. Defined benefit plan**

The Company has gratuity and vacation pay as defined benefit retirement plans for its employees. The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As at 31 March 2021 and 31 March 2020 the plan assets were invested in insurer managed funds.

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

	31 March 2021 Gratuity	31 March 2020 Gratuity
<b>1 The amounts recognized in the Balance Sheet are as follows:</b>		
Present value of the obligation as at the end of the year	47.79	50.28
Fair value of plan assets as at the end of the year	(0.47)	(0.62)
Net liability recognized in the Balance Sheet	<b>47.32</b>	<b>49.66</b>
<b>2 Changes in the present value of defined benefit obligation</b>		
Defined benefit obligation as at beginning of the year	50.28	45.59
Current service cost	6.98	6.32
Past service cost	0.96	-
Interest cost	2.37	2.54
Actuarial losses/(gains) arising from		
- change in demographic assumptions	-	-
- change in financial assumptions	(0.10)	2.59
- experience variance (i.e. Actual experiences assumptions)	(4.95)	(1.08)
Benefits paid	(7.75)	(5.68)
Defined benefit obligation as at the end of the year	<b>47.79</b>	<b>50.28</b>
<b>3 Changes in the fair value of plan assets</b>		
Fair value as at the beginning of the year	0.62	3.61
Interest on plan assets	-	(0.21)
Actuarial gains/(losses)	0.04	0.42
Contributions	7.56	2.48
Benefits paid	(7.75)	(5.68)
Fair value as at the end of the year	<b>0.47</b>	<b>0.62</b>
Non-current	38.27	37.57
Current	9.05	12.09
<b>Assumptions used in the above valuations are as under:</b>		
Interest rate	5.45%	5.40%
Discount rate	5.45%	5.40%
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
<b>4 Net gratuity cost for the year ended 31 March 2021 and year ended 31 March 2020 comprises of following components.</b>		
	31 March 2021	31 March 2020
Current service cost	6.98	6.32
Past service cost	0.96	-
Net interest cost on the net defined benefit liability	2.37	2.75
Components of defined benefit costs recognized in Statement of Profit and Loss	<b>10.32</b>	<b>9.07</b>
<b>5 Other comprehensive income</b>		
	31 March 2021	31 March 2020
Change in financial assumptions	0.10	(2.59)
Experience variance (i.e. actual experience vs assumptions)	4.95	1.08
Return on plan assets, excluding amount recognized in net interest expense	0.04	0.42
Change in demographic assumptions	-	-
Components of defined benefit costs recognized in other comprehensive income	<b>5.09</b>	<b>(1.09)</b>
<b>6 Experience adjustments</b>		
	31 March 2021	31 March 2020
Defined benefit obligation as at the end of the year	47.79	50.28
Plan assets	0.47	0.62
Surplus/(deficit)	47.32	49.66
Experience adjustments on plan liabilities	(4.95)	(1.08)
Experience adjustments on plan assets	0.04	0.42
<b>Maturity profile of defined benefit obligation</b>		
	31 March 2021	31 March 2020
Within the next 12 months	9.53	12.71
Between 1 and 5 years	26.50	24.93
From 5 years and onwards	26.80	27.61



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

(All amounts in ₹ millions, unless otherwise mentioned)

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

The Company makes contribution of statutory provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Scheme as per the Employees' State Insurance Act, 1948. 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 2021	31 March 2020
Employers' contribution to provident fund (refer note below)	19.17	22.41
Employees' state insurance scheme	0.42	0.35
	<b>19.59</b>	<b>22.76</b>

**C. Vacation pay**
**Assumptions used in accounting for vacation pay:**

	31 March 2021	31 March 2020
Interest rate	5.45%	5.40%
Discount rate	5.45%	5.40%
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:

Gratuity	31 March 2021		31 March 2020	
	Decrease	Increase	Decrease	Increase
Discount rate (+ / - 1.0%)	4.32%	4.68%	4.51%	4.16%
Salary growth rate (- / + 1.0%)	3.31%	3.30%	3.17%	3.23%

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.

**38 Corporate social responsibility expenses**

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
a) Gross amount required to be spent by the company during the year	2.46	-
b) Amount spent during the year on purposes other than construction/ acquisition of any asset		
- Paid	2.50	-
- Yet to be paid	-	-





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

(All amounts in ₹ millions, unless otherwise mentioned)

**39 Financial risk management**

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

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, 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 liquidity.

**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 2021	31 March 2020
Low credit risk	Cash and cash equivalent, other bank balances, trade receivables, other financial assets and financial guarantees	Life time expected credit loss	15,628.42	15,405.87
High credit risk	Trade receivables, loans and other financial assets	Life time expected credit loss or fully provided for	9,313.06	9,103.36
			<b>24,941.48</b>	<b>24,509.22</b>

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

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

**Credit risk exposure**
**Provision for expected credit losses**

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

**31 March 2021**

Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	412.70	17.70	395.00
Loans (excluding security deposits)	7,247.77	-	7,247.77
Security deposit	719.53	-	719.53
Cash and cash equivalents	88.36	-	88.36
Other bank balance	10.30	-	10.30
Other financial assets	1,010.82	-	1,010.82
Financial guarantees	15,452.00	-	15,452.00

**31 March 2020**

Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	243.15	15.96	227.19
Loans (excluding security deposits)	7,386.39	510.13	6,876.26
Security deposit	580.84	-	580.84
Cash and cash equivalents	209.83	-	209.83
Other bank balance	6.29	-	6.29
Other financial assets	1,330.72	-	1,330.72
Financial guarantees	14,752.00	-	14,752.00

**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 reporting periods indicated, except as reported in note 48.

**Reconciliation of loss allowance provision - Loans and other financial assets**
**Reconciliation of loss allowance**
**Loss allowance on 1 April 2019**

Allowance for expected credit loss

Write-off

**Loss allowance on 31 March 2020**

Allowance for expected credit loss

Write-off

**Loss allowance on 31 March 2021**
**Loans**

510.13

510.13

(510.13)





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

(All amounts in ₹ millions, unless otherwise mentioned)

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

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

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

**Maturities of financial liabilities**

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

31 March 2021	Less than 1 year	1 year to 5 years	5 years and above	Total
<b>Non-derivatives</b>				
Borrowings (*)	2,244.15	634.51	-	2,878.66
Trade payables	282.95	97.19	-	380.14
Other financial liabilities	1,901.87	-	-	1,901.87
<b>Total</b>	<b>4,428.97</b>	<b>731.70</b>	<b>-</b>	<b>5,160.67</b>
31 March 2020	Less than 1 year	1 year to 5 years	5 years and above	Total
<b>Non-derivatives</b>				
Borrowings (*)	2,238.56	1,115.22	12.38	3,366.16
Trade payables	141.53	302.08	-	443.61
Other financial liabilities	1,968.16	-	-	1,968.16
<b>Total</b>	<b>4,348.25</b>	<b>1,417.30</b>	<b>12.38</b>	<b>5,777.93</b>

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

**C Market risk**
**a. Interest rate risk**
**1 Liabilities**

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

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

Particulars	31 March 2021	31 March 2020
Variable rate borrowing (*)	640.39	945.61
Fixed rate borrowing (*)	1,967.39	2,068.66
	<b>2,607.78</b>	<b>3,014.27</b>

(\*) 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 2021	31 March 2020
Interest rates – increase by 50 basis points (50 bps)	(4.05)	(4.04)
Interest rates – decrease by 50 basis points (50 bps)	4.05	4.04

**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 year.

Particulars	31 March 2021	31 March 2020
Price increase by 5% - FVTPL	-	17.24
Price decrease by 5% - FVTPL	-	(17.24)



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

**40 Capital Management**

The Company's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors its capital using gearing ratio, which is net debt divided by total equity. Net debt includes long term borrowings, short term borrowings, current maturities of long term borrowings less cash and cash equivalents and other bank balances.

Particulars	31 March 2021	31 March 2020
Long term borrowings	331.11	817.81
Current maturities of non-current borrowings	30.00	179.86
Current borrowings	2,245.66	2,010.73
Less: Cash and cash equivalents	(88.36)	(209.83)
Less : Bank balances other than cash and cash equivalents	(10.30)	(6.29)
Net debt	2,508.11	2,792.28
Total equity	12,917.64	12,755.21
Gearing ratio	0.19	0.22

(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 year ended 31 March 2021 and 31 March 2020.

**41 Operating lease**

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2021

**Particulars**

Gross block as on 01 April 2019

Impact on account of adoption of Ind AS 116

Depreciation for the year

**Gross block as on 31 March 2020**

Additions

Depreciation for the year

**Gross block as on 31 March 2021**

The following is the movement in lease liabilities during the year ended 31 March 2021

**Particulars**

As on 01 April 2019

Additions on account of adoption of Ind As 116

Finance cost for the year

Payment of lease liabilities

**As on 31 March 2020**

Finance cost for the year

Payment of lease liabilities

**As on 31 March 2021**

**Current**

**Non-current**

The incremental borrowing rate applied to lease liabilities as at 1 April 2020 is 13%

**Lease liabilities:**

The maturity analysis of lease liabilities are disclosed below:

Not later than one year

Later than one year and not later than five year

Later than five years

Less: Future finance expense

**Total**

**The following are the amounts recognised in profit & loss**

Depreciation expense of right-of-use assets

Interest expense on lease liabilities

Expense relating to short-term leases

Expense relating to leases of low-value assets

Variable lease payments

**Total amount recognised in profit or loss**

**ROU asset  
Buildings**

-

3.36

(1.56)

**1.80**

-

(1.53)

**0.27**

**Lease Liability**

-

3.36

0.35

(1.78)

**1.93**

0.16

(1.79)

**0.29**

**0.29**

-

0.30

-

-

(0.01)

**0.29**

1.53

0.16

5.59

-

-

**7.28**



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

**42 Contingent liabilities**

<b>Contingent liabilities</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Income tax matters (refer note I below)	-	-
Service tax matters (refer note II below)	12.51	12.51
RERA Customer litigations (refer note III below)	-	-

I The Income Tax Authorities have disputed certain allowances claimed by the Company and resultant carry forward of business losses pertaining to different assessment years. The Company is contesting the adjustments, which are pending before various appellate levels. Based on the advice from independent tax experts and the development on the appeals, the management is confident that loss disallowed will not be sustained on completion of the appellate proceedings and accordingly, pending the decision by the appellate authorities, no provision has been made in these standalone financial statements

II There are various disputes pending with the authorities of service tax. The Company is contesting these demands raised by authorities and are pending at various appellate authorities. Based on the grounds of the appeals and advice of the independent legal counsels, the management believes that there is a reasonably strong likelihood of succeeding before the various authorities. Pending the final decisions on the above matter, no adjustment has been made in these standalone financial statements.

III The Company is contesting various litigations with Real Estate Regulatory Authority (RERA) and RERA Appellate tribunal pertaining to compensation claim by customers for delayed handover of flats. Based on the grounds of the appeals and advice of the independent legal counsels, the management believes that there is a reasonably strong likelihood of succeeding before these authorities. Pending the final decisions on the above matter, no adjustment has been made in these standalone financial statements

**43 Commitments**

	<b>31 March 2021</b>	<b>31 March 2020</b>
i. <b>Financial guarantees</b>		
Guarantee given by the Company on behalf of subsidiaries, joint venture and DM customers	15,452.00	14,752.00
ii. The Company is committed to provide business and financial support as and when required to 7 subsidiaries and 1 joint venture, which are in losses and is dependent on the parent 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 effect its financial statements.		



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

**44 Subsidiary and affiliates information**

Name of the entity	Country of incorporation and principal place of business	Primary activity	Portion of ownership interests held by the Company as on	
			31 March 2021	31 March 2020
Subsidiary companies				
Global Entropolis (Vizag) Private Limited	India, Vishakapatnam	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	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%	100%
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%
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	100%	100%
Joint ventures				
Shrivision Homes Private Limited ( upto 28 January 2020)	India, Bengaluru	Real estate development and construction	N.A	N.A
Shrivision Towers Private Limited	India, Bengaluru	Real estate development and construction	50%	50%
Shriprop Living Space Private Limited	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	India, Bengaluru	Real estate development and construction	51%	51%
Shriprop Hitech City Private Limited (w.e.f 11 September 2019)	India, Bengaluru	Real estate development and construction	50%	50%
SPL Estates Private Limited (*)	India, Kolkata	Real estate development and construction	N.A	N.A

(\*) SPL Estates Private Limited was a step-down subsidiary of the Company until 31 March 2019. W.e.f 07 February 2019, SPL Estates Private Limited is a joint venture of a subsidiary company.



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

**45 Related party transactions**

**(i) Key management personnel**

Murali Malayappan	Chairman and Managing Director
Srinivasan Natarajan	Non-Executive Director
Rapahel Rene Dawson	Non-Executive Director
Gautham Radhakrishnan	Non-Executive Director
Vaidyanathan Ramamurthy	Independent Director
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  
Shriprop Developers Private Limited  
SPL Shelters Private Limited  
SPL Housing Projects Private Limited (w.e.f. 30 June 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 Living Space Private Limited  
Shriprop Properties Private Limited  
SPL Towers Private Limited  
Shriprop Hitech City Private Limited (w.e.f 11 September 2019)  
SPL Estates Private Limited <sup>(^)</sup>

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

Shriprop Aerospace Private Limited (till 18 August 2020)

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

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

<sup>(^)</sup> SPL Estates Private Limited is a joint venture of a subsidiary company.



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

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

**(vi) Transactions with related parties are as follows <sup>(\*)</sup>**

Nature of transaction	Subsidiaries		Joint ventures		Key management personnel		Other related parties	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Loans given	1,594.48	1,833.61	950.88	518.31	-	-	-	-
Loans repaid	1,537.29	2,054.95	562.78	285.16	-	-	-	-
Borrowings availed	774.39	126.29	635.64	674.31	-	-	-	-
Borrowings repaid	523.82	27.88	569.97	435.56	-	-	-	-
Provision/(reversal) of impairment on loans	254.95	-	-	-	-	-	-	-
Interest income on loans given	750.51	753.97	106.28	55.69	-	-	-	-
Development management fees and administrative income	9.87	41.34	84.48	290.60	17.00	10.00	0.76	-
Managerial remuneration <sup>(*)</sup> (#)	-	-	-	-	2.89	1.74	-	-
Directors' commission and sitting fees	-	-	-	-	0.20	0.08	-	-
Advances given	-	-	-	-	0.74	0.64	-	-
Advances recovered	-	-	-	-	-	-	-	-
Guarantee given	990.00	690.00	3,350.00	-	-	-	-	-
Guarantee released	2,500.00	550.00	1,250.00	-	-	-	-	-
Guarantee commission income	15.97	17.04	17.75	6.44	-	-	-	-
Interest expense on borrowings	34.71	1.80	88.66	58.43	-	-	-	-
Gain arising from financial instruments designated as FVTPL	61.44	-	-	-	-	-	-	-
Loss arising from financial instruments designated as FVTPL	55.00	55.00	-	69.48	-	-	-	-
Loss recognised under expected credit loss model	34.45	-	-	-	-	-	-	-
Income from sale of co-development right	-	-	30.55	6.71	-	-	-	-
Waiver of proportionate share of revenue receivable	-	-	47.58	-	-	-	-	-

<sup>(\*)</sup> Section 177 of the Companies Act, 2013 (the Act) requires prior approval of Audit committee for all related party transactions, except transactions with Wholly Owned Subsidiaries (WOS) other than a transaction referred to in section 188 of the Act. In the absence of such prior approval, the related party transactions shall be ratified by the Audit Committee within three months from the date of transaction. The related party transactions entered during the year ended 31 March 2021, were subsequently ratified by the Audit Committee in their meeting held on 08 September 2021. Accordingly, in the current year, there have been delays in approval of the related party transactions by the Audit Committee as detailed in the table above.

<sup>(\*)</sup> 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.

<sup>(#)</sup> Includes contribution to provident fund



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

**45 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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Loans given (Net of impairment allowance)	5,779.15	5,976.91	907.69	519.59	-	-	-	0.60
Borrowings	348.98	98.41	714.13	648.46	-	-	-	-
Advance received towards joint development arrangement	-	-	231.12	231.12	-	-	-	-
Revenue share receivable from joint development arrangement	-	-	28.00	-	-	-	-	-
Proportionate share of revenue receivable	-	-	159.78	228.70	-	-	-	-
Salary advance	-	-	-	-	-	0.54	-	-
Director's sitting fee and commission payable	-	-	-	-	2.54	1.20	-	-
Investment in debentures	251.31	239.32	-	-	-	-	-	-
Unbilled revenue	4.61	180.01	67.83	86.95	-	-	-	-
Unearned revenue	-	5.19	27.99	-	-	-	-	-
Security deposit taken	785.00	785.00	-	-	-	-	-	-
Guarantees outstanding	6,680.00	8,190.00	6,862.00	4,762.00	-	-	-	-

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# Shriram Properties Limited

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

### 46 Share based payment

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

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

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

595,164 options granted to employees at an exercise price of ₹ 10 per share (*Tranche 2*). These options are issued under a graded vesting schedule, meaning that they vest 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 respectively.

The stock compensation expense recognised for employee services received during for the year ended 31 March 2021 is ₹ 6.76 million (year ended 31 March 2020 is ₹ 8.14 million).

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

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
	Number	Weighted average exercise price (in ₹)	Number	Weighted average exercise price (in ₹)
Balance as at the beginning of the year	503,109	10.00	627,759	10.00
Granted	-	-	-	-
Options exercised	-	-	-	-
Expired/ forfeited	(8,508)	10.00	(124,650)	10.00
Balance as at the end of the year	494,601	10.00	503,109	10.00
			31 March 2021	31 March 2020
Stock compensation expense for the reporting year			6.76	8.14
Number of shares exercisable as at the end of the reporting year			339,046	187,492
Grant date fair value of shares exercisable as at the end of the reporting year			43.11	23.82

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

**47 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 2021	As at 31 March 2020
<b>Contract assets</b>		
Unbilled revenue	365.21	658.51
<b>Total contract assets</b>	<b>365.21</b>	<b>658.51</b>
<b>Contract liabilities</b>		
Advance from customers	907.76	1,157.80
Payable to land owner	854.60	937.70
<b>Total contract liabilities</b>	<b>1,762.36</b>	<b>2,095.50</b>
<b>Receivables</b>		
Trade receivables	395.00	227.19
<b>Total receivables</b>	<b>395.00</b>	<b>227.19</b>

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

Contract liabilities include amount received from customers as per the installments stipulated in the buyer agreement to deliver properties once the properties are completed and control is transferred to customers.

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Advances from customers	Payable to land owner	Advances from customers	Payable to land owner
Opening balance	1,157.80	937.70	2,844.08	1,005.03
Adjustments during the year	408.77	(43.86)	163.48	63.77
Revenue recognised during the year	(658.81)	(39.24)	(1,849.76)	(131.10)
<b>Closing balance</b>	<b>907.76</b>	<b>854.60</b>	<b>1,157.80</b>	<b>937.70</b>

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

Particulars	As at 31 March 2021	As at 31 March 2020
	Unbilled revenue	Unbilled revenue
Opening balance	658.51	213.78
Revenue recognised from sale of constructed properties	4.98	4.56
Development management fees recognised	425.58	609.65
Commission income	-	27.26
Billed during the year	(723.86)	(196.74)
<b>Closing balance</b>	<b>365.21</b>	<b>658.51</b>

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Contract revenue	1,128.61	2,622.33
<b>Revenue recognised</b>	<b>1,128.61</b>	<b>2,622.33</b>

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

The transaction price of the remaining performance obligation (unsatisfied or partly satisfied) as at 31 March 2021 is ₹ 1,286.22 million (31 March 2020 is ₹ 1,567.50 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**  
**(All amounts in ₹ millions, unless otherwise mentioned)**

**48 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'.

**Major Customers**

Revenues from one customer of the Company's business represents approximately ₹172.34 million (approximately 15%) of the Company's total revenues. No single customer accounted for 10% or more of Company's total revenue for the year ended 31 March 2020.

- 49** The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. During the year ended 31 March 2021, the Company had to suspend the operations in its ongoing projects in compliance with the lockdown instructions issued by the Central Government and the respective State Governments. This impacted the normal business operations of the Company by way of interruption in projects execution, supply chain disruption and unavailability of personnel during the lock-down period.

Consequent to these uncertainties/ disruptions caused due to continuation of pandemic, the Company has made assessment of impact of this pandemic on its business operations and has made assessment of its liquidity position for the next one year. The Company has assessed the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory, advances, trade receivables, deferred taxes, other financial and non-financial assets, etc as at balance sheet date using various internal and external information up to the date of approval of these standalone financial statements. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. Changing situation of pandemic is giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely observe the evolving scenario and take into account any future developments arising out of the same.

During the year ended 31 March 2021, the Management has also made a detailed assessment of the progress of construction work on its ongoing projects during the period of lockdown and has concluded that the same was only a temporary slowdown in activities and has accordingly capitalised the borrowing costs incurred in accordance with Ind AS 23."

**50 Reclassifications**

Certain previous year numbers have been regrouped/reclassified to conform to the current year's classification

Particulars	31 March 2020 (reported)	Reclassifications	31 March 2020 (reclassified)
<b>Standalone Balance Sheet</b>			
<b>Assets</b>			
Trade receivables	225.83	1.36	227.19
Loans (current)	4,739.92	(23.60)	4,716.32
Other financial assets (current)	462.76	867.96	1,330.72
Other current assets	922.73	(606.08)	316.65
	<b>6,351.24</b>	<b>239.64</b>	<b>6,590.88</b>
<b>Liabilities</b>			
Trade payable - Total outstanding dues of micro and small enterprises	37.12	6.72	43.84
Trade payable - Total outstanding dues other than to micro and small enterprises	406.49	(6.72)	399.77
Other financial liabilities (current)	2,025.70	122.32	2,148.02
Other current liabilities	1,645.44	117.32	1,762.76
	<b>3,671.14</b>	<b>239.64</b>	<b>3,910.78</b>

**51 Events occurring after the reporting date**

No adjusting or significant non-adjusting events have occurred between 31 March 2021 and the date of authorization of these financial statements.

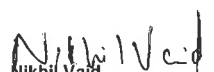
As per report of even date

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

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

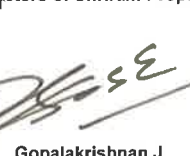
  
**Nikhil Vaid**  
 Partner  
 Membership No. : 213356

Hyderabad  
 08 September 2021



  
**Murali M**  
 Chairman and Managing Director  
 DIN : 0030096

Bengaluru  
 08 September 2021

  
**Gopalakrishnan J**  
 Chief Financial Officer

Bengaluru  
 08 September 2021

  
**Srinivasan D**  
 Company Secretary  
 FCS : F5550

Bengaluru  
 08 September 2021

