

Walker Chandio & Co LLP

Walker Chandio & Co LLP

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Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Shriram Properties Limited

Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of Shriram Properties Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and joint ventures (refer Annexure 1 for the list of subsidiaries and joint ventures included in the Statement) for the year ended 31 March 2022, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiaries and joint ventures, as referred to in paragraph 12 below, the Statement:
 - (i) includes the annual financial results of the entities listed in Annexure 1;
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and
 - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group and joint ventures, for the year ended 31 March 2022.

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 Statement* section of our report. We are independent of the Group and joint ventures, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Chartered Accountants

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

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Responsibilities of Management and Those Charged with Governance for the Statement

4. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss and other comprehensive income, and other financial information of the Group including its joint ventures in accordance with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors/ management of the companies included in the Group and its joint ventures, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and joint ventures, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
5. In preparing the Statement, the respective Board of Directors of the companies included in the Group and joint ventures, are responsible for assessing the ability of the Group and joint ventures, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors/ management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors of the companies included in the Group and joint ventures, are responsible for overseeing the financial reporting process of the companies included in the Group and of its joint ventures.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 specified under section 143(10) of the Act 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 this Statement.
8. As part of an audit in accordance with the Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, 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 Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability of the Group and its joint ventures, 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 Statement 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 Group and joint ventures to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group and joint ventures, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
9. We communicate with those charged with governance of the Holding Company and such other entities included in the Statement, of which we are the independent auditors, 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.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
11. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matters

12. We did not audit the annual financial statements of 8 subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 4,641.20 million as at 31 March 2022, total revenues of ₹ 156.16 million, total net profit after tax of ₹ 125.58 million, total comprehensive income of ₹ 125.58 million and cash inflows (net) of ₹ 42.80 million for the year ended 31 March 2022, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of ₹ 309.56 million and total comprehensive loss of ₹ 309.56 million for the year ended 31 March 2022, in respect of 3 joint ventures, whose annual financial statements have not been audited by us. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 11 above.

Our opinion is not modified in respect of these matters with respect to our reliance on the work done by and the reports of the other auditors.

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13. The Statement includes the consolidated financial results for the quarter ended 31 March 2022 being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.
14. The Statement includes consolidated figures for the corresponding quarter ended 31 March 2021 which are the balancing figures between the audited figures in respect of the full financial year ended 31 March 2021 and the audited year-to-date figures up to the third quarter of the year ended 31 March 2021, which have been subjected to audit.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

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Nikhil Vaid

Partner

Membership No. 213356

UDIN: 22213356AJUWPK5672

Hyderabad

28 May 2022

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Annexure 1

List of entities consolidated as at 31 March 2022

(A) Subsidiaries:

1. Bengal Shriram Hitech City Private Limited
2. SPL Estates Private Limited (w.e.f 08 February 2022, until which joint venture)
3. Shriprop Developers Private Limited
4. Global Entropolis (Vizag) Private Limited
5. Shriprop Structures Private Limited
6. SPL Constructors Private Limited
7. Shriprop Constructors Private Limited
8. Shriprop Homes Private Limited
9. Shriprop Projects Private Limited
10. Shriprop Properties Private Limited
11. SPL Shelters Private Limited
12. Shriprop Builders Private Limited
13. SPL Realtors Private Limited
14. Shrivision Homes Private Limited
15. SPL Housing Projects Private Limited

(B) Joint ventures:

1. Shrivision Towers Private Limited
2. Shriprop Properties Private Limited
3. SPL Towers Private Limited
4. Shriprop Living Space Private Limited
5. Shriprop Hitech City Private Limited

Shriram Properties Limited

Corporate Identity Number (CIN) : L72200TN2000PLC044560

Registered Office: Lakshmi Leela Rite Choice Chamber New No. 9, Bazullah Road, T Nagar, Chennai - 600017
Corporate Office: Shriram House No. 31, 2nd Main Road, T. Chowdaiah Road, Sadashivanagar, Bengaluru - 560080
Telephone +91-80-40229999 | Fax +91-80-41236222
Email ID: cs.spl@shriramproperties.com Website: www.shriramproperties.com

A) Statement of Consolidated Financial Results for the quarter and year ended 31 March 2022

(₹ in Millions)

Particulars	Quarter ended			Year ended	
	31 March 2022 [Audited] (note 7)	31 December 2021 [Unaudited]	31 March 2021 [Audited] (note 7)	31 March 2022 [Audited]	31 March 2021 [Audited]
Revenue					
Revenue from operations	2,050.79	1,096.27	1,378.98	4,328.81	4,314.99
Other income	314.41	204.99	194.32	849.20	698.09
Total income	2,365.20	1,301.26	1,573.30	5,178.01	5,013.08
Expenses					
Land cost	-	-	266.19	5.50	272.65
Material and construction cost	758.72	579.23	451.50	2,302.14	1,375.55
Changes in inventories	0.89	(119.10)	66.77	(484.77)	738.59
Employee benefits expense	210.35	174.92	151.12	730.38	634.48
Finance cost	258.69	301.21	342.46	1,199.07	1,253.08
Depreciation and amortization expense	18.35	13.94	12.59	66.47	66.17
Impairment losses	150.39	-	140.64	150.39	226.10
Other expenses	292.79	134.39	163.13	659.71	566.91
Total expenses	1,690.18	1,084.59	1,594.40	4,628.89	5,133.53
Profit/ (loss) before share of profit / (loss) of joint ventures	675.02	216.67	(21.10)	549.12	(120.45)
Share of profit / (loss) of joint ventures (net)	4.62	(46.05)	(96.06)	(225.91)	(331.97)
Profit/ (loss) before tax	679.64	170.62	(117.16)	323.21	(452.42)
Tax expense					
Current tax expense / (reversal)	34.43	19.80	(85.71)	56.88	19.60
Deferred tax charge	0.35	18.65	0.12	89.46	210.18
Total tax expense	34.78	38.45	(85.59)	146.34	229.78
Profit/ (loss) for the period/ year	644.86	132.17	(31.57)	176.87	(682.20)
Other comprehensive income/ (loss)					
(a) Items that will not be reclassified to profit or loss					
Re-measurement of (losses)/income on defined benefit plans	3.99	(1.96)	3.16	(1.83)	6.99
Other comprehensive (loss)/Income for the period/ year	3.99	(1.96)	3.16	(1.83)	6.99
Total comprehensive income/(loss) for the period/ year	648.85	130.21	(28.41)	175.04	(675.21)
Net profit/ (loss) attributable to:					
Owners of the Holding Company	644.84	132.20	(32.79)	94.37	(683.33)
Non-controlling interest	0.02	(0.03)	1.22	82.50	1.13
	644.86	132.17	(31.57)	176.87	(682.20)
Other comprehensive income/ (loss) attributable to:					
Owners of the Holding Company	3.99	(1.96)	3.16	(1.83)	6.99
Non-controlling interest	-	-	-	-	-
	3.99	(1.96)	3.16	(1.83)	6.99
Total comprehensive income/ (loss) attributable to:					
Owners of the Holding Company	648.83	130.24	(29.63)	92.54	(676.34)
Non-controlling interest	0.02	(0.03)	1.22	82.50	1.13
	648.85	130.21	(28.41)	175.04	(675.21)
Earnings/ (Loss) per share					
Basic (₹)	3.80	0.87	(0.22)	0.61	(4.60)
Diluted (₹)	3.79	0.87	(0.22)	0.60	(4.60)
Paid up share capital (par value ₹10/- each, fully paid)				1,696.24	1,481.10
Other Equity				9,633.25	6,895.69

See accompanying notes to results

B] Consolidated Balance Sheet as at 31 March 2022

	(₹ in Millions)	
	As at 31 March 2022 [Audited]	As at 31 March 2021 [Audited]
I. ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	686.38	615.01
(b) Investment Property	0.57	0.57
(c) Goodwill	105.88	105.88
(d) Other Intangible assets	30.15	36.56
(e) Investments accounted for using the equity method	379.72	346.23
(f) Financial assets		
(i) Loans	532.30	860.00
(ii) Other financial assets	225.55	700.49
(g) Deferred tax assets (net)	353.86	370.56
(h) Non-current tax assets (net)	125.15	104.19
(i) Other non-current assets	1,364.40	1,345.51
Total non-current assets	3,803.96	4,485.00
Current assets		
(a) Inventories	22,630.16	20,260.90
(b) Financial assets		
(i) Investments	14.54	13.88
(ii) Trade receivables	1,075.69	1,324.27
(iii) Cash and cash equivalents	1,329.40	792.47
(iv) Bank balances other than (iii) above	22.58	21.90
(v) Loans	883.20	576.59
(vi) Other financial assets	4,511.74	3,226.24
(c) Other current assets	3,142.53	2,170.90
Total current assets	33,609.84	28,387.15
Total assets	37,413.80	32,872.15
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	1,696.24	1,481.10
(b) Other equity	9,633.25	6,895.69
Equity attributable to owners of Holding Company	11,329.49	8,376.79
Non-controlling interest	(20.00)	(102.50)
Total Equity	11,309.49	8,274.29
Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	565.44	494.27
(ii) Lease liability	14.11	12.64
(iii) Other financial liabilities	1.02	308.04
(b) Provisions	50.67	44.66
(c) Deferred tax liabilities (net)	52.67	33.48
Total non-current liabilities	683.91	893.09
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	4,865.11	6,777.42
(ii) Lease liability	9.75	4.16
(iii) Trade Payables		
A) Total outstanding due of micro enterprises and small enterprises	111.18	73.72
B) Total outstanding due of creditors other than (iii)(A) above	1,349.92	1,374.87
(iv) Other financial liabilities	4,092.19	3,474.91
(b) Other current liabilities	14,621.89	11,691.48
(c) Provisions	40.16	32.59
(d) Current tax liabilities (net)	330.20	275.62
Total current liabilities	25,420.40	23,704.77
Total equity and liabilities	37,413.80	32,872.15

CJ Consolidated Statement of Cash Flow for the year ended 31 March 2022

(₹ in Millions)

	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flow from operating activities		
Profit/(loss) before tax	323.21	(452.42)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation	66.47	66.17
Finance expense, net	1,199.07	1,253.08
Impairment losses	150.39	226.10
Employee stock options expense	(0.91)	6.76
Gain on Modification of Financial Instrument(net)	-	(5.60)
Loss arising out of modification of financial instrument	1.22	-
Loss recognised under expected credit loss model	4.64	-
Provision for doubtful debts	-	2.14
Profit on sale of property, plant and equipment (net)	(4.63)	(0.29)
Interest income	(460.96)	(367.74)
Unwinding of discount of trade and other receivables	(192.66)	(261.24)
Fair value gain on financial instruments at FVTPL	(0.72)	-
Profit on sale of mutual funds	(4.63)	(26.01)
Income from guarantee commission	(11.02)	(19.29)
Liabilities no longer required written back	(151.82)	(3.14)
Share of loss of joint ventures, net	225.91	331.97
Operating profit before working capital changes	1,143.56	750.49
Working capital adjustments:		
Decrease/ (increase) in loans and advances	9.79	(45.68)
(Increase)/decrease in other assets	(1,290.31)	386.87
(Increase)/ decrease in inventories	(767.54)	660.41
Decrease in trade receivables	333.31	329.81
Decrease/ (increase) in trade payables	(41.19)	58.95
Increase/ (decrease) in other liabilities and provisions	2,010.02	(653.47)
Cash generated from operations	1,397.64	1,487.38
Income tax (paid)	(28.18)	(11.52)
Net cash generated from operating activities (A)	1,369.46	1,475.86
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets and costs incurred towards such assets under construction / development	(6.08)	(13.81)
Proceeds from sale of property, plant and equipment	7.89	5.36
Movement in bank deposits, not considered as cash and cash equivalents	(3.95)	(5.35)
Purchase of mutual funds	(791.95)	(13.88)
Sale of mutual funds	796.64	427.94
Loans repaid by/ (given to) joint ventures and other related parties, net of repayment	77.00	(333.00)
Interest income received	11.62	6.70
Net cash generated from investing activities (B)	91.17	73.96
C. Cash flow from financing activities		
Proceeds from borrowings	928.90	1,540.66
Repayment of borrowings	(2,802.71)	(1,722.44)
Proceeds from issue of debentures	525.00	525.00
Redemption of debentures	(874.00)	(762.75)
Proceeds from issue of equity shares (net of issue expenses)	2,331.30	-
Loans taken from joint ventures and other related parties, net of repayment	(154.21)	(22.96)
Interest and other finance charges paid	(947.21)	(736.10)
Lease payments	(8.07)	(6.66)
Net cash used in financing activities (C)	(1,001.00)	(1,185.25)
Net increase in cash and cash equivalents (A + B + C)	459.63	364.57
Cash and cash equivalents at the beginning of the year	792.47	427.90
Cash acquired on business combination	77.30	-
Cash and cash equivalents at the end of the year	1,329.40	792.47
Components of cash and cash equivalents		
Cash and bank balances	1,329.40	792.47
	1,329.40	792.47

Notes to Consolidated Financial Results :

- 1) The above consolidated financial results of Shriram Properties Limited ("the Company"), its subsidiaries (together referred as "the Group") and its joint ventures for the quarter and year ended 31 March 2022 have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') as prescribed under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- 2) These consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 28 May 2022.
- 3) During the quarter ended 31 December 2021, the Company has completed its Initial Public Offer (IPO) of 50,873,592 equity shares of face value of ₹ 10 each at an issue price of ₹ 118 per share (including a share premium of ₹ 108 per share). A discount of ₹ 11 per share was offered to eligible employees bidding in the employee's reservation portion. The issue comprised of a fresh issue of 21,212,576 equity shares aggregating to ₹ 2,500.42 million and offer for sale of 29,661,016 equity shares by selling shareholders aggregating to ₹ 3,500 million. Pursuant to the IPO, the equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 20 December 2021.

The total offer expenses are estimated to be ₹ 470 million (inclusive of taxes) which are proportionately allocated between the Company and the selling shareholders as per respective offer size.

Details of utilization of IPO proceeds is as under:

(₹ in Millions)

Particulars	Objects of the issue as per prospectus	Objects of the issue revised	Utilized till 31 March 2022	Unutilized amount as at 31 March 2022
Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company and our Subsidiaries	2,000.00	2,000.00	1,799.43	200.57
General corporate purposes	304.17	304.58	304.58	-
Total	2,304.17	2,304.58	2,104.01	200.57

Net proceeds which were unutilized as at 31 March 2022 were temporarily kept in Fixed Deposit with scheduled commercial bank.

- 4) During the current quarter, the Group has entered into multiple contracts with an existing customer for (i) assignment of development rights, (ii) additional consideration in existing Development management agreement and (iii) take over of doubtful land advances. In this connection, the Group has recognised ₹ 865.35 million as total income for the quarter ended 31 March 2022.
- 5) During the quarter ended 31 March 2022, one of the joint ventures of the Group has given exit to an investor of that entity, consequent to which it has now become wholly owned step down subsidiary of the Holding Company. The existing stake held by the Group of the Joint Venture in equity has been remeasured and fair valuation gain of ₹ 422.20 million has been directly recorded in the equity.
- 6) The Group is primarily engaged in the business of real estate development, which is considered to be the only reportable segment by the management. Further, the operations of the Group is domiciled in India and therefore there are no reportable geographical segment.
- 7) The Consolidated financial results for the quarter ended 31 March 2022 and 31 March 2021 are the balancing figures between audited results in respect of full financial year and the published year to date reviewed figures for the third quarter ended 31 December 2021 and year to date audited figures for the third quarter ended 31 December 2020 respectively.

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

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Murali M
Chairman & Managing Director
DIN: 00030096

Bengaluru
28 May 2022