Walker Chandiok & Co LLP

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Independent Auditor's Report

To the Members of Bengal Shriram Hitech City Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Bengal Shriram Hitech City Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

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

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

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

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

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

5. The accompanying 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 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 Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, the 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

9. As part of an audit in accordance with 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 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 Board of Directors' 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; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2020 ('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, to the extent applicable.

13. 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 financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    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 2023 from being appointed as a director in terms of section 164(2) of the Act;

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an 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 38 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;

        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 2023;

        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 2023;

iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 40 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 40 to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2023; and

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Nikhil Vaid
Nikhil Vaid
Partner
Membership No.: 213356
UDIN: 23213356BGXLZI2044

Walker Chandiok & Co LLP * Hyderabad *

Hyderabad
29 May 2023

Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Bengal Shriram Hitech City Private Limited on the financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment, Right of Use assets and intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The inventories held by the Company comprise work in progress of projects under development. Having regard to the nature of inventory, the management has conducted physical verification of inventory by way of verification of title deeds, site visits conducted and continuous project progress monitoring by competent persons, at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) The Company has provided loans, guarantee, security to Subsidiaries/Others during the year as per details given below:

(in ₹ millions)

Particulars	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount provided/ granted during the year:				
- Subsidiaries	-	279.20	115.24	-
- Others (*)	650.00	1,409.81	-	-
Balance outstanding as at balance sheet date in respect of above cases:				
- Subsidiaries	750.00	279.20	143.45	-
- Others (*)	1,240.00	1,963.35	-	-

(*) includes Holding company, Fellow subsidiaries and Joint ventures of Holding company

(b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us, loans granted by the Company amounting to ₹ 143.45 million are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. Further, such loans and interest thereon have not been demanded for repayment as on date.

(d) There is no amount which is overdue for more than 90 days in respect of loans amounting to ₹ 143.45 million granted to such companies, firms, LLPs or other parties.

(e) The Company has not granted any loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans that existed as at the beginning of the year.

(f) The Company has granted loans which are repayable on demand or without specifying any terms or period of repayment, as per details below:

(in ₹ million)

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans - Repayable on demand (A) - Agreement does not specify any terms or period of repayment (B)	- 115.24	- -	- 115.24
Total (A+B)	115.24	-	115.24
Percentage of loans to the total loans	100%	-	100%

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 of the Act in respect of loans, guarantees and security provided by it, as applicable.
As the Company is engaged in providing infrastructural facilities as specified in Schedule VI of the Act, provisions of section 186 except sub-section (1) of the Act are not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sub-section (1) of section 186 in respect of investments, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in 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) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

(₹ in millions)

Name of the statute	Nature of dues	Amount	Amount paid under Protest	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Tax/ Interest demanded	42.04	Nil	2011-12	Commissioner of Income Tax (Appeals)	
		54.79	Nil	2012-13		
		44.93	Nil	2013-14		

Chartered Accountants

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender. Further, loans amounting to ₹ 2,128.01 million are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. Further, such loans and interest thereon have not been demanded for repayment as on date.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has incurred cash losses amounting to ₹ 362.72 million in the current financial year but had not incurred cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and based on our examination of the evidence supporting the assumptions, our knowledge of the plans of the Board of Directors and management, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company has met the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Nikhil Vaid
Nikhil Vaid
Partner
Membership No.: 213356
UDIN: 23213356BGXLZI2044

Hyderabad
29 May 2023

Annexure II to the Independent Auditor's Report of even date to the members of Bengal Shriram Hitech City Private Limited on the financial statements for the year ended 31 March 2023

Independent Auditor's Report on the internal financial controls with reference to the 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 financial statements of Bengal Shriram Hitech City Private Limited ('the Company') as at and for the year ended 31 March 2023, 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 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 Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to 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: 23213356BGXLZI2044

Walker Chandiok & Co LLP * Hyderabad *

Hyderabad
29 May 2023

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Bengal Shriram Hitech City Private Limited
Regd office: No 31, 2nd Main Road, T. Chowdaiah Road, Sadashivnagar, Bengaluru-560080
CIN: U45203KA2006PTC040975
Email ID: companysecretary@shriramproperties.com

Balance Sheet as at 31 March 2023
(All amounts in ₹ millions unless otherwise stated)

	Note	As at 31 March 2023	As at 31 March 2022
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	47.98	65.35
(b) Other intangible assets	3	-	0.08
(c) Financial assets			
(i) Investments	4	20.53	20.53
(ii) Other financial assets	5A	2.80	2.66
(d) Non-current tax assets	6	5.91	5.76
(f) Other non-current assets	7A	78.08	78.08
Total non-current assets		**155.30**	**172.46**
Current assets			
(a) Inventories	8	9,564.62	9,957.77
(b) Financial assets			
(i) Trade receivables	9	70.10	154.64
(ii) Cash and cash equivalents	10	61.84	146.56
(iii) Loans	11	143.45	205.80
(iv) Other financial assets	5B	185.43	138.73
(c) Other current assets	7B	428.71	333.68
Total current assets		**10,454.15**	**10,937.18**
TOTAL ASSETS		**10,609.45**	**11,109.64**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	493.65	493.65
(b) Other equity	13	1,166.54	1,546.95
Total equity		**1,660.19**	**2,040.60**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14A	-	-
(ii) Lease liabilities	15A	5.87	9.22
(b) Provisions	16A	5.01	3.82
Total non-current liabilities		**10.88**	**13.04**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14B	2,128.01	2,069.45
(ii) Lease liabilities	15B	3.35	2.58
(iii) Trade payables	17		
-Total outstanding dues of micro enterprises and small enterprises		48.65	20.09
-Total outstanding dues of creditors other than micro enterprises and small enterprises		223.41	230.43
(iv) Other financial liabilities	18	3,142.77	2,928.53
(b) Other current liabilities	19	3,389.75	3,802.80
(c) Provisions	16B	2.43	2.12
Total current liabilities		**8,938.37**	**9,056.00**
TOTAL EQUITY AND LIABILITIES		**10,609.45**	**11,109.64**
Significant accounting policies	1.2		

The accompanying notes are an integral part of separate financial statements

As per report of even date attached

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

For and behalf of the board of directors of Bengal Shriram Hitech City Private Limited

Nikhil Vaid	**Murali Malayappan**	**Krishna Veeraraghavan**	**Suresh Kumar Sarawagi**	**Ramaswamy Krishnaswamy**
Partner	Director	Director	Chief Financial Officer	Company Secretary
Membership No.: 213356	DIN: 00030096	DIN: 06620405		ACS No. :28580
Hyderabad	Bengaluru	Bengaluru	Kolkata	Bengaluru
29 May 2023	29 May 2023	29 May 2023	29 May 2023	29 May 2023

Walker Chandiok & Co LLP * Hyderabad *

Bengal Shriram Hitech City Private Limited
Statement of Profit and Loss for the year ended 31 March 2023
(All amounts in ₹ millions unless otherwise stated)

	Note	Year ended 31 March 2023	Year ended 31 March 2022
Revenue			
Revenue from operations	20	1,189.66	323.19
Other income	21	35.27	12.99
Total income		**1,224.93**	**336.18**
Expenses			
Material and construction costs		555.79	355.69
Changes in inventories	22	393.15	(725.64)
Employee benefits expenses	23	93.51	88.84
Finance costs	24	452.90	458.86
Depreciation and amortisation expenses	2&3	19.87	20.35
Other expenses	25	89.66	55.84
Total expenses		**1,604.88**	**253.94**
(Loss) / profit before tax		**(379.95)**	**82.24**
Tax expense	26	-	-
(Loss) / profit after tax		**(379.95)**	**82.24**
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
(i) Remeasurement of gain on defined benefit plans		(0.46)	0.30
Total other comprehensive (loss) / income for the year		**(0.46)**	**0.30**
Total comprehensive (loss) / income for the year		**(380.41)**	**82.54**
Earnings / (Loss) per equity share	27		
Basic (₹)		(10.59)	2.29
Diluted (₹)		(10.59)	2.29
Significant accounting policies	1.2		

The accompanying notes are an integral part of separate financial statements

As per report of even date attached

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

Nikhil Vaid

Nikhil Vaid
Partner
Membership No.: 213356

Hyderabad
29 May 2023

Walker Chandiok & Co LLP * Hyderabad *

For and behalf of the board of directors of Bengal Shriram Hitech City Private Limited

Murali Malayappan
Director
DIN: 00030096

Bengaluru
29 May 2023

Krishna Veeraraghavan
Director
DIN: 06620405

Bengaluru
29 May 2023

Suresh Kumar Sarawagi
Chief Financial Officer

Kolkata
29 May 2023

Ramaswamy Krishnaswamy
Company Secretary
ACS No. :28580

Bengaluru
29 May 2023

Bengal Shriram Hitech City Private Limited
Statement of Cash Flows for the year ended 31st March 2023
(All amounts in ₹ millions, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flows from operating activities:		
(Loss) / profit before tax	**(379.95)**	**82.24**
Adjustments for		
Depreciation and amortisation expenses	19.87	20.35
Income from guarantee commission	(2.64)	(7.87)
Finance expense	452.90	458.86
Operating profit before working capital changes	**90.18**	**553.58**
Working capital changes :		
Decrease / (increase) in inventories	393.15	(930.68)
Decrease in trade receivables	84.54	0.77
(Increase) in loans and other assets	(141.87)	(116.04)
Increase in trade payables	21.54	5.66
(Decrease) / increase in other current liabilities and provisions	(448.04)	664.72
Cash flows (used in) / generated from operating activities	**(0.50)**	**178.01**
Income tax paid (net)	(0.15)	(0.16)
Net cash flows (used in) / generated from operating activities	**(0.65)**	**177.85**
B. Cash flows from investing activities:		
Purchase of property, plant and equipment	(2.46)	(0.12)
Proceeds from sale of property, plant and equipment	0.03	-
Loans given to / (received from) related parties (net)	88.30	(23.19)
Interest received on bank deposits	0.07	-
Net cash flows generated from / (used in) investing activities	**85.94**	**(23.31)**
C. Cash flows from financing activities:		
Repayments of long-term loans taken from banks	(0.11)	(0.32)
Proceeds from short-term loans availed from others	-	120.00
Repayments of short-term loan availed from others	-	(530.50)
Outflow towards principal component of lease liability	(2.58)	(2.27)
Loans (repaid to) / availed from related parties (net)	(165.94)	404.10
Finance cost paid	(1.38)	(43.65)
Net cash flows used in financing activities	**(170.01)**	**(52.64)**
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(84.72)	101.90
Cash and cash equivalents at beginning of the year	146.56	44.66
Cash and cash equivalents at the end of the year (refer note 10)	**61.84**	**146.56**

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

Liabilities	01 April 2021	Cash flow	Non cash changes		31 Mar 2022
			Adjustment of transaction cost	Movement in Accrued interest	
Term loans from banks (*)	0.43	(0.32)	-	-	0.11
Term loans from others	409.67	(410.50)	0.83	-	-
Loan from related party	1,459.77	404.10	-	205.47	2,069.34
Lease liability	14.07	(2.27)	-	-	11.80

Liabilities	01 April 2022	Cash flow	Non cash changes		31 March 2023
			Amortisation of processing fee	Movement in Accrued interest	
Term loans from banks (*)	0.11	(0.11)	-	-	-
Loan from related party	2,069.34	(165.94)	-	224.61	2,128.01
Lease liability	11.80	(2.58)	-	-	9.22

(*) Includes current maturities of long term borrowings classified under "current borrowings"

As per report of even date attached

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

Nikhil Vaid

Nikhil Vaid

Partner
Membership No.: 213356

Hyderabad
29 May 2023

Walker Chandiok & Co LLP
Hyderabad

For and behalf of the board of directors of Bengal Shriram Hitech City Private Limited

Murali Malayappan	**Krishna Veeraraghavan**	**Suresh Kumar Sarawagi**	**Ramaswamy Krishnaswamy**
Director	Director	Chief Financial Officer	Company Secretary
DIN: 00030096	DIN: 06620405		ACS No. :28580
Bengaluru	Bengaluru	Kolkata	Bengaluru
29 May 2023	29 May 2023	29 May 2023	29 May 2023

Bengal Shriram Hitech City Private Limited
Statement of Changes in Equity for the year ended 31 March 2023
(All amounts in ₹ millions unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at 1 April 2021	493.65
Changes in equity share capital during the year	-
Balance as at 31 March 2022	493.65
Changes in equity share capital during the year	-
Balance as at 31 March 2023	493.65

B. Other equity

Particulars	Reserves and surplus		Total
	Securities premium	Retained earnings	
Balance as at 1 April 2021	2,780.11	(1,315.70)	1,464.41
Profit for the year	-	82.24	82.24
Other comprehensive income	-	0.30	0.30
Balance as at 31 March 2022	2,780.11	(1,233.16)	1,546.95
Loss for the year	-	(379.95)	(379.95)
Other comprehensive income	-	(0.46)	(0.46)
Balance as at 31 March 2023	2,780.11	(1,613.57)	1,166.54

As per report of even date attached

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

Nikhil Vaid

Nikhil Vaid
Partner
Membership No.: 213356
Hyderabad
29 May 2023

Walker Chandiok & Co LLP * Hyderabad *

For and behalf of the board of directors of Bengal Shriram Hitech City Private Limited

Murali Malayappan
Director
DIN: 00030096
Bengaluru
29 May 2023

Krishna Veeraraghavan
Director
DIN: 06620405
Bengaluru
29 May 2023

Suresh Kumar Sarawagi
Chief Financial Officer
Kolkata
29 May 2023

Ramaswamy Krishnaswamy
Company Secretary
ACS No. :28580
Bengaluru
29 May 2023

1 Company overview and significant accounting policies

1.1 Company overview

Bengal Shriram Hitech City Private Limited (' the Company '), was incorporated on 17 November 2006. The Company is engaged in the business of real estate construction, development and other related activities. The registered office of the Company is located at Bengaluru, Karnataka, India. . The company is a subsidiary of Shriram Properties Limited.

1.2 Significant accounting policies

a. Statement of compliance

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

The Company as at the year end is a subsidiary of Shriram Properties Limited, a company incorporated in India, whose registered address is situated at Lakshmi Leela Rite Choice Chamber, New No. 9, Bazullah Road, T Nagar, Chennai - 600017. The consolidated financial statements of Shriram Properties Limited have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. Hence in accordance with the exemption given under sub-section 3 of Section 129 of The Companies Act 2013 and under Rule 6 of The Companies (Accounts) Rules 2014, the Company is not required to produce, and has not published, consolidated financial statements.

The financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on 29 May 2023.

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, 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'. etc

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

d. Functional and presentation currency

The financial statements are presented in Indian Rupee (' ₹ ') which is also the functional and presentation currency of the Company.

e. Standards/ amendments issued but not yet effective

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023. The Company has evaluated the amendment and the impact of the amendment is expected to be immaterial upon the financial statements.

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

The financial statements are presented in Indian Rupee (' ₹ ') which is also the functional currency of the Company. All amounts have been rounded-off to the nearest million, 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.

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1.2 Significant accounting policies (continued)

h. Revenue recognition

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

Revenue is recognised on satisfaction of performance obligation upon transfer of control of residential units to customers in an amount that reflects the consideration the Company expects to receive in exchange for those residential units, unless:

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.

Revenue from contracts with customers

In case, revenue is recognised over the time, it is being recognised from the financial year in which the registration of sale deed is executed. In respect of 'over the period of time', the revenue is recognised based on the percentage-of-completion method ('POC method') of accounting with cost of project incurred (input method) for the respective projects determining the degree of completion of the performance obligation.

The revenue recognition of real estate property under development requires forecasts to be made of total budgeted costs with the outcomes of underlying construction contracts, which further require assessments and judgments to be made on changes in work scopes and other payments to the extent they are probable and they are capable of being reliably measured. In case, where the total project cost is estimated to exceed total revenues from the project, the loss is recognised immediately in the Statement of Profit and Loss

Further, for projects executed through joint development arrangements not being jointly controlled operations, wherein the land owner/possessor provides land and the Company undertakes to develop properties on such land and in lieu of land owner providing land, the Company has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, the revenue from the development and transfer of constructed area/revenue sharing arrangement in exchange of such development rights/ land is being accounted on gross basis on launch of the project. Revenue is recognized over time using input method, on the basis of the inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

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.

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.

Interest income is accounted on an accrual basis at effective interest rate, except in cases where ultimate collection is considered doubtful.

The Company recognises revenue from mortgage fees over the time as and when services are rendered and the collectability is reasonably assured.

i. Inventories

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.

Inventory is valued at cost and net realisable value (NRV), whichever is less. NRV is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale and estimated costs of completion (in case of properties under development).

j. Property, Plant and Equipment (PPE)

Recognition and initial measurement

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

Subsequent measurement

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

Depreciation and useful lives

Depreciation/amortization on fixed assets is provided on the straight-line method, based on the useful life of asset specified in Schedule II to the Companies Act, 2013. The Management estimates the useful lives of the assets as per the indicative useful life prescribed in Schedule II to the Companies Act, 2013 except shuttering materials whose life is estimated as 7 years. Residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Furniture and fixtures	10 years
Office equipment	5 years
Computer	3 years
Vehicles	8 years
Plant and machinery	10 years
Shuttering material	7 years

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

The Company based on technical assessment made by technical expert and management estimated, depreciates shuttering material over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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.

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1.2 Significant accounting policies (continued)

k. Intangible assets

Recognition and initial measurement

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

Subsequent measurement (amortization)

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

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 capitalisation 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 capitalisation 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. 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 liability recognized in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. 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. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

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

Vacation pay

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

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

Other short-term benefits

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

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1.2 Significant accounting policies (continued)

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

p. Earnings per share

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

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

q. Provisions, contingent assets and contingent liabilities

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

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

Contingent liability is disclosed for:

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

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

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1.2 Significant accounting policies (continued)

r. Financial instruments

Financial assets

Initial recognition and measurement

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

Subsequent measurement

Debt Instruments

Debt instruments at amortized cost

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

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

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

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

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

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

Equity investments

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

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

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

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

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

De-recognition of financial assets

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

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

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.

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1.2 Significant accounting policies (continued)

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

z. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition andmeasurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs

incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

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1.3 Significant 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. Impairment of Investments - At each balance sheet date, the management assesses the indicators of impairment of such investments. This requires assessment of several external and internal factor including capitalisation rate, key assumption used in discounted cash flow models (such as revenue growth, unit price and discount rates) or sales comparison method which may affect the carrying value of investments in subsidiaries and joint ventures.

d. 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.

e. 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.

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Bengal Shriram Hitech City Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ millions, unless otherwise stated)

2 Property, plant and equipment

Details of the Company's property, plant and equipment and reconciliation of their carrying amounts from beginning to end of reporting year is as follows:

Particulars	Shuttering material	Furniture and fixtures	Vehicles	Office equipment	Computers	Plant and machinery	Right of use - Building	Total
Gross carrying amount								
As at 01 April 2021	120.93	0.77	1.79	2.59	4.63	0.76	17.18	148.65
Additions	-	0.06	-	0.06	-	-	-	0.12
Disposals	-	-	-	-	(0.99)	-	-	(0.99)
As at 31 March 2022	120.93	0.83	1.79	2.65	3.64	0.76	17.18	147.78
Additions	-	0.36	-	1.33	0.71	0.08	-	2.48
Disposals	-	-	-	(0.19)	-	-	-	(0.19)
As at 31 March 2023	120.93	1.19	1.79	3.79	4.35	0.84	17.18	150.07
Accumulated depreciation								
Upto 01 April 2021	51.98	0.18	0.65	1.31	3.67	0.28	5.35	63.42
Charge for the year (*)	16.05	0.07	0.21	0.35	0.58	0.07	2.67	20.00
Adjustments for disposals	-	-	-	-	(0.99)	-	-	(0.99)
Upto 31 March 2022	68.03	0.25	0.86	1.66	3.26	0.35	8.02	82.43
Charge for the year (*)	16.05	0.08	0.21	0.40	0.31	0.07	2.67	19.79
Adjustments for disposals	-	-	-	(0.13)	-	-	-	(0.13)
Upto 31 March 2023	84.08	0.33	1.07	1.93	3.57	0.42	10.69	102.10
Net block								
As at 31 March 2022	52.90	0.58	0.93	0.99	0.38	0.41	9.16	65.35
As at 31 March 2023	36.85	0.86	0.72	1.86	0.78	0.42	6.49	47.98

(*) includes depreciation inventorized amounting to ₹ 16.05 million (31 March 2022: ₹ 16.05 million)

Notes:

a. **Contractual obligations**
There are no contractual commitments pending for the acquisition of property, plant and equipment as at 31 March 2023 and 31 March 2022.

b. **Capitalized borrowing cost**
There are no borrowing costs capitalized during the year ended 31 March 2023 and 31 March 2022.

c. **Property, plant and equipment pledged as security**
Details of property, plant and equipment pledged are given as per note 28

d. The Company has not revalued its Property, Plant and Equipment (including right of use assets) as at the balance sheet date.

3 Other intangible assets

Details of the Company's other intangible assets and reconciliation of their carrying amounts from beginning to end of reporting year is as follows:

Particulars	Computer software	Total
Gross carrying amount		
As at 01 April 2021	1.22	1.22
Additions	-	-
Disposals	(0.38)	(0.38)
As at 31 March 2022	0.84	0.84
Additions	-	-
Disposals	-	-
As at 31 March 2023	0.84	0.84
Accumulated amortization		
Upto 01 April 2021	0.78	0.78
Charge for the year	0.35	0.35
Adjustments for disposals	(0.37)	(0.37)
Upto 31 March 2022	0.76	0.76
Charge for the year	0.08	0.08
Adjustments for disposals	-	-
Upto 31 March 2023	0.84	0.84
Net block		
As at 31 March 2022	0.08	0.08
As at 31 March 2023	-	-

Note:

a. The Company has not revalued its intangible assets as at the balance sheet date.

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Bengal Shriram Hitech City Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ millions, unless otherwise stated)

		As at 31 March 2023	As at 31 March 2022
4	**Investments**		
	Non Current		
	Investment in equity instruments		
	Unquoted		
	In Sudsidiary (*)		
	SPL Estates Private Limited		
	9,999 (31 March 2022: 9,999) fully paid equity shares of ₹ 10 each	20.53	20.53
		20.53	**20.53**
	Aggregate amount of quoted investments and market value thereof	-	-
	Aggregate amount of unquoted investments	20.53	20.53
	Aggregate amount of impairment in value of investments	-	-
		20.53	**20.53**
(*)	Subsidiary w.e.f 08 February 2022		
5	**Other financial assets**		
A	**Non-current**		
	Unsecured, considered good		
	Security deposits	2.80	2.66
		2.80	**2.66**
B	**Current**		
	Unsecured, considered good		
	Revenue share receivable from related party (refer note 32)	169.33	95.34
	Unbilled revenue (refer note 32)	16.10	43.39
		185.43	**138.73**
6	**Non-current tax assets**		
	Advance income tax, including tax deducted at source	5.91	5.76
		5.91	**5.76**
7	**Other assets**		
A	**Non-current**		
	Unsecured, considered good		
	Advance for purchase of land	78.08	78.08
		78.08	**78.08**
B	**Current**		
	Unsecured, considered good		
	Advance for project	327.27	207.65
	Advance to staff	1.09	1.68
	Prepaid expenses	88.80	100.74
	Balances with statutory authorities	11.55	23.62
		428.71	**333.69**
8	**Inventories (*)**		
	Properties under development (#)		
	Land cost	4,952.23	4,730.74
	Material and construction cost	4,612.39	5,227.03
		9,564.62	**9,957.77**

(*) Details of assets pledged are as per note 28

(#) Includes company's entitlement on proportionate share of constructed properties receivable amounting to ₹ 854.71 million (31 March 2022 :₹ 841.03 million) pursuant to Joint Development Agreement entered with related parties. Refer note 32.

		As at 31 March 2023	As at 31 March 2022
9	**Trade receivables (*)**		
	Trade receivables	70.10	154.64
		70.10	**154.64**
	Break up of security details		
	Trade receivables considered - secured	68.33	154.64
	Trade receivables considered - unsecured	1.77	-
		70.10	**154.64**

(*) Details of assets pledged are as per note 28

For the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables- considered good	34.81	11.77	7.60	4.10	11.81	70.09

For the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables- considered good	79.50	9.52	14.40	24.10	27.14	154.66

Bengal Shriram Hitech City Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ millions, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
10 Cash and cash equivalents		
Cash in hand	1.22	1.29
Cheques in Hand	14.93	5.93
Balances with banks in current accounts	45.69	139.34
	61.84	**146.56**
11 Loans		
Current		
Unsecured, considered good		
Loan to related parties (refer note 32)	143.45	205.80
	143.45	**205.80**
Details of loans - unsecured		
Loans receivable considered good	143.45	205.80
	143.45	**205.80**

Loans and advances to Directors / KMP / Related parties repayable on demand

Type of borrower	As at 31 March 2023 Amount outstanding	Percentage of total	As at 31 March 2022 Amount outstanding	Percentage of total
Promoter	-	-	-	-
Director	-	-	-	-
KMPs	-	-	-	-
Related parties	143.45	100%	205.80	100%
	143.45	**100%**	**205.80**	**100%**

12 Equity share capital

Authorised share capital	31 March 2023 Number	Amount	31 March 2022 Number	Amount
Class A 'Equity share capital of face value of ₹10 each	2,15,00,000	215.00	2,15,00,000	215.00
Class B 'Equity share capital of face value of ₹10 each	1,25,00,000	125.00	1,25,00,000	125.00
Class C 'Equity share capital of face value of ₹10 each	15,00,000	15.00	15,00,000	15.00
Class D 'Equity share capital of face value of ₹10 each	7,50,000	7.50	7,50,000	7.50
Class 'A' compulsorily convertible cumulative preference shares of ₹ 10 each	1,35,00,000	135.00	1,35,00,000	135.00
	4,97,50,000	**497.50**	**4,97,50,000**	**497.50**
Issued, subscribed and fully paid up				
Class A 'Equity share capital of face value of ₹10 each	2,15,00,000	215.00	2,15,00,000	215.00
Class B 'Equity share capital of face value of ₹10 each	1,25,00,000	125.00	1,25,00,000	125.00
Class C 'Equity share capital of face value of ₹10 each	11,35,398	11.35	11,35,398	11.35
Class D 'Equity share capital of face value of ₹10 each	7,50,000	7.50	7,50,000	7.50
Class 'A' compulsorily convertible cumulative preference shares of ₹ 10 each	1,34,80,000	134.80	1,34,80,000	134.80
	4,93,65,398	**493.65**	**4,93,65,398**	**493.65**

(i) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Equity shares	31 March 2023 Number	Amount	31 March 2022 Number	Amount
Class A				
Balance at the beginning of the year	2,15,00,000	215.00	2,15,00,000	215.00
Movement during the year	-	-	-	-
Outstanding at the end of the year	**2,15,00,000**	**215.00**	**2,15,00,000**	**215.00**
Class B				
Balance at the beginning of the year	1,25,00,000	125.00	1,25,00,000	125.00
Movement during the year	-	-	-	-
Outstanding at the end of the year	**1,25,00,000**	**125.00**	**1,25,00,000**	**125.00**
Class C				
Balance at the beginning of the year	11,35,398	11.35	11,35,398	11.35
Movement during the year	-	-	-	-
Outstanding at the end of the year	**11,35,398**	**11.35**	**11,35,398**	**11.35**
Class D				
Balance at the beginning of the year	7,50,000	7.50	7,50,000	7.50
Movement during the year	-	-	-	-
Outstanding at the end of the year	**7,50,000**	**7.50**	**7,50,000**	**7.50**
Balance at the end of the year	**3,58,85,398**	**358.85**	**3,58,85,398**	**358.85**

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(ii) Reconciliation of number of compulsory convertible cumulative preference shares outstanding at the beginning and at the end of the year

	31 March 2023		31 March 2022	
Preference shares	**Number**	**Amount**	**Number**	**Amount**
Balance at the beginning of the year	1,34,80,000	134.80	1,34,80,000	134.80
Movement during the year	-	-	-	-
Balance at the end of the year	**1,34,80,000**	**134.80**	**1,34,80,000**	**134.80**

(iii) Details of shareholder holding more than 5% share capital and shares held by the Holding company

	31 March 2023		31 March 2022	
Name of the equity shareholder	**Number of shares**	**% holding in the class**	**Number of shares**	**% holding in the class**
Class A				
Shriram Properties Limited (Holding Company)	2,14,98,000	99.99%	2,14,98,000	99.99%
Class B				
Shriram Properties Limited (Holding Company)	1,25,00,000	100.00%	1,25,00,000	100.00%
Class C				
Shriram Properties Limited (Holding Company)	11,35,398	100.00%	11,35,398	100.00%
Class D				
Shriram Properties Limited (Holding Company)	7,50,000	100.00%	7,50,000	100.00%

	31 March 2023		31 March 2022	
Name of the preference shareholder	**Number of shares**	**% holding in the class**	**Number of shares**	**% holding in the class**
Shriram Properties Limited (Holding Company)	1,34,80,000	100.00%	1,34,80,000	100.00%

(iv) Rights, preferences and restrictions attached to each class of equity shares:

a) **Class A equity shares**

Class A equity shares shall be entitled to one vote per equity share outstanding. Each Class A equity share shall be entitled to receive equal dividends. These shares are subject to the limitations on transfer specified in the Articles of Association. No dividends may be paid in respect of the Class A equity shares and no buy backs or redemptions of the Class A equity shares shall be allowed while any of the Class B equity shares, Class C equity shares and Class D equity shares remain outstanding.

b) **Class B, Class C and Class D equity shares**

Class B, Class C and Class D equity shares shall not be entitled to vote on matters brought for a vote of the shareholders of the Company, except that no modification to the rights and obligations of Class B, Class C or Class D equity shares shall be made by the Company without the approval of the holders of the respective class of equity shares. These shares are subject to the limitations on transfer specified in the Articles of Association. In the event of a merger or amalgamation of the Company with another company, the holders of the Class B, Class C and Class D equity shares shall be entitled to receive an instrument providing substantially similar economic rights as they currently enjoy.

Class B equity shares shall be subject to re-purchase by the Company at a per share price of not less than the par value thereof.

Class C and **Class D** equity shares shall be subject to re-purchase by the Company at a price equal to the par value thereof or such other price as may be determined by the Company.

In the event of a public offering or sale of all the shares of the Company to third party, the Class C shares will convert, prior to such event, into such number of Class A equity shares which shall equal the aggregate par value of the Class C shares. The holder of Class C equity shares [other than Shriram Properties Limited ("SPL")] shall not be entitled to sell/ transfer such shares without prior written consent of SPL. SPL or any person/(s) nominated by it shall at all times be entitled to purchase from the holders of Class C equity shares (other than SPL), such shares at a price mutually agreed but not exceeding the aggregate par value of such shares. The Company may at any time at its option, convert all or any of the Class C equity shares into Class A equity shares, the value of which shall be equal to par value of such shares so converted. In case of liquidation/ winding up of the Company, the Class C equity share holders shall be entitled to receive the par value of such shares held.

(v) Rights attached to the preference shares:

Class A preference shares

The Class A preference shares shall be convertible at the election of the Company into Class A equity shares at the conversion rate of 0.000178 per share at any time after the tenth anniversary of the date of issuance of the Class A preference shares. Prior to any liquidation or winding up of the Company, the Class A preference shares shall be automatically converted into Class A equity shares at the aforesaid conversion rate. On the twentieth anniversary of the date of issuance of the Class A preference shares, the Class A preference shares that remain outstanding on that date shall be automatically converted into Class A equity shares at the aforesaid conversion rate.

(vi) 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 share and issue of shares pursuant to contrant without payment being received in cash for the period of five years immediately preceding the reporting date.

(vii) Details of shares holding by promoters

	31 March 2023			31 March 2022		
Promoter's name	**Number**	**% of total shares**	**% change during the year**	**Number**	**% of total shares**	**% change during the year**
Equity shares						
Class A	2,14,98,000	99.99%	-	2,14,98,000	99.99%	-
Shriram Properties Limited (Holding Company)						
Class B	1,25,00,000	100%	-	1,25,00,000	100%	-
Shriram Properties Limited (Holding Company)						
Class C	11,35,398	100%	-	11,35,398	100%	-
Shriram Properties Limited (Holding Company)						
Class D	7,50,000	100%	-	7,50,000	100%	-
Shriram Properties Limited (Holding Company)						
Preference shares						
Shriram Properties Limited (Holding Company)	1,34,80,000	100%	-	1,34,80,000	100%	-

13 Other equity

Reserve and surplus	**31 March 2023**	**31 March 2022**
Securities premium	2,780.11	2,780.11
Retained earnings	(1,613.57)	(1,233.16)
	1,166.54	**1,546.95**

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) Retained earnings

Retained earnings represents the accumulated undistributed earnings of the Company as at balance sheet date.

14 Borrowings(*)

	31 March 2023	31 March 2022
A Non Current		
Secured Loans		
Term loans		
From Banks	-	0.11
Less : Current maturities of long term borrowings	-	(0.11)
	-	-
B Current		
Secured Loans		
Term loans		
Current maturities of long term borrowings	-	0.11
Unsecured loans		
Loans from related parties (refer note 32)	2,128.01	2,069.34
	2,128.01	**2,069.45**

(*) Refer note 28 for assets pledged as security against borrowings.

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14 Borrowings (Continued)

Sl.No	Particulars	Nature of security	Repayment details	Effective Interest Rate p.a.	31 March 2023	31 March 2022
	Non-Current borrowings					
	Term loans from Banks (secured)					
1	IndusInd Bank Limited	First charge by hypothecation of vehicle (Maruti New Ertiga Smart Hybrid VDI BS IV).	Repayable in 47 equated monthly instalments commencing from November 2018	8.54%	-	0.11
					-	0.11
	Current borrowings					
	Loans from related parties					
1	Shriram Properties Limited	Unsecured	Repayable on demand	15.00%	2,128.01	2,069.34
					2,128.01	2,069.34

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Bengal Shriram Hitech City Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ millions, unless otherwise stated)

		As at 31 March 2023	As at 31 March 2022
15	**Lease Liabilities**		
A	**Non-current**		
	Lease liability (refer note 34)	5.87	9.22
		5.87	**9.22**
B	**Current**		
	Lease liability (refer note 34)	3.35	2.58
		3.35	**2.58**
16	**Provisions**		
A	**Non-current**		
	Provision for employee benefits:		
	Gratuity (refer note 33A)	5.01	3.82
		5.01	**3.82**
B	**Current**		
	Provision for employee benefits:		
	Gratuity (refer note 33A)	0.19	0.19
	Compensated absences	2.24	1.93
		2.43	**2.12**
17	**Trade payables**		
	Dues to micro enterprises and small enterprises (*)	48.65	20.09
	Total outstanding dues to creditors other than to micro enterprises and small enterprises	223.41	230.43
		272.06	**250.52**

(*) Disclosure of dues to micro enterprises and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issue 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 2023 has been made in the financial statements based on the information received and available with the Company. The Company has not received any claim for interest from any supplier as at the balance sheet date.The disclosures as required under Section 22 of MSMED Act, 2006 under the Chapter on Delayed Payments to Micro, Small and Medium Enterprises is as follows:

Particulars	31 March 2023 (₹)	31 March 2022 (₹)
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
- Principal	48.65	20.09
- Interest	-	-
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
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
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
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

Trade Payables ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	45.15	1.86	0.46	1.18	48.65
Others	135.40	79.68	4.96	3.37	223.41

Trade Payables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	18.46	0.44	0.73	0.46	20.09
Others	198.57	28.03	3.21	0.62	230.43

		As at 31 March 2023	As at 31 March 2022
18	**Other Financial liabilities**		
	Current		
	Non-compete fees payable (*)	2,122.84	1,930.57
	Other payables	155.70	165.16
	Advances towards joint development agreement (refer note 32)	264.23	232.80
	Security deposit received (refer note 32)	600.00	600.00
		3,142.77	**2,928.53**

(*) The Company has agreed to undertake certain liability amounting to ₹ 1,944.7 million payabe to Government of West Bengal for acquisition of land. As per the arrangement, the payment is payable in the form of 4% of sales proceed from the project with a moratorium period of 3 years starting from 01 November 2014. The amount is payable along with interest of 6.25% p.a. on a reducing balance method.

19	**Other current liabilities**		
	Revenue received in advance	3,225.46	3,634.31
	Advances towards joint development agreement	128.00	128.00
	Deferred guarantee commission income (refer note 32)	6.60	9.24
	Payable to statutory authorities	29.69	31.25
		3,389.75	**3,802.80**

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	Year ended 31 March 2023	Year ended 31 March 2022
20 Revenue from operations (*)		
Sale of constructed properties	1,189.47	75.97
Administrative income (refer note 32)	0.19	42.18
Other operating income		
Income from transfer of development rights (*) (refer note 32)	-	205.04
	1,189.66	**323.19**
(*) Disaggregated revenue information		
Set out below is the disaggregation of the company's revenue from contracts with customers by timing of transfer of goods or services		
Revenue recognition at a point of time	0.19	247.22
Revenue recognition over period of time	1,189.47	75.97
	1,189.66	**323.19**

(*) During the financial year ended 31 March 2020, the Company had transferred development rights to its erstwhile joint venture, SPL Estates Private Limited vide joint development agreement in consideration for a certain percentage share in the project which was measured at fair value. During the previous year, both the parties have renegotiated for additional consideration resulting in modification of joint development agreement (JDA). Accordingly, ₹ 205.04 million had been recorded as incremental revenue from transfer of development rights and recognised under the head 'properties under development'

	Year ended 31 March 2023	Year ended 31 March 2022
21 Other income		
- Guarantee commission income (refer note 32)	2.64	7.87
- Mortgage income (refer note 32)	14.69	1.21
- Income from cancellation	5.80	2.30
- Interest collected From customers	8.96	1.15
- Transfer fees	2.39	0.36
- Miscellaneous income	0.79	0.09
	35.27	**12.99**
22 Changes in inventory		
Inventory at the beginning of the year	9,957.77	9,027.09
Inventory at the end of the year	9,564.62	9,957.77
	393.15	**(930.68)**
Add: Adjustment of fair value of revenue share of Joint Development agreement (*)	-	205.04
	393.15	**(725.64)**

(*) During the financial year ended 31 March 2020, the Company had transferred development rights to its erstwhile joint venture, SPL Estates Private Limited vide joint development agreement in consideration for a certain percentage share in the project which was measured at fair value. During the previous year, both the parties have renegotiated for additional consideration resulting in modification of joint development agreement (JDA). Accordingly, ₹ 205.04 million had been recorded as incremental revenue from transfer of development rights and recognised under the head 'properties under development'. Also refer note 20.

	Year ended 31 March 2023	Year ended 31 March 2022
23 Employee benefits expense		
Salaries and wages	86.27	81.91
Contribution to provident fund and other funds (refer note 33B)	3.13	3.05
Staff welfare expenses	3.38	2.77
Gratuity (refer note 33A)	0.73	1.11
	93.51	**88.84**
24 Finance costs		
Finance expense:		
Interest expense on		
- term loans	-	42.79
- loan from related party (refer note 32)	224.61	205.47
- on non-compete fee	221.49	204.52
- on deposit discounting	31.43	27.69
- on lease liability	1.38	1.70
	478.91	**482.17**
Finance income:		
Interest income		
- Fixed deposit	0.07	-
- on loan to related party (refer note 32)	25.95	23.31
	26.02	**23.31**
Finance costs (net)	**452.90**	**458.86**

Includes finance expense capitalized amounting to ₹ 420.16 million (31 March 2022: ₹ 428.33 million)

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Bengal Shriram Hitech City Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹ millions unless otherwise stated)

25 Other expenses	Year ended 31 March 2023	Year ended 31 March 2022
Bank charges	0.54	0.45
Communication expenses	2.97	2.48
Insurance expenses	0.19	0.20
Legal and professional charges (*)	13.40	6.30
Power and fuel expenses	5.31	2.36
Printing and stationery	0.54	0.35
Rates and taxes	8.91	12.07
Rent expenses	0.95	1.23
Repairs and maintenance	9.19	10.59
Advertisement and sales promotion	8.69	7.42
Brokerage expenses	23.05	1.73
Security expenses	3.05	3.17
Loss on sale of fixed asset	0.01	-
Director sitting fees	0.12	0.09
Traveling and conveyance expenses	7.84	6.42
Miscellaneous expenses	4.86	0.91
Site Expenses	0.04	0.07
	89.66	**55.84**

(*) Payment to auditors (on accrual basis, excluding taxes) [included in legal and professional charges]		
- Statutory Audit	1.35	0.80
- Other services	-	0.15
- Reimbursement of expenses	0.05	0.17
	1.40	**1.12**

(*) Includes Nil (31 March 2022: ₹ 0.15 million) towards audit of special purpose interim condensed financial statements

26 Income tax

A. Income tax expense reported in the statement of profit and loss	-	-

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

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% and the reported tax expense in profit or loss are as follows:

Accounting profit before tax from continuing operations	(379.95)	82.24
At India's statutory income tax rate of 25.168% (31 March 2022 : 25.168%)	(95.62)	20.70
Adjustments:		
Less: Unrecorded deferred tax asset on carry forward losses and other temporary differences	95.62	-
Less: Utilization of unrecorded deferred tax on brought forward losses	-	(20.70)
Income tax expense	-	-

C. Deferred tax assets and liabilities

Deferred tax assets is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and carried forward tax losses can be utilised. Due to lack of convincing evidence the Company has not recorded deferred tax asset on deductible temporary differences which primarily includes the carry forward business losses and unabsorbed depreciation amounting to ₹ 503.02 million (31 March 2022- ₹510.34 million) as at 31 March 2023. The above losses will expire over 3-8 years.

27 Earnings per share (EPS)		
Weighted average number of shares outstanding during the year	3,58,85,398	3,58,85,398
Potential equity shares on conversion of compulsorily convertible preference shares	2,400	2,400
Weighted average number of shares used to compute diluted EPS	**3,58,87,798**	**3,58,87,798**
Net (loss)/profit after tax attributable to equity shareholders	(379.95)	82.25
(Loss)/Earnings per share		
Basic (₹)	(10.59)	2.29
Diluted (₹)	(10.59)	2.29

28 Assets pledged as security

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

	As at 31 March 2023	As at 31 March 2022
Non-current (First charge)		
Non-financial assets		
Vehicles	-	0.99
Current (First charge)		
Non-financial assets		
Inventories (*)	2,344.81	1,804.74
Total assets pledged as securities	**2,344.81**	**1,805.73**

(*) Includes the assets pledged for the loans availed by Holding company and other related parties.

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29 Financials instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2023 were as follows:

Particulars	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Loans	11	-	-	143.45	143.45	143.45
Trade receivables	9	-	-	70.10	70.10	70.10
Cash and cash equivalents	10	-	-	61.84	61.84	61.84
Other financial assets	5A & 5B	-	-	188.23	188.23	188.23
Total financial assets		-	-	**463.62**	**463.62**	**463.62**
Financial liabilities :						
Borrowings	14A & 14B	-	-	2,128.01	2,128.01	2,128.01
Lease liability	15A & 15B	-	-	9.22	9.22	9.22
Trade payables	17	-	-	272.06	272.06	272.06
Other financial liabilities	18	-	-	3,142.77	3,142.77	3,142.77
Total financial liabilities		-	-	**5,552.06**	**5,552.06**	**5,552.06**

The carrying value and fair value of financial instruments by categories as at 31 March 2022 were as follows :

Particulars		FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair value
Financial assets :						
Loans	11	-	-	205.80	205.80	205.80
Trade receivables	9	-	-	154.64	154.64	154.64
Cash and cash equivalents	10	-	-	146.56	146.56	146.56
Other financial assets	5A & 5B	-	-	141.39	141.39	141.39
Total financial assets		-	-	**648.39**	**648.39**	**648.39**
Financial liabilities :						
Borrowings	14A & 14B	-	-	2,069.45	2,069.45	2,069.45
Lease liabilites	15A & 15B	-	-	11.80	11.80	11.80
Trade payables	17	-	-	250.52	250.52	250.52
Other financial liabilities	18	-	-	2,928.53	2,928.53	2,928.53
Total financial liabilities		-	-	**5,260.30**	**5,260.30**	**5,260.30**

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.

i. Notes to financial instruments

The management assessed that the fair value of cash and cash equivalents, loans, other financial assets, trade payables, short term 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.

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: 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).

iii. Financial assets and liabilities measured at fair value - recurring fair value measurements

The Company does not have any financial instruments which are measured at fair value either through statement of profit and loss or through other comprehensive income.

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30 Financial risk management

Financial risk factors

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, trade receivables, financial assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk - Interest rate	Long term borrowings at variable rates	Sensitivity Analysis

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

A. Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, deposits with banks and financial institutions etc.

Credit risk management

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

The company 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. 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 provides for expected credit loss based on the following:

Asset group	Description	Provision for expenses credit loss (*)	31 March 2023	31 March 2022
Low credit risk	Cash and cash equivalent, other bank balances and secured trade receivables	Life time expected credit loss	2,121.94	1,641.20
High credit risk	loans and other financial assets	Life time expected credit loss or fully provided for	331.68	347.20

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

Credit risk exposure

Provision for expected credit losses

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

31 March 2023

Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	70.10	-	70.10
Loans	146.25	-	146.25
Cash and cash equivalents	61.84	-	61.84
Other financial assets	185.43	-	185.43
Financial guarantees	1,990.00	-	1,990.00

31 March 2022

Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	154.64	-	154.64
Loans	208.47	-	208.47
Cash and cash equivalents	146.56	-	146.56
Other financial assets	138.73	-	138.73
Financial guarantees	1,340.00	-	1,340.00

Expected credit loss for trade receivables under simplified approach

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

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

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30 Financial risk management (Continued)

b. Liquidity risk

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

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

Maturities of financial liabilities

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

31 March 2023	Less than 1 year	1 year to5 years	5 years and above	Total
Non-derivatives				
Borrowings	2,128.01	-	-	2,128.01
Lease liabilites	4.36	6.46	-	10.82
Trade payables	237.07	34.99	-	272.06
Other financial liabilities	1,834.54	1,786.35	-	3,620.88
Total	**4,203.98**	**1,827.80**	**-**	**6,031.77**

31 March 2022	Less than 1 year	1 year to5 years	5 years and above	Total
Non-derivatives				
Borrowings	2,069.47	-	-	2,069.47
Lease liabilites	3.97	10.82	-	14.79
Trade payables	232.39	18.13	-	250.52
Other financial liabilities	1,277.80	2,381.77	-	3,659.57
Total	**3,583.63**	**2,410.72**	**-**	**5,994.35**

c. Market risk

a. Interest rate risk

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

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

	31 March 2023	31 March 2022
Variable rate borrowing	-	-
Fixed rate borrowing	2,128.01	2,069.44
Total borrowings	**2,128.01**	**2,069.44**

Interest rate risk

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

Particulars	31 March 2023	31 March 2022
Interest rates – increase by 50 basis points (50 bps)	-	(1.10)
Interest rates – decrease by 50 basis points (50 bps)	-	1.10

31 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 2023	31 March 2022
Long term borrowings	-	-
Short term borrowings	2,128.01	2,069.45
Less: Cash and cash equivalents	(61.84)	(146.56)
Net debt	**2,066.17**	**1,922.89**
Total equity	1,660.19	2,040.60
Gearing ratio	1.24	0.94

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32 Related party transactions

(i) Names of the related parties and description of relationship

(a) Party exercising control	**Relationship**
Shriram Properties Limited	Holding company
(b) Key management personnel (KMP)	
M Murali	Director
Krishna Veeraraghavan	Director
Ram Shankar Venkataraman	Additional Director
Vaidyanathan Ramamurthy	Independent Director
Balamurugan Jeeva Rathinam	Independent Director
(c) Subsidiary	
SPL Estates Private Limited	Subsidiary w.e.f. 08 February 2022, until which it was Joint Venture.
(d) Other related parties	
Shriprop Properties Private Limited	Fellow subsidiary
Shrivision Homes Private Limited	Fellow subsidiary
Shriprop Builders Private Limited	Fellow subsidiary
Shriprop Projects Private Limited	Fellow subsidiary
Shriprop Developers Private Limited	Fellow subsidiary
Shriprop Structures Private Limited	Fellow subsidiary
Shriram Living Spaces Private Limited	Fellow subsidiary
Global Entropolis Vizag Private Limited	Fellow subsidiary
Shrivision Towers Private Limited	Joint venture of Holding company (Shriram Properties Limited)
SPL Towers Private Limited	Joint venture of Holding company (Shriram Properties Limited)
Shriprop Living Space Private Limited	Joint venture of Holding company (Shriram Properties Limited)

(ii) Balances with related parties

Particulars	31 March 2023	31 March 2022
Shriram Properties Limited		
Borrowings	2,128.01	2,069.34
Corporate guarantee given	650.00	-
Security given	913.39	909.05
Unbilled revenue	4.97	-
Shrivision Homes Private Limited		
Corporate guarantee given	590.00	590.00
Security given (*)	159.80	153.09
SPL Estates Private Limited		
Corporate guarantee given	750.00	750.00
Advances received towards JDA	264.23	232.80
Unbilled revenue	7.95	43.39
Deferred income	6.60	9.24
Loan given by the Company	143.45	205.80
Proportionate share of constructed properties receivable	854.71	841.03
Revenue share receivable	169.33	95.34
Security given	279.20	-
Shriprop Properties Private Limited		
Security deposit received	600.00	600.00
Global Entropolis Vizag Private Limited		
Security given (*)	610.96	585.11
Shrivision Towers Private Limited		
Security given	279.20	-
Unbilled revenue	2.99	-
Shriram Living Spaces Private Limited		
Unbilled revenue	0.19	-

(*) No additional security given during the year, however, the increase is primarily on account of increase in value of the underlying inventory pledged

32 Related party transactions(continued)

(iii) Transactions during the year

Particulars	31 March 2023	31 March 2022
Shriram Properties Limited		
Loan taken	152.53	526.31
Loan repaid	318.46	122.21
Interest expense on borrowings	224.61	205.47
Mortgage income	4.20	0.76
Security given	1,130.61	236.00
Security given, taken back	1,024.01	377.28
Corporate guarantee given	650.00	-
Corporate guarantee reliquished	-	580.00
SPL Estates Private Limited		
Interest income on loan	25.95	23.31
Interest expenses on security deposit	31.43	27.69
Loan given	115.24	69.28
Loan repaid	203.54	46.09
Income from guarantee commission	2.64	7.87
Administrative income	-	42.18
Revenue from transfer of development rights	-	205.04
Revenue share receivable	73.99	95.34
Mortgage income	7.50	0.45
Corporate guarantee given	-	750.00
Corporate guarantee released	-	400.00
Security given	279.20	-
Shriram Living Spaces Private Limited		
Administrative income	0.19	-
Shriprop Developers Private Limited		
Cross charge of marketing expenses	-	0.55
Shriprop Living Space Private Limited		
Cross charge of marketing expenses	-	0.49
Shrivision Homes Private Limited		
Cross charge of marketing expenses	-	0.49
Shriprop Builders Private Limited		
Cross charge of marketing expenses	0.07	-
Shriprop Structures Private Limited		
Cross charge of marketing expenses	-	0.18
Shriprop Properties Private Limited		
Cross charge of marketing expenses	-	0.17
Shriprop Projects Private Limited		
Cross charge of marketing expenses	0.09	0.55
Shrivision Towers Private Limited		
Security given	279.20	-
Mortgage income	2.99	-
SPL Towers Private Limited		
Cross charge of marketing expenses	0.43	0.55

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33 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. The company have no plan assets as at 31 March 2023 and 31 March 2022.

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

	31 March 2023	31 March 2022
1 The amounts recognized in the Balance Sheet are as follows:		
Present value of the obligation as at the end of the year	5.20	4.01
Fair value of plan assets as at the end of the year	-	-
Net liability recognized in the Balance Sheet	5.20	4.01
2 Changes in the present value of defined benefit obligation		
Defined benefit obligation as at beginning of the year	4.01	3.20
Service cost	0.46	0.86
Interest cost	0.27	0.24
Actuarial losses/(gains) arising from	-	-
- change in demographic assumptions	-	0.16
- change in financial assumptions	0.07	(0.12)
- experience variance (i.e. Actual experiences assumptions)	0.39	(0.33)
Benefits paid	-	-
Defined benefit obligation as at the end of the year	**5.20**	**4.01**
3 Classificaton of liability		
Non-current	5.01	3.82
Current	0.19	0.19
Assumptions used in the above valuations are as under:		-
Discount rate	7.37%	7.48%
Salary increase	4.14%	4.14%
Attrition rate	6.00%	10.00%
Retirement age	60 years	60 years
4 Net gratuity cost		
Service cost	0.46	0.87
Net interest cost on the net defined benefit liability	0.27	0.24
Components of defined benefit costs recognized in Statement of Profit and Loss	**0.73**	**1.11**
5 Other comprehensive income		
Change in financial assumptions	(0.07)	0.12
Change in demographic assumptions	-	(0.16)
Experience variance (i.e. actual experience versus assumptions)	(0.39)	0.33
Components of defined benefit costs recognized in other comprehensive income	**(0.46)**	**0.29**
6 Experience Adjustments		
Defined benefit obligation at the end of the year	5.20	4.01
Plan assets	-	-
Surplus/(deficit)	5.20	4.01
Experience adjustments on plan liabilities	0.39	(0.33)
Experience adjustments on plan assets	-	-
7 Maturity Profile of Defined Benefit Obligation		
Year		
Within the next 12 months	0.22	0.20
Between 1 and 5 years	0.75	0.64
From 5 years and onwards	13.49	9.21
	14.46	10.05

B. Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Scheme as per the Employees' State Insurance Act, 1948. This is a defined contribution and contribution made was ₹ 3.13 millions (31 March 2022: ₹ 3.05 millions).

C. Compensated absences

Assumptions used in accounting for vacation pay:

Interest rate		
Discount rate	7.37%	7.48%
Salary increase	4.14%	4.14%
Attrition rate	6.00%	10.00%
Retirement age	60 years	60 years

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33 Defined benefit plan (contd.)

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 ₹ 2.00 million).
Asset Liability Mismatching or Market Risk:	The duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.
Investment Risk:	The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

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

Gratuity	31 March 2023		31 March 2022	
	Decrease	Increase	Decrease	Increase
Discount rate (+ / - 1.0%)	10.49%	12.39%	9.32%	10.86%
Salary growth rate (+ / - 1.0%)	10.65%	9.11%	9.28%	8.93%
Attrition rate (+ / - 1.0%)	2.72%	2.35%	1.83%	1.55%

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

34 Leases

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2023 and 31 March 2022:

Particulars	ROU asset Buildings	Total
Net block as on 01 April 2021	**11.83**	**11.83**
Depreciation for the year	(2.67)	(2.67)
Net block as on 31 March 2022	**9.16**	**9.16**
Depreciation for the year	(2.67)	(2.67)
Net block as on 31 March 2023	**6.49**	**6.49**

The following is the movement in lease liabilities during the year ended 31 March 2023 and 31 March 2022:

Particulars	Lease liability	Total
As on 01 April 2021	**14.07**	**14.07**
Interest expense	1.70	1.70
Payments	(3.97)	(3.97)
As on 31 March 2022	**11.80**	**11.80**
Interest expense	1.38	1.38
Payments	(3.97)	(3.97)
As on 31 March 2023	**9.21**	**9.22**
Current	3.35	3.35
Non-current	5.87	5.87

The incremental borrowing rate applied to lease liabilities as at the inception of the lease is 13%

Lease liabilities:	**31 March 2023**
The maturity analysis of lease liabilities are disclosed below:	
Not later than one year	4.36
Later than one year and not later than five year	6.46
Later than five years	-
Future interest expense	(1.62)
Total	**9.21**

The following are the amounts recognised in profit & loss	**31 March 2023**
Depreciation expense of right-of-use assets	2.67
Interest expense on lease liabilities	1.38
Expense relating to short-term leases	0.95
Total amount recognised in the statement of profit and loss	**5.00**

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35 Disclosures required under Ind AS 115 (Revenue from contract with customers)

a. Contract balances

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

Particulars	As at 31 March 2023	As at 31 March 2022
Contract assets		
Unbilled revenue	16.10	43.39
Total contract assets	**16.10**	**43.39**
Contract liabilities		
Revenue received in advance	3,225.46	3,634.31
Total contract liabilities	**3,225.46**	**3,634.31**
Receivables		
Trade receivables	70.10	154.64
Total receivables	**70.10**	**154.64**

b. Significant changes in the contract liabilities balances during the year are as follows:

Particulars	Contract liabilities	
	Revenue received in advance	
	As at 31 March 2023	As at 31 March 2022
Opening balance	3,634.31	2,980.94
Addition during the year	780.62	729.34
Revenue recognised during the year	(1,189.47)	(75.97)
Closing balance	**3,225.46**	**3,634.31**

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

Particulars	As at 31 March 2023	As at 31 March 2022
	Unbilled revenue	Unbilled revenue
Opening balance	43.39	44.52
Administrative income recognised	0.19	42.18
Mortgage Fee	15.91	1.21
Billed during the year	(43.39)	(44.52)
Closing balance	**16.10**	**43.39**

d. Reconciliation of revenue recognised with contract revenue:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Incremental revenue from transfer of development rights	-	205.04
Sale of constructed / developed properties	1,189.47	75.97
Administrative income	0.19	42.18
Mortgage Fee	15.91	1.21
Revenue recognised	**1,205.57**	**324.40**

e. The performance obligation of the Company in case of sale of residential apartments is satisfied once the project is completed and control is transferred to the customers. The customer makes the payment for contracted price as per the installment stipulated in the customers's agreement which can be cancelled by the customer at convenience.

The transaction price of the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2023 is ₹ 4,215.52 million (31 March 2022: ₹ 4,762.37 million). The same is expected to be recognised within 1 to 4 years.

36 Segmental information

The Company is engaged in the development and construction of residential which is considered to be the only reportable business segment as per Ind AS 108, 'Segment Reporting'.

Major Customers

The Company has widespread customer base and no single customer accounted for 10% or more of revenue in the current year and hence, the Company does not have any concentration risk.

37 Corporate social responsibility expenses

Since the Company does not meet the criteria specified in Section 135 of the Companies Act, 2013, the Company is not required to spend any amount on activities related to corporate social responsibility for the year ended 31 March 2023.

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38 Other commitments and contingencies :

A. Contingent liabilities

Claims against the company not acknowledged as debts	**31 March 2023**	**31 March 2022**
Income tax matters (refer note b below)	141.76	-

a. The Company is involved in a legal case on land relating to environmental issues. The same is pending with the Court and scheduled for hearings shortly. After considering the circumstances and legal advice received the management believes that this case will not adversely affect its financial statements.

b. The Company received tax demands from the Income tax authorities, arising on disallowance of business loss due to non-commencement of business for the fiscal years ended 31 March 2012, 31 March 2013 and 31 March 2014. The Company is contesting the above demands and considering the facts and nature of disallowances the management believes that the final outcome of the disputes should be in favour of the Company and will not have any material adverse effect on the financial position and results of operations.

B. Financial guarantees	**31 March 2023**	**31 March 2022**
Guarantee given by the company on behalf of fellow subsidiary	1340.00	1340.00
Guarantee given by the company on behalf of holding company	650.00	-

39 Ratios

Ratio Name	Numerator	Denominator	FY 22-23	FY 21-22	% of change	Explanation
Current Ratio	Current Assets	Current Liabilities	1.17	1.21	-3.16%	NA
Debt Equity Ratio	Total Debt	Shareholders equity	1.28	1.01	26.39%	refer note a
Debt Service Coverage Ratio	Earnings available for debt service (Net Profit after taxes+Interest +/-Non cash operating expenses/(income) +other adjustments)	Debt service (Interest and lease payments + Principal repayments)	22.18	0.96	2210.72%	refer note b
Return on Equity Ratio	Net profit after taxes	Average shareholders equity	-20.53%	4.11%	-599.16%	refer note c
Inventory Turnover ratio	Cost of revenue	Average Inventory	0.13	0.01	-1425.49%	refer note d
Trade Recievables Turnover Ratio	Revenue from operations	Average trade receivables	10.59	0.49	2060.06%	refer note d
Trade payables Turnover Ratio	Material and contract cost	Average trade Payables	2.13	1.44	48.12%	refer note e
Net Capital Turnover Ratio	Revenue from operations	Shareholder's equity	0.78	0.04	1843.18%	refer note d
Net Profit Ratio	Net profit after taxes	Revenue	-31.94%	25.45%	-225.50%	refer note c
Return on Capital Employed	EBIT	Capital Employed (^)	1.93%	13.17%	-85.37%	refer note c
Return on investment	Interest income on bank deposits	Average bank deposits	-	-	NA	NA

Note

a. Increase in the debt equity ratio is mainly on account of increase in borrowings from related parties during the current year
b. Increase in debt service coverage ratio is on account of repayment of all term loans.
c. Decrease in the return on equity ratio, net profit ratio and return on capital employed is on account of losses during the current year.
d. Increase in inventory turnover ratio, trade receivable turnover ratio and net capital turnover ratio is mainly on account of higher recognition of revenue during the current year
e. The improvement in trade payables turnover ratio is primarily on account of timely vendor remittances due to improved customer collections

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40 Other statutory information

(i) The Company has not advanced or provided loan to or invested funds in any entities including foreign entities (Intermediaries) or to any other persons, with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The Company has not received any fund from any persons or entities, including foreign entities (funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

41 Events occurring after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2023 and the date of authorization of these financial statements.

As per our report of even date attached

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

For and behalf of the board of directors of Bengal Shriram Hitech City Private Limited

Nikhil Vaid

Nikhil Vaid
Partner
Membership No.: 213356

Hyderabad
29 May 2023

Walker Chandiok & Co LLP * Hyderabad *

Murali Malayappan
Director
DIN: 00030096

Bengaluru
29 May 2023

Krishna Veeraraghavan
Director
DIN: 06620405

Bengaluru
29 May 2023

Suresh Kumar Sarawagi
Chief Financial Officer

Kolkata
29 May 2023

K. R.

Ramaswamy Krishnaswamy
Company Secretary
ACS No. :28580

Bengaluru
29 May 2023