INDEPENDENT AUDITORS' REPORT

To the Members of Sobha Limited
Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Sobha Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2024, the Statement of Standalone Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditor as referred to in paragraph 16 below, the aforesaid standalone 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 2024, its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditor, in terms of their reports referred to in paragraph 16 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 39(5) of the accompanying standalone financial statements, regarding the search operation carried out by the Income Tax Department ('the department') at various business premises of the Company and certain other group companies during March 2023. During the current year, the Company has received demand orders from the department for AY 2016-17 and AY 2022-23, in respect of disallowances of certain expenses and addition of certain incomes, against which subsequent to the year end, the Company has filed an appeal before the Hon'ble Commissioner of Income Tax (Appeals), Bengaluru. Given the uncertainty and pending outcome of the legal proceedings, the Company, considering all available records and facts known to it including the independent legal review and opinion from external legal counsels obtained by it, has determined that no adjustments are required to the standalone financial statements in respect of the aforesaid demand orders. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
1. Revenue recognition for sale of residential units	
The Company applies Ind AS 115, Revenue from Contracts with Customers ("Ind AS 115") for recognition of revenue from sale of residential units and revenue from joint development agreements. Refer note 2.2(a)(I)(i) and 25 to the standalone financial statements for accounting policy and related disclosures. Revenue is recognised upon transfer of control of residential units to customers for an amount which reflects the consideration the Company expects to receive in exchange for those units. The point of revenue recognition is normally based on the terms as included in the intimation for the handover of unit to the customer on completion of the project, and substantial collection is received. The Company recognises the revenue at a point in time upon handover/deemed handover of the residential units. For revenue contracts forming part of joint development arrangements that are not jointly controlled operations ('JDA'), the revenue from the development and transfer of constructed area/revenue share with corresponding land/ development rights received by the Company is measured at the fair value of the estimated construction service rendered by the Company to the landowner under JDA. Such revenue is recognised over a period of time in accordance with the requirements of Ind AS 115. Ind AS 115 requires significant judgment in determining when 'control' of the residential units is transferred to the customer. Further, for projects executed through JDA, significant estimate is undertaken by management for determining the fair value of the estimated construction service. Considering the significance of management judgements and estimates involved and the materiality of amounts involved, aforementioned revenue recognition is identified as a key audit matter.	Our audit procedures on revenue recognised from sale of residential units included, but were not limited to the following: • Evaluated the appropriateness of accounting policy for revenue recognition on sale of residential units in terms of principles enunciated under Ind AS 115; • Obtained and understood the revenue recognition process, evaluated the design and performed test of controls over revenue recognition including determination of point of transfer of control and completion of performance obligations on a sample basis; • Inspected, on a sample basis, underlying customer contracts and handover documents, evidencing the transfer of control of the residential units to the customer based on which revenue is recognised at a point in time; For projects executed during the year in accordance with JDAs, we have performed the following additional procedures on a sample basis: o Obtained and examined the computation of the fair value of the construction service under JDA with reference to project cost estimates and mark up considered by the management; o Obtained the JDAs entered into by the Company, including addendums thereto and compared the ratio of constructed area/ revenue sharing arrangement between the Company and the landowner as mentioned in the agreement to the computation statement prepared by the management; and o Tested the computation for recognition of revenue over a period of time for revenue contracts forming part of JDA and management's assessment of stage of completion of projects and project cost estimates. • Assessed the adequacy of disclosures included in the standalone financial statements in compliance with the requirements of Ind AS 115.

Key audit matter	How our audit addressed the key audit matter
2. Revenue recognition for contractual construction and glazing projects	
The Company recognises revenue over a period of time in accordance with Ind AS 115, Revenue from Contracts with Customers ("Ind AS 115"). Refer note 2.2(a)(I)(ii)(iv) and 25 to the standalone financial statements for accounting policy and related disclosures. The Company recognises revenue from construction contracts on the basis of stage of completion over a period of time. The recognition of revenue is therefore dependent on estimates in relation to total estimated costs of each such contract, which involves judgement. Significant judgments are also involved in determining when the underlying performance obligations are satisfied and also determining expected losses, when such losses become probable based on the expected total contract cost. Cost contingencies are included in these estimates to take into account specific risks of uncertainties or disputed claims against the Company, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the life of the contract and adjusted where appropriate. Considering the significance of management judgements and estimates involved and the materiality of amounts involved, revenue recognition from contractual construction and glazing projects are identified as a key audit matter.	Our audit procedures on revenue recognition for contractual construction and glazing projects included, but were not limited to the following: • Evaluated the appropriateness of accounting policy on revenue recognition for contractual construction and glazing projects in terms of principles enunciated under Ind AS 115; • Evaluated the design and tested operating effectiveness of key controls around computation of stage of work completed, raising of invoices and estimating the cost to complete the project; • On a sample basis, tested costs incurred by examining underlying invoices and other applicable documents; • For sample contracts active during the year, verifying the underlying documents including work orders, last invoice, and customer acceptance on the latest RA bills/ Completion letter where applicable; • Verified the mathematical accuracy of management's computation of stage of Completion with respect to Contractual and Glazing projects. • Assessed the adequacy of disclosures included in the standalone financial statements in compliance with the requirements of Ind AS 115.
3. Assessing the recoverability of carrying value of Inventories, advances paid towards land procurement and deposits paid under joint development arrangements ("JDA")	
Refer note 2.2(c), 2.2(d), 2.2(o), 9, 12, 13 and 16 to the standalone financial statements for accounting policies on inventories, advances paid towards land procurement and deposits paid under JDA (financial asset) and related financial disclosures. As at 31 March 2024, the carrying value of the inventory comprising of Work in progress, Stock of residential units in completed projects and land stock is ₹85,681.76 million, land advances is ₹9,117.90 million and refundable	Our procedures in assessing the carrying value of the inventories, land advances and deposits paid under JDA included, but were not limited to the following: • Evaluated the appropriateness of accounting policies with respect to inventories, land advances and deposits paid under JDA in terms of principles enunciated under applicable accounting standards;

Key audit matter	How our audit addressed the key audit matter
Assessing the recoverability of carrying value of Inventories, advances paid towards land procurement and deposits paid under joint development arrangements ("JDA") (cont'd)	
deposits paid under JDA is ₹3,247.95 million, represents a significant portion of the Company's total assets. The inventories are carried at lower of cost and net realisable value ('NRV'). The determination of the NRV involves estimates based on prevailing market conditions and taking into account the estimated future selling price, cost to complete projects and selling costs. Advances paid by the Company to the seller/ intermediary towards outright purchase of land is recognised as land advance under other assets during the course of transferring the legal title to the Company, whereupon it is transferred to land stock under inventories. Further, deposits paid under joint development arrangements are in the nature of non-refundable/refundable deposits, for acquiring the development rights. On the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress. The aforesaid deposits and advances are carried at the lower of the amount paid/payable and net recoverable value, which is based on the management's assessment including the expected date of commencement and completion of the project and the estimate of sale prices and construction costs of the project. We identified the assessment towards recoverability of carrying value of inventory, land advances and deposits paid under JDA as a key audit matter due to the significance of the balance to the standalone financial statements as a whole and the involvement of estimates and judgement in the assessment.	• Evaluated the design and tested operation of internal controls related to comparing NRV/ net recoverable value with carrying amount of inventory, land advances and deposits paid under JDA; • Inquired with management to understand key assumptions used in determination of the NRV/ net recoverable value; • For inventory balance: o Compared the NRV to recent sales in the project or to the estimated selling price; o Compared the estimated construction costs to complete each project with the Company's updated budgets; and o For land stock, on a sample basis, obtained the fair valuation reports or the guidance values and reviewed the valuation methodology, key estimates and assumptions adopted in the valuation. Involved auditor's valuation expert, where such fair valuation reports were obtained. • For land advances/ deposits paid under JDA: o Obtained an update on the status of the land acquisition/ project progress from the management and verified the underlying documents for related developments; o For land advances, compared the acquisition cost of the underlying land with the guidance values; and o Carried out external confirmation procedures on sample basis to obtain evidence supporting the carrying value of land advance and deposits paid under JDA. • Assessed the adequacy of disclosures included in the standalone financial statements in compliance with the applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
4. Assessment of certain transactions entered into by the Company and recoverability of balances, on which regulatory proceedings are ongoing	
The Company had entered into a joint development arrangement with certain landowners in Gurugram, Haryana, in earlier years. In respect of this transaction, the Enforcement Directorate ('ED') after due investigation has filed a complaint with Adjudicating Authority, Prevention of Money Laundering ('AA-PML'), alleging certain irregularities in respect of the manner of allotment and pricing of certain plots under this project or payment of applicable fees and charges by the Company or the landowners, with respect to the terms and conditions mentioned in the development policy of Haryana Development and Regulation of Urban Areas Act (HDRUAA), 1975 and the bilateral agreement between the land owners and Directorate of Town and Country Planning, Haryana (DTCP) resulting in provisional attachment under the Prevention of Money Laundering Act, 2002 ('PMLA') of land parcels with value of ₹2,016.05 million held by Technobuild Developers Private Limited ('TDPL') disclosed under Note 39. The Company has entered into a Memorandum of Understanding ('MoU') with TDPL for acquiring land parcels using advances extended by the Company, of equivalent value. As per the MoU, TDPL and its affiliates cannot transfer land parcels without prior approval of the Company and the Company has absolute rights over land parcels acquired by TDPL and its affiliates acquired from such advance given by the Company. As part of the inquiry process, the Company and its officers have been asked to provide contracts, documents and justification in respect of this transaction by the concerned authorities. The Company and its officers have been responding to the queries raised / documents sought from time to time. During the previous year, the Company is in receipt of Show Cause Notice (SCN) under the PMLA from AA-PML and the Company has duly filed the detailed responses to allegations made in SCN. During the current year, AA-PML had passed an order confirming the provisional attachment of the aforesaid land parcels, to which the Company had appealed before the Appellate Tribunal.	Our audit procedures on this matter included, but were not limited to the following: • Obtained an understanding from the management with respect to process and controls followed by the Company for identification, monitoring of significant developments and impact analysis in relation to the litigations, including completeness thereof; • Gaining an understanding of the ongoing regulatory proceedings through discussions with the management, and reading the underlying case related documents, communications and legal opinions to ensure consistency with the explanations provided to us and we have also assessed the objectivity, experience, competence and independence of management's expert; • Evaluated and challenged the Company's assessment of recoverability of the balances outstanding as at the balance sheet date, the business rationale for entering these transactions, including considering the developments on the matter subsequent to the balance sheet date; • Engaged auditor's expert, who obtained an understanding of the current status of the litigation, reviewed independent legal opinion obtained by the management and considered relevant legal provisions and available precedents to validate the conclusions made by the management's expert;

Key audit matter	How our audit addressed the key audit matter
Assessment of certain transactions entered into by the Company and recoverability of balances, on which regulatory proceedings are ongoing (cont'd)	
The Company, based on its overall assessment and independent legal opinion obtained, believes that these transactions have been carried out in accordance with all the applicable laws and regulations and the said bilateral agreement and has not identified any adverse material impact to the standalone financial statements. Considering the significance of the matter which involves uncertainty of outcome due to ongoing proceedings in AA-PML and significant judgements and estimates by the Company on the assessment of the legality and outcome of the above case, this is considered as a key audit matter. Considering this matter is also fundamental to the understanding of the user of standalone financial statement, we draw attention to Note 39 of the standalone financial statements.	• Communicated and discussed periodic updates on these transactions with those charged with governance, including the recoverability and management's business rationale aspects for these transactions; and • Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements.

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

7. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

   When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

12. 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. 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.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. The standalone financial statements include the Company's share in the net profit (including other comprehensive income) of ₹43.40 million for the year ended 31 March 2024, in respect of share of profit from one partnership firm in which the Company has invested, whose financial statements have not been audited by us. These financial statements have been audited by the other auditor whose report has been furnished to us by the management, and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of this partnership firm, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid partnership firm, is based solely on the report of such other auditor.

    Our opinion above on the standalone financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

18. 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.

19. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;

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

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

    e) On the basis of the written representations received from the directors and taken on record by the Board of

Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 19(b) above on reporting under section 143(3)(b) of the Act and paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and

h) 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 39 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;

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 2024;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;

iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 45 to the standalone 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 persons or entities, 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 45 to the standalone financial statements, no funds have been received by the Company from any persons or entities, 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 final dividend paid by the Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend;

As stated in note 19 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks, the Company, in respect of financial year commencing on 01 April 2023, has used accounting software for maintaining its books of account

which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software except that, the accounting software used for maintenance of payroll records of the Company is operated by a third-party software service provider. The 'Independent Service Auditor's Report on a Description of the Service Organization's System and the Suitability of the Design and Operating Effectiveness of Controls' (based on the criteria for a description of a service organization's system as set forth in DC Section 200, 2018 Description Criteria for a Description of a Service Organization's System in a SOC 2 Report, in AICPA Description criteria), does not provide information on retention of audit trail (edit logs) for any direct changes made at the database level. Accordingly, we are unable to comment on whether audit trail feature with respect to the database of the said software was operated throughout the year.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, in respect of the accounting software where such feature is enabled.

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

Manish Agrawal
Partner
Membership No: 507000
UDIN: 24507000BKDHOS2915

New Delhi
17 May 2024

Annexure I referred to in paragraph 18 of the Independent Auditor's Report of even date to the members of Sobha Limited on the standalone financial statements for the year ended 31 March 2024

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, right of use assets and investment property.

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

(b) The Company has a regular program of physical verification of its property, plant and equipment, right of use assets and investment property under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, right of use assets and investment property were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in note 4 and note 5 to the standalone financial statements, are held in the name of the Company. For title deeds of immovable properties in the nature of Land and Building situated at Bengaluru, Karnataka with gross carrying values of ₹2,862.33 million as at 31 March 2024, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.

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

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The inventories held by the Company primarily real estate segment comprise of stock of units in completed projects, work in progress of projects under development (including land stock). 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. The other inventories comprising of raw material (including that of real estate segment), work in progress and finished goods has been physically verified by the management at reasonable intervals during the year. In our opinion, the coverage and procedures of such verification by the management is appropriate and no discrepancy of 10% or more in aggregate for each class of inventory were noticed. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.

(b) As disclosed in Note 20 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹5 crores by banks and financial institutions based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and such returns/statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit/review.

(iii) The Company has not provided any guarantee or security or granted any advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has made investments in, and granted unsecured loans to companies, firms, during the year, in respect of which-

(a) The Company has provided loans or guarantee to subsidiaries during the year as per details given below:

(in ₹ million)

Particulars	Guarantees	Loans
Aggregate amount provided/granted during the year: - Subsidiaries	-	862.62
Balance outstanding as at balance sheet date in respect of above cases: - Subsidiaries	998.78	1,222.02

(b) The Company has not provided any guarantee or given any security or granted any advances in the nature of loans during the year. Further, in our opinion, and according to the information and explanations given to us, the investments made 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 ₹1,222.02 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 overdue amount in respect of loans granted to such companies, as these loans are repayable on demand, and such loans and interest thereon have not been demanded for repayment as on date.

(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 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)	862.62 -	- -	862.62 -
Total (A+B)	862.62	-	862.62
Percentage of loans the total loans	100%	-	100%

(iv) In our opinion, and according to the information and explanations given to us, the Company has not entered into any transaction covered under section 185 of the Act. 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 of the Act 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 specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records

and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) 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, sales-tax, service tax, duty of customs, value added 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 a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) 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:

Name of the statute	Nature of dues	Gross Amount (₹ million)	Amount paid under Protest (₹ million)	Period to which the amount relates	Forum where dispute is pending
Karnataka Value added tax, 2003	Demand of Tax, Interest and/or penalty	683.68	207.74	2007-08 to 2017-18	High Court of Karnataka
Kerala Value added tax, 2003	Demand of Tax, Interest and/or penalty	63.20	13.66	2010-11 2012-13 and 2013-14	Appeal filed with VAT Appellate Tribunal at Trivandrum
Andhra Pradesh,Value added tax, 2005	Demand of Tax, Interest and/or penalty	40.00	16.28	2004-05 and 2006-07 to 2007-08	Sales Tax Appellate Tribunal, Andhra Pradesh
Customs Act, 1962	Demand of Tax, Interest and/or penalty	1.30	-	2010-11	Central Excise and Service Tax Appellate Tribunal, Bengaluru
Income Tax Act, 1961	Demand of Tax, Interest and/or penalty	573.90	78.29	2010-11, 2015-16 2017-18, 2019-20, 2020-21 and 2021-22	Commissioner of Income Tax, Bangalore
Income Tax Act, 1961	Demand of Tax, Interest and/or penalty	383.35	-	2013-14	Deputy Commissioner of Income tax, Bengaluru
Finance Act,1994 (Service Tax provisions)	Demand of Tax, Interest and/or penalty	560.34	125.78	2006-07 to 2017-18	Central Excise and Service Tax Apellate Tribunal, Bengaluru
The West Bengal, Value added tax, 2003	Demand of Tax, Interest and/or penalty	1.86	0.86	2009-10	WBCTO Appellate and Revision Board
Goods and Service Tax Act, 2017	Demand of Tax, Interest and/or penalty	0.90	0.09	2017-18	Additional Commissioner (Appeals), Bhubaneswar
Goods and Service Tax Act, 2017	Demand of Tax, Interest and/or penalty	1.7	0.17	2018-19	Joint Commissioner (Appeals), Bhubaneswar
Goods and Service Tax Act, 2017	Demand of Tax, Interest and/or penalty	13.6	1.36	July 2017 to March 2022	Additional Commissioner (Appeals), Cochin

(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, according to the information and explanations given to us, loans amounting to ₹6,306.16 million are repayable on demand and terms and conditions for payment of interest thereon have been stipulated and the payment of interest is regular. Further, such loans have not been demanded for repayment as on date.

(b) According to the information and explanations given to us including confirmations received from banks and financial institution and 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 government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

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

(e) According to the information and explanations given to us and on an overall examination of the standalone 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 or joint venture.

(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 or joint venture.

(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, the Company has received whistle blower complaints during the year, which have been considered by us while determining the nature, timing and extent of audit procedures.

(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 standalone 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) (a) In our opinion and according to the information and explanations given to us, the Company has an internal

audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(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.

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 not incurred any cash losses in the current financial year as well as 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 in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating 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 does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. 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

Manish Agrawal
Partner
Membership No: 507000
UDIN: 24507000BKDHOS2915

New Delhi
17 May 2024

Annexure II to the Independent Auditor's Report of even date to the members of Sobha Limited on the standalone financial statements for the year ended 31 March 2024

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

1. In conjunction with our audit of the standalone financial statements of Sobha Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

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

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

Auditor's Responsibility 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 standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Manish Agrawal
Partner
Membership No: 507000
UDIN: 24507000BKDHOS2915

New Delhi
17 May 2024

SOBHA LIMITED
STANDALONE BALANCE SHEET AS AT 31 MARCH 2024

(All amounts in ₹ millions, unless otherwise stated)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,838.54	2,315.59
Investment property	5	2,725.20	2,767.92
Intangible asset under development	6	54.36	17.62
Other intangible assets	7	-	0.06
Right of use assets	38	205.29	187.36
Financial assets			
(i) Investments	8	4,675.06	4,521.29
(ii) Trade receivables	10	393.45	795.18
(iii) Loans	11	230.02	229.52
(iv) Other financial assets	12	896.63	373.55
Income tax assets (net)	33	307.02	70.96
Deferred tax asset (net)	33	1,113.90	138.80
Other non-current assets	13	10,772.72	9,297.10
		24,212.19	**20,714.95**
Current assets			
Inventories	9	88,485.10	82,866.90
Financial assets			
(i) Trade receivables	10	1,975.94	2,097.60
(ii) Cash and cash equivalents	14	1,046.30	2,723.51
(iii) Bank balance other than (ii) above	15	5,501.73	1,681.32
(iv) Loans	11	983.66	437.65
(v) Other financial assets	16	4,175.38	4,718.79
Other current assets	13	5,486.74	6,078.94
		107,654.85	**100,604.71**
Total assets		**131,867.04**	**121,319.66**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	948.46	948.46
Other equity	18	22,630.81	22,462.22
Total equity		**23,579.27**	**23,410.68**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	6,716.09	5,586.13
(ii) Lease liabilities	38	213.44	204.77
Provisions	22	245.54	228.85
		7,175.07	**6,019.75**
Current liabilities			
Financial liabilities			
(i) Borrowings	20	11,870.51	13,808.23
(ii) Lease liabilities	38	48.80	28.04
(iii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises; and	23	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	6,133.05	5,956.15
(iv) Other financial liabilities	21	5,670.92	8,585.15
Other current liabilities	24	76,578.62	63,308.89
Provisions	22	223.12	202.77
Current tax liabilities (net)	33	587.68	-
		101,112.70	**91,889.23**
Total liabilities		**108,287.77**	**97,908.98**
Total equity and liabilities		**131,867.04**	**121,319.66**
Summary of material accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

New Delhi
17 May 2024

For and on behalf of the Board of Directors of **Sobha Limited**

Ravi PNC Menon
Chairman
DIN: 02070036

Jagadish Nangineni
Managing Director
DIN: 01871780

Yogesh Bansal
Chief Financial Officer

Bijan Kumar Dash
Company Secretary and Compliance Officer
ACS17222

Bengaluru
17 May 2024

SOBHA LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts in ₹ millions, unless otherwise stated)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	25	30,919.48	33,280.86
Other income	26	1,306.97	977.79
Total income		**32,226.45**	**34,258.65**
Expenses			
Land purchase and related cost		2,325.52	10,493.24
Cost of materials consumed	27	2,890.49	3,659.79
Purchase of project materials		9,856.90	9,491.24
Changes in Inventories of raw materials, land stock, work in progress and finished goods	28	(4,680.34)	(9,955.85)
Sub-contractor cost		9,198.16	8,100.68
Employee benefits expense	29	3,526.20	2,944.75
Finance cost	30	2,399.10	2,423.80
Depreciation and amortisation expense	31	741.83	638.71
Other expenses	32	5,284.95	5,145.19
Total expenses		**31,542.81**	**32,941.55**
Profit before tax		**683.64**	**1,317.10**
Tax expenses			
Current tax	33	1,176.95	300.31
Tax adjustments relating to earlier year	33	11.87	-
Deferred tax (credit) / charge	33	(970.87)	63.90
Tax expense		**217.95**	**364.21**
Profit for the year		**465.69**	**952.89**
Other comprehensive income			
Item that will not be reclassified to profit or loss			
Re-measurement on defined benefit plan	37	(16.79)	(53.36)
Income tax relating to above	33	4.23	13.43
Other comprehensive income/(loss) for the year, net of tax		**(12.56)**	**(39.93)**
Total comprehensive income for the year		**453.13**	**912.96**
Earnings per equity share [nominal value of ₹ 10 per share]			
Basic and diluted (in ₹)		4.91	10.05
Summary of material accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

New Delhi
17 May 2024

For and on behalf of the Board of Directors of **Sobha Limited**

Ravi PNC Menon
Chairman
DIN: 02070036

Jagadish Nangineni
Managing Director
DIN: 01871780

Yogesh Bansal
Chief Financial Officer

Bijan Kumar Dash
Company Secretary and Compliance Officer
ACS17222

Bengaluru
17 May 2024

SOBHA LIMITED
STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2024

(All amounts in ₹ millions, unless otherwise stated)

Particulars		Year ended 31 March 2024	Year ended 31 March 2023
A.	**Cash flows from operating activities**		
	Profit before tax	**683.64**	**1,317.10**
	Adjustments to reconcile profit before tax to net cash flows from operating activities		
	Depreciation and amortisation expense	741.83	638.71
	Gain on sale of property, plant and equipment and investment property	(2.41)	(1.00)
	Finance costs (including fair value change in financial instruments)	2,399.10	2,423.80
	Finance income (including fair value change in financial instruments)	(742.27)	(329.53)
	Reversal of impairement loss on financial assets	-	(50.55)
	Share of profit from partnership firm	(43.40)	(19.06)
	Impairment of property, plant and equipment	29.47	58.70
	Allowance for credit losses	20.66	313.83
	Provision for doubtful land advances	82.63	168.16
	Liabilities written back	(197.63)	(327.56)
	Other advances written off	50.21	60.95
	Operating profit before working capital changes	**3,021.83**	**4,253.55**
	Working capital adjustments		
	Changes in trade receivables	502.73	959.16
	Changes in inventories	(5,824.88)	(10,036.52)
	Changes in other current and non-current financial assets	294.17	1,181.92
	Changes in other current and non-current assets	(1,209.70)	880.00
	Changes in trade payables	374.53	1,868.63
	Changes in provisions	20.25	102.37
	Changes in other current financial liabilities	(2,914.09)	1,602.26
	Changes in other current liabilities	13,269.73	11,472.69
	Cash generated from operating activities	**7,534.57**	**12,284.06**
	Income tax paid (net of refund)	(694.11)	(557.35)
	Net cash flows from operating activities (A)	**6,840.46**	**11,726.71**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, investment property and intangible assets	(1,233.53)	(1,221.37)
	Proceeds from sale of property, plant and equipment and investment property	7.96	68.00
	Loans given to subsidiaries	(862.62)	(850.00)
	Loans repaid by subsidiaries	378.26	549.84
	Contribution to Partnership firm and LLP (net)	(110.40)	(103.69)
	Investments in fixed deposits (net)	(3,820.38)	(1,304.97)
	Interest income	356.07	98.24
	Net cash flows used in investing activities (B)	**(5,284.64)**	**(2,763.95)**
C.	**Cash flow from financing activities**		
	Repayments of current borrowings (net)	(701.79)	(6,438.87)
	Proceeds from non-current borrowings	6,645.38	2,723.80
	Repayment of non-current borrowings	(6,751.35)	(1,311.45)
	Repayment of principal portion of lease liabilities	(48.89)	(52.10)
	Repayment of interest portion of lease liabilities	(25.12)	(27.26)
	Interest paid	(2,066.72)	(2,194.55)
	Dividend paid on equity shares	(284.54)	(284.86)
	Net cash flows used in financing activities (C)	**(3,233.03)**	**(7,585.29)**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	(1,677.21)	1,377.47
	Cash and cash equivalents at the beginning of the year	2,723.51	1,346.04
	Cash and cash equivalents at the end of the year (Refer Note 14)	**1,046.30**	**2,723.51**
	Less: Book overdraft from scheduled banks (Refer Note 21)	(427.28)	(1,025.86)
	Net Cash and cash equivalents at the end of the year	**619.02**	**1,697.65**
	Changes in liabilities arising from financing activities (Refer Note 14)		

The above Standalone Statement of Cash Flow has been prepared under the "Indirect Method' as set out in the Ind AS 7, 'Statement of Cash flow'

Summary of material accounting policies 2.2

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

New Delhi
17 May 2024

For and on behalf of the Board of Directors of **Sobha Limited**

Ravi PNC Menon
Chairman
DIN: 02070036

Yogesh Bansal
Chief Financial Officer

Bengaluru
17 May 2024

Jagadish Nangineni
Managing Director
DIN: 01871780

Bijan Kumar Dash
Company Secretary and Compliance Officer
ACS17222

SOBHA LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

(All amounts in ₹ millions, unless otherwise stated)

A.Equity share capital (*)

	Amount
Balance as at 1 April 2022	**948.46**
Changes in equity share capital during the year	-
Balance as at 31 March 2023	**948.46**
Balance as at 1 April 2023	**948.46**
Changes in equity share capital during the year	-
Balance as at 31 March 2024	**948.46**

B. Other equity (**)

	Attributable to owners of the Company					
	Reserves and Surplus				Items of OCI	
	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Other items of OCI	Total
Balance as at 1 April 2022	**119.47**	**9,328.92**	**4,348.50**	**8,047.26**	**(10.35)**	**21,833.80**
Profit for the year	-	-	-	952.89	-	952.89
Other comprehensive income/(loss)	-	-	-	-	(39.93)	(39.93)
Total comprehensive income for the year	**-**	**-**	**-**	**952.89**	**(39.93)**	**912.96**
Transfer to other reserves						
General reserve	-	-	95.29	(95.29)	-	-
Total transfer to other reserves	**-**	**-**	**95.29**	**(95.29)**	**-**	**-**
Transaction with owners, recorded directly in equity						
Dividend	-	-	-	(284.54)	-	(284.54)
Total distribution to owners	**-**	**-**	**-**	**(284.54)**	**-**	**(284.54)**
Balance as at 31 March 2023	**119.47**	**9,328.92**	**4,443.79**	**8,620.32**	**(50.28)**	**22,462.22**
Profit for the year	-	-	-	465.69	-	465.69
Other comprehensive income/(loss)	-	-	-	-	(12.56)	(12.56)
Total comprehensive income for the year	**-**	**-**	**-**	**465.69**	**(12.56)**	**453.13**
Transfer to other reserves						
General reserve	-	-	46.57	(46.57)	-	-
Total transfer to other reserves	**-**	**-**	**46.57**	**(46.57)**	**-**	**-**
Transaction with owners, recorded directly in equity						
Dividend	-	-	-	(284.54)	-	(284.54)
Total distribution to owners	**-**	**-**	**-**	**(284.54)**	**-**	**(284.54)**
Balance as at 31 March 2024	**119.47**	**9,328.92**	**4,490.36**	**8,754.90**	**(62.84)**	**22,630.81**

(*) Refer Note 17

(**) Refer Note 18

Summary of material accounting policies 2.2

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

New Delhi
17 May 2024

For and on behalf of the Board of Directors of **Sobha Limited**

Ravi PNC Menon
Chairman
DIN: 02070036

Yogesh Bansal
Chief Financial Officer

Bengaluru
17 May 2024

Jagadish Nangineni
Managing Director
DIN: 01871780

Bijan Kumar Dash
Company Secretary and Compliance Officer
ACS17222

1 Corporate information

Sobha Limited (the 'Company') was incorporated on 07 August 1995 under the provision of erstwhile Companies Act, 1956. The Company is engaged in the business of real estate construction, development, sale, management and operation of all or any part of townships, housing projects, commercial premises and other related activities. The Company is also engaged in manufacturing activities related to interiors, glazing and metal works and concrete products which also provides backward integration to Sobha's turnkey projects.

The Company is a public limited company, incorporated and domiciled in India and has its registered office at, Sarjapur – Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bengaluru - 560 103. The Company's equity shares are listed on two recognized stock exchanges in India namely National Stock Exchange of India Limited and BSE Limited.

2.1 Basis of preparation

a. Statement of Compliance

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind-AS) specified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 and other accounting principles generally accepted in India.

The standalone financial statements for the year ended 31 March 2024 were authorized and approved for issue by the Board of Directors on 17 May 2024. The revision to financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of Companies Act, 2013.

b. Functional and presentation currency

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

c. Basis of measurement

These standalone financial statements have been prepared on going concern basis under the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

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

d. Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The Management believes that, although these estimates used in preparation of the financial statements are prudent and reasonable and are based on 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. The effect of change in an accounting estimate is recognized prospectively. Significant management judgement in applying accounting policies and estimation uncertainty have been disclosed in note 2.3.

e. Fair value measurement

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

2.1 Basis of preparation (cont'd)

observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for 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 realisable value in Ind AS 2, 'Inventories', or value in use in Ind AS 36, 'Impairment of assets'.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques have been disclosed in note 2.2(o)(xi).

f. Current versus non-current classification

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

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

The real estate development projects undertaken by the Company generally run over a period ranging up to 5 years. Based on the nature of service and the time between the acquisition of assets for development and their realization in cash and cash equivalents, Operating assets and liabilities relating to such projects are classified as current based on an operating cycle as 5 years. For all other assets and liabilities the Company has considered twelve months.

2.2 Material accounting policies

a) Revenue recognition

I. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled

2.2 Material accounting policies (cont'd)

in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other credits, if any, as specified in the contract with the customer.

The Company presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

The Company has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the standalone financial statements. The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

a) The Customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

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

c) 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 any of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time or over a period of time based on various conditions as included in the contracts with customers.

The billing schedules agreed with customers include periodic performance-based billing and/or milestone-based progress billings. Revenues in excess of billing are classified as unbilled revenue, while billing in excess of revenues is classified as contract liabilities (which we refer to as deferred revenues).

i) Recognition of revenue from sale of real estate property

Revenue from real estate development of residential unit is recognised at the point in time, when the control of the asset is transferred to the customer, which generally coincides with transfer of physical possession of the residential unit to the customer ie., handover/ deemed handover of the residential units. Deemed handover of the residential units is considered upon intimation to the customers about receipt of occupancy certificate and receipt of substantial sale consideration.

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated/ interdependent.

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 recognised over time, 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.

The revenue is measured at the fair value of the land received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the land received cannot be measured reliably, the

2.2 Material accounting policies (cont'd)

revenue is measured at the fair value of the estimated construction service rendered to the land owner, adjusted by the amount of any cash or cash equivalents transferred. The fair value so estimated is considered as the cost of land in the computation of percentage of completion for the purpose of revenue recognition as mentioned above.

For contracts involving sale of real estate unit, the Company receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Company under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Company has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

ii) Recognition of revenue from contractual projects

Revenue from contractual project is recognised over time, with reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

The Company recognises revenue only when it can reasonably measure its progress in satisfying the performance obligation. Until such time, the Company recognises revenue to the extent of cost incurred, provided the Company expects to recover the costs incurred towards satisfying the performance obligation.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately when such probability is determined.

iii) Recognition of revenue from sale of land and development rights

Revenue from sale of land and development rights is recognised upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the forming of the sales contracts/ agreements and/or registration of such agreements where applicable. Revenue from sale of land and development rights is only recognised when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer.

iv) Recognition of revenue from glazing works

Revenue from glazing projects is recognised over time, with reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of the budgeted cost associated to the units produced/ installed for work performed to date relative to the total contractual obligation of production/ installation of such units.

The Company recognises revenue only when it can reasonably measure its progress in satisfying the performance obligation. Until such time, the Company recognises revenue to the extent of work certified by the customer which the Company expects to recover towards satisfying the performance obligation.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately when such probability is determined.

v) Recognition of revenue from interior works and sale of concrete products and scrap

Revenue is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Revenue excludes indirect taxes and is after deduction of any trade discounts.

2.2 Material accounting policies (cont'd)

vi) Recognition of revenue from maintenance and other services

Revenue in respect of maintenance services and other services is recognised on an accrual basis, in accordance with the terms of the respective contract as and when the Company satisfies performance obligations by delivering the services as per contractual agreed terms.

vii) Other operating income

Interest on delayed receipts, cancellation/ forfeiture income, transfer fees, marketing fee from customers are recognised based upon underlying agreements with customers and when reasonable certainty of collection is established.

viii) Contract balances

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

ix) Cost to obtain a contract

The Company recognises as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The Company incurs costs such as sales commission when it enters into a new contract, which are directly related to winning the contract. The asset recognised is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

II. Rental income from operating leases

Rental income receivable under operating leases (excluding variable rental income) is recognized in the statement of profit and loss on a straight-line basis over the term of the lease including lease income on fair value of refundable security deposits. Rental income under operating leases having variable rental income is recognized as per the terms of the contract.

III. Share in profit/ loss of Limited liability partnership (LLPs) and partnership firms

The Company's share in profits/losses from LLPs and partnership firm, where the Company is a partner, is recognised as income/loss in the statement of profit and loss as and when the right to receive its profit/ loss share is established by the Company in accordance with the terms of contract between the Company and the partnership entity. Share in profit/ loss is recorded under Partners Current Account.

IV. Interest income

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate method.

b) Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.2 Material accounting policies (cont'd)

Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

The Company treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

c) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined based on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

I. *Related to real estate and contractual activity*

Direct expenditure relating to real estate activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

i)	Work-in-progress (Real estate)	Represents cost incurred in respect of projects where the revenue is yet to be recognized and includes cost of land (including development rights and non-refundable deposits paid, if any under joint development arrangements ('JDA')), internal development costs, external development charges, construction costs, overheads, borrowing cost etc. Land/ development rights received under JDA is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project.
ii)	Stock of units/plots in completed real estate projects	Represents cost incurred in respect of completed real estate project net cost of revenue.
iii)	Building materials	Cost comprises of purchase price and other costs incurred in bringing the inventories to their present location and condition. Building materials are valued at cost computed on weighted average basis.
iv)	Land stock	Represents land other than area transferred to work-in-progress at the commencement of construction. Cost comprises of purchase price under agreement to purchase, stamp duty, registration charges, brokerage cost and other incidental expenses.

II. *Related to glazing, interiors and concrete products activity*

i)	Raw material, components and stores	Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Raw material, components and stores are valued at cost computed on weighted average basis.

2.2 Material accounting policies (cont'd)

ii)	Work-in-progress and Finished goods	Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

d) Advance paid towards land procurement

Advances paid by the Company to the seller/ intermediary towards outright purchase of land is recognised as land advance under other assets during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to land stock under inventories. Management is of the view that these advances are given under normal trade practices and are neither in the nature of loans nor advance in the nature of loans. (refer note 13)

e) Foreign currency transactions and balances

i) Initial recognition

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

ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) Exchange differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income or as expense in the period in which they arise.

f) Property, plant and equipment

i) Recognition and initial measurement

Property, plant and equipment at their initial recognition are stated at their cost of acquisition. Cost of an item of property, plant and equipment comprises its purchase price, borrowing costs (if capitalization criteria are met), import duties, non-refundable taxes and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part have a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour, borrowing costs (if capitalization criteria are met) and any other costs directly attributable to bringing the asset to working condition for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

ii) Subsequent measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

2.2 Material accounting policies (cont'd)

iii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

iv) Derecognition

An item of Property, plant and equipment and any significant part initially recognized is de-recognized 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 income statement when the Property, plant and equipment is de-recognized.

g) Investment property

i) Recognition and initial measurement

Investment property is property held either to earn rental income or for capital appreciation or for both. Upon initial recognition, an investment property is measured at cost, including related transaction costs. The cost comprises purchase price, cost of replacing parts, 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.

The cost of a self-constructed item of Investment property comprises the cost of materials, direct labour, borrowing costs (if capitalization criteria are met) and any other costs directly attributable to bringing the asset to working condition for its intended use.

ii) Subsequent measurement

Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

iii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

iv) Derecognition

Investment property is derecognised either when control of the same is transferred to the buyer or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

v) Reclassification from / to investment property

Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

vi) Fair value disclosure

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual valuation performed by an accredited external independent valuer.

2.2 Material accounting policies (cont'd)

h) Depreciation on property, plant and equipment and Investment property

Depreciation is calculated on written down value basis using the following useful lives prescribed under Schedule II of the Act, except where specified.

Particulars	Useful lives estimated by the management (in years)
Property, plant and equipment	
Factory buildings	30
Buildings - other than factory buildings	60
Buildings - temporary structure for precast plant	8
Buildings - temporary structure	3
Plant and machinery	
i. General plant and machinery	15
ii. Plant and machinery - Civil construction	12
iii. Plant and machinery - Electrical installations	10
iv. Plant and machinery - Precast plant	8
v. Plant and machinery - Others	3-5
Furniture and fixtures	10
Motor vehicles - Two wheelers	10
Motor vehicles - Four wheelers	8
Computers	
i. Computer equipment	3
ii. Servers and network equipment	6
Office equipment	5
Investment property	
Buildings - other than factory buildings	60
Buildings - One Sobha	46-48
Plant and machinery	
i. General plant and machinery	15
ii. Plant and machinery	12
Office equipments	5
Furniture and fixtures	10

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building and plant and equipment 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.

Steel scaffolding items are depreciated using straight line method over a period of 6 years, which is estimated to be the useful life of the asset by the management based on planned usage and technical advice thereon. These lives are higher than those indicated in Schedule II.

Leasehold land is amortized on a straight-line basis over the balance period of lease

Freehold land is not depreciated and is stated at cost less impairment loss, if any.

2.2 Material accounting policies (cont'd)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i) Capital work-in-progress and intangible assets under development

Capital work-in-progress and intangible assets under development represents expenditure incurred in respect of capital projects/ intangible assets under development which are not yet ready for their intended use and are carried at cost less accumulated impairment loss, if any.

Depreciation/amortisation is not provided on capital work-in-progress and intangible assets under development until construction/installation are complete and the asset is ready for its intended use.

j) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets, comprising of software and intellectual property rights are amortized on a straight line basis over a period of 3 years, which is estimated to be the useful life of the asset and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

k) 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.

I. Company as a lessee

The Company applies a single recognition and measurement 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.

i) 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 if any, 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.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.2(p)(ii) on impairment of non-financial assets.

ii) 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

2.2 Material accounting policies (cont'd)

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.

iii) 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.

II. Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Assets subject to operating leases are included under Investment property.

Lease income from operating lease is recognized on a straight-line basis over the term of the relevant lease including lease income on fair value of refundable security deposits, unless the lease agreement explicitly states that increase is on account of inflation. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

I) Retirement and other employee benefits

i) Employee Provident Fund and Employee State Insurance

Retirement benefits in the form of state governed Employee Provident Fund and Employee State Insurance are defined contribution schemes (collectively the 'Schemes'). The Company has no obligation, other than the contribution payable to the Schemes. The Company recognizes contribution payable to the Schemes as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognized as an asset and the contribution due in excess of amount paid is recognized as a liability.

ii) Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/ obligation at the balance

2.2 Material accounting policies (cont'd)

sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/ obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service cost and net interest expense on the Company's defined benefit plan is included in statement of profit and loss. Actuarial gains/ losses resulting from re-measurements of the liability are included in other comprehensive income in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

The Company makes contributions to Sobha Developers Employees Gratuity Trust ('the trust') to discharge the gratuity liability to employees. Provision towards gratuity, a defined benefit plan, is made for the difference between actuarial valuation by an independent actuary and the fund balance, as at the year-end.

iii) Compensated absences

"Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

iv) 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.

m) Provisions, contingent assets and contingent liabilities

i) Provisions

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. 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.

ii) Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e. the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.2 Material accounting policies (cont'd)

iii) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

iv) Contingent assets

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

n) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

i) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

ii) Deferred income tax

Deferred income tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

2.2 Material accounting policies (cont'd)

o) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Initial recognition and measurement of financial assets and liabilities

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, however, trade receivables and trade payables that do not contain a significant financing component are measured at transaction value and investments in subsidiaries are measured at cost in accordance with Ind AS 27 - Separate financial statements. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

ii) Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets 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.

iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

iv) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

v) Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) 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 profit or loss. This category generally applies to trade and other receivables.

vi) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial

2.2 Material accounting policies (cont'd)

liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

vii) Financial liabilities at amortized cost

Financial liabilities are subsequently carried at amortized cost using the effective interest ('EIR') method.

Interest-bearing loans and borrowings are subsequently measured at amortized cost using EIR method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

viii) De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

ix) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial instruments.

x) 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 recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

xi) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.2 Material accounting policies (cont'd)

xii) Investment in equity instruments of subsidiaries (including partnership firms), joint ventures and associates

Investment in equity instruments of subsidiaries, joint ventures and associates are stated at cost as per Ind AS 27 'Separate Financial Statements'. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is assessed for recoverability and in case of permanent diminution, provision for impairment is recorded in statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

p) Impairment

i) Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets

(except financial assets valued through fair value through profit or loss) is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The presumption under Ind AS 109 with reference to significant increases in credit risk since initial recognition (when financial assets are more than 30 days past due), has been rebutted and is not applicable to the Company, as the Company is able to collect a significat portion of its receivables that exceed the due date.

ii) Non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

iii) 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 .

2.2 Material accounting policies (cont'd)

q) Segment reporting

i) Identification of segments

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Results of the operating segments are reviewed regularly by the Managing Director who has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance.

ii) Inter-segment transfers

The Company generally accounts for intersegment sales and transfers at appropriate margins.

iii) Unallocated items

Unallocated items include general corporate asset, liability, income and expense items which are not allocated to any business segment.

iv) Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole.

r) Cash dividend to equity holders of the Company

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

s) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

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, if any.

t) 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, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

2.3 Significant accounting judgements, estimates and assumptions

Significant accounting judgements, estimates and assumptions used by management are as below

Determination of performance obligations and timing of revenue recognition on revenue from real estate development [Refer Note 2.2(a)(I)(i)]

Accounting for revenue and land cost for projects executed through joint development arrangement [Refer Note 2.2(a)(I)(i)]

Computation of percentage completion for projects in progress, project cost, revenue and saleable area estimates [Refer Note 2.2(a)(I)(ii)]

Estimation of net realizable value for inventory [Refer Note 2.2(c)], land advance and refundable deposits paid under JDA [Refer Note 2.2 (d)]

Provision for litigations and contingencies [Refer Note 2.2(m)]

Useful life and residual value of property, plant and equipment, investment property and intangible assets [Refer Note 2.2(h)]

Evaluation of indicators and impairment of financial and non-financial assets [Refer Note 2.2(p)]

Classification of property as investment property or inventory [Refer Note 2.2(c) and (g)]

Fair value measurement disclosures [Refer Note 2.2(o)]

Provision for tax [Refer Note 2.2(n)]

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2024.

(All amounts in ₹ millions, unless otherwise stated)

4. Property, plant and equipment

	Freehold land	Factory buildings	Other buildings	Plant and machinery	Scaffolding items	Furniture and fixtures	Vehicles	Computers	Office equipment	Total
Cost										
As at 1 April 2022	**67.08**	**652.57**	**1,085.03**	**1,961.87**	**1,981.37**	**47.82**	**12.63**	**196.12**	**35.70**	**6,040.19**
Additions during the year	-	-	38.92	59.86	383.61	4.36	3.59	34.45	5.26	**530.05**
Disposal during the year	-	-	-	(24.40)	(12.52)	(0.18)	(0.01)	(2.72)	(0.34)	**(40.17)**
As at 31 March 2023	**67.08**	**652.57**	**1,123.95**	**1,997.33**	**2,352.46**	**52.00**	**16.21**	**227.85**	**40.62**	**6,530.07**
Additions during the year	7.39	71.78	83.52	88.35	814.38	17.16	6.37	49.37	6.10	**1,144.42**
Disposal during the year	-	-	-	(12.92)	(0.39)	(0.05)	-	(0.08)	(0.07)	**(13.51)**
As at 31 March 2024	**74.47**	**724.35**	**1,207.47**	**2,072.76**	**3,166.45**	**69.11**	**22.58**	**277.14**	**46.65**	**7,660.98**
Accumulated depreciation and impairment loss										
As at 1 April 2022	**-**	**461.20**	**389.17**	**1,306.50**	**1,310.22**	**35.96**	**8.73**	**154.28**	**28.00**	**3,694.06**
Charge for the year	-	67.93	46.85	140.44	199.58	3.08	1.04	28.95	4.34	**492.21**
Impairment loss	2.85	-	55.62	0.24	-	-	-	-	-	**58.71**
Disposal during the year	-	-	-	(20.13)	(7.48)	(0.14)	(0.01)	(2.43)	(0.31)	**(30.50)**
As at 31 March 2023	**2.85**	**529.13**	**491.64**	**1,427.05**	**1,502.32**	**38.90**	**9.76**	**180.80**	**32.03**	**4,214.48**
Charge for the year	-	50.32	58.20	132.84	295.22	5.22	2.17	37.94	4.56	**586.47**
Impairment loss	-	1.35	3.36	15.76	-	1.36	1.39	5.18	1.07	**29.47**
Disposal during the year	-	-	-	(7.40)	(0.39)	(0.04)	-	(0.08)	(0.07)	**(7.98)**
As at 31 March 2024	**2.85**	**580.80**	**553.20**	**1,568.25**	**1,797.15**	**45.44**	**13.32**	**223.84**	**37.59**	**4,822.44**
Carrying amount										
As at 31 March 2024	**71.62**	**143.55**	**654.27**	**504.51**	**1,369.30**	**23.67**	**9.26**	**53.30**	**9.06**	**2,838.54**
As at 31 March 2023	**64.23**	**123.44**	**632.31**	**570.28**	**850.14**	**13.10**	**6.45**	**47.05**	**8.59**	**2,315.59**

Note:

a) **Contractual obligations**
The contractual commitments pending for the acquisition of property, plant and equipment as at 31 March 2024 is ₹493.42 (31 March 2023: ₹250.03)

b) **Property, plant and equipment pledged as security**
Refer Note.43 for details of Property, plant and equipment pledged as security for borrowings.

c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), are held in the name of the Company.

d) The Company has not revalued its property, plant and equipment during the current or previous year.

5 Investment property

Particulars	Other assets forming part of Building					
	Right of Use - Land	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Total
Cost						
As at 1 April 2022	**142.84**	**2,038.83**	**143.49**	**0.66**	**0.28**	**2,326.10**
Additions during the year	-	671.30	1.67	0.07	3.76	**676.80**
Disposal during the year	-	-	-	-	-	**-**
As at 31 March 2023	**142.84**	**2,710.13**	**145.16**	**0.73**	**4.04**	**3,002.90**
Additions during the year	-	50.84	-	-	1.38	**52.22**
Disposal during the year	-	-	(0.11)	-	-	**(0.11)**
As at 31 March 2024	**142.84**	**2,760.97**	**145.05**	**0.73**	**5.42**	**3,055.01**
Accumulated depreciation and amortisation						
As at 1 April 2022	**3.01**	**103.99**	**50.22**	**0.55**	**0.19**	**157.96**
Charge for the year	3.01	56.39	16.95	0.01	0.66	**77.02**
Disposal during the year	-	-	-	-	-	**-**
As at 31 March 2023	**6.02**	**160.38**	**67.17**	**0.56**	**0.85**	**234.98**
Charge for the year	3.02	75.97	14.02	0.03	1.88	**94.92**
Disposal during the year	-	-	(0.09)	-	-	**(0.09)**
As at 31 March 2024	**9.04**	**236.35**	**81.10**	**0.59**	**2.73**	**329.81**
Carrying amount						
As at 31 March 2024	**133.80**	**2,524.62**	**63.95**	**0.14**	**2.69**	**2,725.20**
As at 31 March 2023	**136.82**	**2,549.75**	**77.99**	**0.17**	**3.19**	**2,767.92**

a. One investment property is constructed/ developed on a leasehold land where the company is the lessee and the lease agreement is duly executed in favour of the lessee. As the Right-of-use assets meet the definition of investment property, and hence presented within 'investment property'.

b. Investment property comprises of commercial property and club houses that involve lease arrangements. Each of the leases contains an initial non-cancellable period of 2-3 years. The Company has no restrictions on the realisability of its investment property.

c. **Fair value of investment property**

The fair value of Investment property is ₹6,000.60 (31 March 2023: ₹5,878.10). The valuations is based on valuation performed by an accredited independent valuer and is a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value of the Company's investment properties have been arrived at using discounted cash flow method, direct comparison approach, and depreciated replacement cost method. Under discounted cash flow method, cash flow projections based on reliable estimates of cash flow are discounted. The main inputs used are rental growth rate, expected vacancy rates, discount rates, and transacted values of similar properties which are based on comparable transactions and industry data. The fair value measurement of the investment property has been categorised as a Level 3 fair value (discounted cash flow method) and level 2 fair value (direct comparison and depreciated replacement cost method) based on the inputs to the valuation technique used (refer note 40b).

d. **Investment property pledged as security**

Refer Note.43 for details of investment property pledged as security for borrowings.

e. **Amounts recognised in profit or loss**

Particulars	31 March 2024	31 March 2023
Rental income derived from investment properties (refer note 25B)	**374.80**	**318.09**
Direct operating expenses (including repairs and maintenance) that generated rental income	(23.94)	(14.57)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(16.58)	(16.53)
Profit arising from investment properties before depreciation and indirect expenses	**334.28**	**286.99**
Less: Depreciation	(94.92)	(77.02)
Profit arising from investment properties before indirect expenses	**239.36**	**209.97**

6 Intangible asset under development

	Software	Amount
As at 1 April 2022	**-**	**-**
Additions during the year	17.62	17.62
As at 1 April 2023	**17.62**	**17.62**
Additions during the year	36.74	36.74
As at 31 March 2024	**54.36**	**54.36**

Contractual obligations

The contractual commitments pending for the acquisition of intangible asset under development as at 31 March 2024 is ₹8.75 (31 March 2023: ₹13.93)

Ageing of intangible assets under development as at 31 March 2024

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress (*)	36.74	17.62	-	-	54.36
Projects temporarily suspended	-	-	-	-	-
	36.74	**17.62**	**-**	**-**	**54.36**

Ageing of intangible assets under development as at 31 March 2023

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress (*)	17.62	-	-	-	17.62
Projects temporarily suspended	-	-	-	-	-
	17.62	**-**	**-**	**-**	**17.62**

(*) There are no projects in progress under 'Intangible assets under development' whose completion is overdue or has exceeded its cost compared to its original plan.

7 Intangible assets

	Software	Intellectual property rights	Total
Cost			
As at 1 April 2022	15.59	0.05	**15.64**
Additions during the year	-	-	-
As at 31 March 2023	**15.59**	**0.05**	**15.64**
Additions during the year	-	-	-
As at 31 March 2024	**15.59**	**0.05**	**15.64**
Amortisation			
As at 1 April 2022	15.45	0.05	**15.50**
Charge for the year	0.08	-	0.08
As at 31 March 2023	**15.53**	**0.05**	**15.58**
Charge for the year	0.06	-	0.06
As at 31 March 2024	**15.59**	**0.05**	**15.64**
Carrying amount			
As at 31 March 2024	**-**	**-**	**-**
As at 31 March 2023	**0.06**	**-**	**0.06**

Note: The Company has not revalued its intangible assets during the current or previous year.

8 Investments (Non-Current)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
Investment in equity instruments	A	1,385.37	1,385.32
Investment in preference shares	B	77.00	77.00
Investments in partnership firm	C	2,063.36	1,909.56
Investments in Limited Liability Partnership (LLP) firm	D	1,149.33	1,149.33
Investments in Government or trust securities	E	-	0.08
		4,675.06	**4,521.29**

		No. of shares				Amount	
		31 March 2024	% of holding	31 March 2023	% of holding	As at 31 March 2024	As at 31 March 2023
Investments carried at cost							
Trade investments (valued at cost unless stated otherwise)							
A	**Investment in equity instruments (Unquoted)**						
	Investment in subsidiaries						
	(i) Sobha Highrise Ventures Private Limited (#)						
	Class A equity shares of ₹ 10 each (in ₹) fully paid-up	199,999	100%	199,999	100%	2.00	2.00
	Class C equity shares of ₹ 33.90 each (in ₹) fully paid-up	10,200,000	100%	10,200,000	100%	345.78	345.78
	Class D equity shares of ₹ 10 each (in ₹) fully paid-up	2,500,000	100%	2,500,000	100%	25.00	25.00
	(ii) Sobha Developers (Pune) Limited (*)	526,320	100%	526,320	100%	986.41	986.41
	(iii) Sobha Nandambakkam Developers Limited (^)	50,000	100%	50,000	100%	13.74	13.74
	(iv) Sobha Tambaram Developers Limited (^)	50,002	100%	50,002	100%	2.24	2.24
	(v) Sobha Assets Private Limited (^)	10,000	100%	10,000	100%	0.10	0.10
	(vi) Sobha Construction Products Private Limited (^)	1,000,000	100%	1,000,000	100%	10.00	10.00
	(vii) C.V.S.Tech Park Private Limited	10,000	100%	NA	NA	0.10	-
						1,385.37	**1,385.27**
	Investment in associate						
	(i) C.V.S.Tech Park Private Limited (till 14 February 2024)	NA	NA	4,900	49%	-	0.05
B	**Investment in preference shares (Unquoted) (refer note '(i)' below)**						
	Investment in subsidiary						
	Sobha Highrise Ventures Private Limited (#)	7,700,000	100%	7,700,000	100%	77.00	77.00
C	**Investments in partnership firm (refer note '(ii)' below)**						
	In Subsidiary						
	99% (31 March 2023 - 99%) share in the profits of partnership firm:						
	Sobha City (Refer note 1 below)						
	- Capital account					399.99	399.99
	- Current account					1,535.37	1,381.57
	- Additional consideration paid for acquisition of capital					128.00	128.00
						2,063.36	**1,909.56**

8 Investments (Non-Current) (cont'd)

D	**Investments in Limited Liability Partnership (LLP) firm**		
	In Joint Venture		
	50% (31 March 2023 - 50%) share in the profits of partnership firm:		
	Kondhwa Projects LLP		
	- Capital account	0.05	0.05
	- Current account	1,149.28	1,149.28
		1,149.33	1,149.33
		4,675.06	**4,521.21**
	Investments at amortized cost		
E	**Investment in Government or trust securities (unquoted)**		
	National savings certificates	-	0.08
	Total investments carried at amortised cost	**-**	**0.08**
	Total investments	**4,675.06**	**4,521.29**
	Aggregate amount of quoted investments and market value thereof	**-**	**-**
	Aggregate amount of unquoted investments	**4,675.06**	**4,521.29**
	Aggregate amount of impairment in value of investments	**-**	**-**

(^) Represents equity shares of ₹10/- each (in ₹) and fully paid up

(*) Represents equity shares of ₹1/- each (in ₹) and fully paid up

(#) Represents multiple class of equity shares (Class A, Class C and Class D) of face value ₹10/- each (in ₹) and fully paid up and compulsorily convertible preference shares of ₹10/- (in ₹) each and fully paid up

The principle place of business of all the investments of the Company is India

Note:

(i) The Company has subscribed to 0.001% unsecured, non-cumulative, Compulsorily Convertible Preference shares (CCPSs) of ₹10/- each (in ₹). At the option of holder, these CCPSs are convertible into fixed number of equity shares in one or more tranches within a period of 19 years from the date of allotment.

(ii) The particulars of partners of the partnership firm, their capital contribution and profit sharing ratio is as under:

Name of partners	**As at 31 March 2024**		**As at 31 March 2023**	
	Share of profit (%)	**Capital**	**Share of profit (%)**	**Capital**
Investment in Sobha City				
Sobha Limited	99%	399.99	99%	399.99
Sobha Developers (Pune) Limited	1%	0.01	1%	0.01
	100%	400.00	100%	400.00

(iii) The Company has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

9 Inventories

(Valued at cost or net realisable value, which ever is lower)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials, components and stores	600.70	717.54
Building materials	1,525.16	1,336.47
Land stock (*)	4,436.99	5,635.90
Work-in-progress		
- Real estate projects (*)	75,333.59	60,665.72
- Others	624.45	491.94
Stock of units in completed real estate projects (*)	5,911.19	13,957.80
Finished goods	53.02	61.53
	88,485.10	**82,866.90**

(*)Refer note 43 for details of inventories pledged as security for borrowings.

Note:
The write-down (net) of inventories to net realisable value for the year ended 31 March 2024 is ₹54.82 (31 March 2023: ₹124.00). This was recorded as an expense during the respective years and included in 'changes in inventories' in standalone statement of profit and loss.

10 Trade receivables

	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Trade receivables considered good - unsecured	393.45	795.18	2,522.90	2,669.94
Trade receivables - credit impaired	-	-	29.12	29.12
	393.45	795.18	2,552.02	2,699.06
Less: Impairment allowance (allowance for credit loss)				
Trade receivables considered good - unsecured	-	-	(546.96)	(572.34)
Trade receivables - credit impaired	-	-	(29.12)	(29.12)
Net trade receivables	**393.45**	**795.18**	**1,975.94**	**2,097.60**

Note:

a.	Trade receivables due by firms or private companies in which the director of the Company is a partner or a director or a member (refer note 35)	-	-	192.17	212.01
b.	Trade receivables from other related parties (refer note 35)	-	-	401.40	311.48

c. Refer Note 43 for details of Trade receivables pledged as security for borrowings

10 Trade receivables (cont'd)

d. Trade receivable ageing schedule

As at 31 March 2024	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
A. Non-current							
Undisputed Trade receivables-considered good	373.74	2.99	4.20	1.79	0.57	10.16	393.45
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables-considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Total of Non-current	**373.74**	**2.99**	**4.20**	**1.79**	**0.57**	**10.16**	**393.45**
B. Current							
Undisputed Trade receivables-considered good	235.84	990.59	254.03	318.76	263.15	460.53	2,522.90
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables-credit impaired	-	-	-	-	-	29.12	29.12
Disputed Trade receivables-considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Total of Current	**235.84**	**990.59**	**254.03**	**318.76**	**263.15**	**489.65**	**2,552.02**

As at 31 March 2023	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
A. Non-current							
Undisputed Trade receivables-considered good	770.71	4.28	1.94	4.33	0.28	13.64	795.18
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables-considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Total of Non-current	**770.71**	**4.28**	**1.94**	**4.33**	**0.28**	**13.64**	**795.18**

10 Trade receivables (cont'd)

d. Trade receivable ageing schedule (cont'd)

B. Current							
Undisputed Trade receivables-considered good	235.70	1,025.43	506.72	263.94	202.05	436.10	2,669.94
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables-credit impaired	-	-	-	-	-	29.12	29.12
Disputed Trade receivables-considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Total of Current	**235.70**	**1,025.43**	**506.72**	**263.94**	**202.05**	**465.22**	**2,699.06**

e. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days

11 Loans

	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Loans to related parties (refer note 35)				
Loans receivables considered good – unsecured	230.02	229.52	983.66	437.65
Loans receivables – credit impaired	8.34	8.34	-	-
	238.36	**237.86**	**983.66**	**437.65**
Less: Allowances for credit loss				
Loans receivables – credit impaired	(8.34)	(8.34)	-	-
Net loans	**230.02**	**229.52**	**983.66**	**437.65**

Note				
Loans and advances to Directors / KMP / Related Parties repayable on demand	**As at 31 March 2024**		**As at 31 March 2023**	
	Amount outstanding	**Percentage of Total**	**Amount outstanding**	**Percentage of Total**
Related parties	1,222.02	100%	675.51	100%
	1,222.02	**100%**	**675.51**	**100%**

There are no loans due from directors or other officers either severally or jointly with any other person.

12 Other financial assets (Non-Current)

	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Refundable deposits towards joint development agreement (refer note 35)	180.00	180.00
Security deposits	42.52	42.51
Earnest money deposits	466.74	-
Fixed deposits with maturity for more than 12 months		
- Pledged/ under lien/ earmarked/ margin money (^^)	207.37	151.04
	896.63	**373.55**

Refer Note 43 for details of deposits pledged as security for borrowings

(^^) Includes interest accrued but not due

13 Other assets

	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good				
Land advances (*)	9,117.90	9,021.93	-	627.03
Advances recoverable in kind	-	-	749.32	883.18
Prepaid expenses	-	-	1,629.35	1,013.08
Balances with statutory/ government authorities	-	-	749.68	982.03
Unbilled revenue (^)	-	-	1,686.48	1,801.76
Advances for joint development arrangements (#)	1,654.82	275.17	663.20	771.86
Other receivables	-	-	8.71	-
Unsecured, considered doubtful				
Land advances (^^)	82.63	168.16	-	-
Less: Provision for doubtful advances	(82.63)	(168.16)	-	-
	10,772.72	**9,297.10**	**5,486.74**	**6,078.94**

(*) Advances for land though unsecured, are considered good as the advances have been given based on arrangements/ memorandum of understanding executed by the Company and the Company/ seller/ intermediary has either already obtained a clear and marketable title, or is in the process of obtaining the same.

(^) Classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

(#) Advances under Joint Development Arrangements (JDA) are paid predominantely under JDA agreement/MOU's where there are certain conditions precedent to execute and register a JDA agreement. On completion of such conditions precedent and registration of JDA, such advances are usually reclassified to refundable deposit based on the terms of the registered JDA.

(^^) Land advances amounting to ₹218.37 have been written off during the year. Out of such write off ₹168.16 was provided for as at 31 March 2023.

Note

		Non-current		Current	
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
a.	Advances recoverable in kind from firms or private companies in which the director of the Company is a partner or a director or a member	-	-	11.06	10.02
b.	Includes from related parties				
	Land advances (refer note 35)	7,962.80	8,212.92	-	-
	Advances recoverable in kind (refer note 35)	-	-	266.12	304.91
	Unbilled revenue (refer note 35)	-	-	41.80	73.47

14 Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Balances with banks in current accounts (*)	992.49	2,590.10
Cash on hand	3.90	8.36
Cheques/ drafts on hand	49.91	125.05
	1,046.30	**2,723.51**
(*) Includes amount held in escrow account for projects under Real Estate Regulation and Development Act, 2016, to be utilised for project specific purposes.	554.26	1,755.66

Note:

(i) Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes:

Liabilities	As at 1 April 2023	Cash flow	Non-cash changes: Amortization of transaction cost	Non-cash changes: Accrued Interest	Non-cash changes: Initial recognition of Lease Liability	As at 31 March 2024
Borrowings from bank and other parties	19,394.36	(807.76)	-	-	-	18,586.60
Interest on Borrowings	28.15	(2,066.72)	-	2,054.80	-	16.23
Unclaimed dividend	2.00	-	-	-	-	2.00
Lease liabilities	232.81	(74.01)	-	25.12	78.32	262.24

Liabilities	As at 1 April 2022	Cash flow	Non-cash changes: Amortization of transaction cost	Non-cash changes: Accrued Interest	Non-cash changes: Initial recognition of Lease Liability	As at 31 March 2023
Borrowings from bank and other parties	23,816.44	(4,531.43)	109.35	-	-	19,394.36
Non-convertible debentures	495.09	(495.09)	-	-	-	-
Interest on Borrowings	34.05	(2,194.55)	-	2,188.65	-	28.15
Unclaimed dividend	2.32	(0.32)	-	-	-	2.00
Lease liabilities	253.49	(79.36)	-	27.26	31.42	232.81

15 Bank balance other than cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Earmarked bank balances		
– On unclaimed dividend account	2.00	2.00
Fixed deposits with banks with maturity less than 12 months (#)(^)(^^)		
- Pledged/ under lien/ earmarked/margin money	5,499.73	1,679.32
	5,501.73	**1,681.32**
(#) Includes amount held in escrow account for projects under Real Estate Regulation and Development Act, 2016, to be utilised for project specific purposes.	5,106.28	884.14

(^) Refer Note 43 for details of deposits pledged as security for borrowings.

(^^) Includes interest accrued but not due.

16 Other financial assets (Current)

	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Refundable deposits towards joint development agreement (refer note 35)	3,067.95	3,226.74
Security deposits	129.03	127.21
External/Internal development charges (EDC/IDC)	144.36	1,284.84
Settlement share recoverable	599.87	-
Other receivables	234.17	80.00
	4,175.38	**4,718.79**

17 Equity share capital

	31 March 2024		31 March 2023	
	No of shares	Amount	No of shares	Amount
Authorised shares (*)				
Equity shares of ₹10 each (in ₹)	150,000,000	1,500.00	150,000,000	1,500.00
Issued, subscribed and fully paid-up shares				
Equity shares of ₹10 each (in ₹) fully paid up	94,845,853	948.46	94,845,853	948.46
Total issued, subscribed and fully paid-up share capital	**94,845,853**	**948.46**	**94,845,853**	**948.46**

(*) Excludes 5,000,000, 7% Redeemable preference shares of ₹100 each (in ₹) amounting to ₹500 (31 March 2023: ₹500)

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	31 March 2024		31 March 2023	
	No of shares	Amount	No of shares	Amount
Equity shares				
At the beginning of the year	94,845,853	948.46	94,845,853	948.46
Outstanding at the end of the year	**94,845,853**	**948.46**	**94,845,853**	**948.46**

(b) Terms/rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹10 per share (in ₹) fully paid up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of equity shareholders holding more than 5% shares in the Company

Name of the Shareholder	31 March 2024		31 March 2023	
	No of shares	% Holding	No of shares	% Holding
Equity shares of ₹10 each (in ₹) fully paid up				
Mrs. Sobha Menon	28,726,420	30.29%	28,726,420	30.29%
Mr. P.N.C. Menon	12,339,259	13.01%	12,319,259	12.99%
Mr. P.N.C. Menon (inclusive of joint holding with Mrs. Sobha Menon)	5,289,054	5.58%	5,289,054	5.58%
Anamudi Real Estates LLP	9,475,096	9.99%	9,475,096	9.99%
Schroder International Selection Fund Emerging Asia (^)	355,638	0.37%	5,541,913	5.84%
Franklin India Focused Equity Fund (^)	2,805,879	2.96%	5,828,613	6.15%

(^) Held more than 5% as at 31 March 2023

17 Equity share capital (cont'd)

(d) Details of shares held by promoters

Promoter Name	31 March 2024			31 March 2023		
	No.of shares	% of total shares	% change during the year	No.of shares	% of total shares	% change during the year
Mrs. Sobha Menon	28,726,420	30.29%	-	28,726,420	30.29%	-
Mr. P.N.C. Menon	12,339,259	13.01%	0.02%	12,319,259	12.99%	0.27%
Mr. P.N.C. Menon (inclusive of joint holding with Mrs. Sobha Menon)	5,289,054	5.58%	-	5,289,054	5.58%	-
Mr. Ravi PNC Menon	3,185,930	3.36%	-	3,185,930	3.36%	-

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

(f) There are no shares reserved for issue under options and contracts/ commitments for sale of shares/ disinvestments.

18 Other equity

	As at 31 March 2024	As at 31 March 2023
Capital redemption reserve	119.47	119.47
Securities premium	9,328.92	9,328.92
General reserve	4,490.36	4,443.79
Retained earnings	8,692.06	8,570.04
	22,630.81	**22,462.22**

Nature and purpose of reserve

(a) Capital redemption reserve
The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital redemption reserve.

(b) Securities premium
Securities premium reserve is used to record the premium received on issue of shares by the Company. The reserve can be utilised in accordance with the provision of Section 52(2) of Companies Act, 2013.

(c) General reserve
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

(d) Retained earnings
The cumulative gain or loss arising from the operations which is retained by the Company is recognised and accumulated under surplus in the statement of profit and loss.

19 Distribution made and proposed

	31 March 2024	31 March 2023
Final dividend on equity shares declared and paid		
₹ 3 per share for the year ended 31 March 2023	284.54	-
₹3 per share for the year ended 31 March 2022	-	284.54
	284.54	**284.54**
Details of proposed final dividend on equity shares (*)		
₹3 per share for the year ended 31 March 2024	284.54	-
₹3 per share for the year ended 31 March 2023	-	284.54
	284.54	**284.54**

(*) Proposed dividend on equity shares are subject to the approval of the shareholders at the ensuing annual general meeting and are not recognised as a liability as at respective balance sheet dates.

20 Borrowings

	As at 31 March 2024	As at 31 March 2023
Non-current borrowings		
Term loans (Secured)	7,224.94	8,301.62
- from banks	3,011.48	3,033.83
- from other parties	**10,236.42**	**11,335.45**
Term loans (Unsecured)	993.06	-
- from banks		
Less: Current maturities of long term borrowings	(4,513.39)	(5,749.32)
Total non-current borrowings	**6,716.09**	**5,586.13**
Current borrowings		
Term loans (Secured)		
- from banks	98.27	813.04
- from other parties	952.69	928.02
Loans repayable on demand		
- from banks	3,650.98	3,991.21
Cash credit from banks	2,655.18	2,326.64
Current maturities of long term borrowings	4,513.39	5,749.32
Total current borrowings	**11,870.51**	**13,808.23**

Note:

i) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

ii) The Company has not been declared willful defaulter by any bank, financial institution, government or any government authority.

Particulars	As at 31 March 2024	As at 31 March 2023	Effective interest rate	Security Details	Repayment terms
Non-current borrowings					
Term loans from banks	1,154.17	2,789.15	8%-10%	Secured by way of a. equitable mortgage on immovable properties of the project b. equitable mortgage on vacant land parcels c. hypothecation of Escrow balances, other current assets and receivables (both present and future) of the project	Repayable in 10 equal quarterly installments, after a moratorium period of 39 months from the date of first disbursement.
Term loans from banks	1,394.52	1,475.98	8%-10%	Secured by way of a. mortgage of Investment Property and hypothecation of current assets and receivables relating to the Investment Property b. hypothecation of Escrow account and Debt Service Reserve account	Repayable in 153 monthly installments, after a moratorium period of 3 months from the date of first disbursement.

20 Borrowings (cont'd)

Particulars	As at 31 March 2024	As at 31 March 2023	Effective interest rate	Security Details	Repayment terms
Term loans from banks	179.55	1,387.87	8%-10%	Secured by way of a. first charge on the Company's share of Inventory in the project b. equitable mortgage on vacant land parcels c. hypothecation of Escrow balances, other current assets and Company's share of receivables (both present and future) of the project and Debt Service Reserve account	Repayable in 10 equal quarterly installments, after a moratorium period of 42 months from the date of first disbursement.
Term loans from banks	372.03	558.39	8%-10%	Security charge by way of a. equitable mortgage of immovable property of the Subsidiary project b. first Charge on Escrow balances and all assets of the Subsidiary project c. Corporate security of the subsidiary	Repayable in 15 equal quarterly installments, after a moratorium period of 3 months from the date of first disbursement.
Term loans from banks	1,168.74	462.51	8%-10%	Secured by way of a. equitable mortgage on immovable properties of the project b. equitable mortgage on vacant land parcels c. hypothecation of Escrow balances, other current assets and receivables (both present and future) of the project and Debt Service Reserve account	Repayable in 10 equal quarterly installments, after a moratorium period of 51 months from the date of first disbursement.
Term loans from banks	74.17	222.43	8%-10%	Secured by way of a. first charge on Property, Plant and Equipment b. equitable mortgage on vacant land parcels	Repayable in 16 equal quarterly installments from the date of first disbursement
Term loans from banks	46.84	195.78	8%-10%	Secured by way of a. equitable mortgage on immovable properties of the project b. hypothecation of receivables (both present and future)	Repayable in 48 quarterly installments, after a moratorium period of 30 months from the date of first disbursement.
Term loans from banks	374.47	684.96	8%-10%	Security charge by way of a. equitable mortgage of immovable property of the Subsidiary project b. first charge on all assets of the Subsidiary project	Repayable in 36 equal quarterly installments, after a moratorium period of 12 months from the date of first disbursement.
Term loans from banks	186.46	524.55	8%-10%	Secured by way of a. first charge on the Company's share of Inventory of the project b. hypothecation of Escrow balances and Company's share of receivables (both present and future) of the project and Debt Service Reserve account	Repayable in 24 monthly installments, after a moratorium period of 36 months from the date of first disbursement.
Term loans from banks	839.04	-	9%-10%	Secured by way of a. Registered mortgage on immovable properties of the project b. hypothecation of Escrow balances, other current assets and receivables (both present and future) of the project and Debt Service Reserve account	Repayable in 36 monthly installments, after a moratorium period of 12 months from the date of first disbursement.
Term loans from banks	497.83	-	9%-10%	Secured by way of a. equitable mortgage on immovable properties of the project(both present and future) b. hypothecation of receivables of the projects (both present and future)	Repayable in 8 equal quarterly installments, after a moratorium period of 12 months from the date of first disbursement.
Term loans from banks	661.73	-	9%-11%	Secured by way of a. mortgage of property owned by Subsidiary Company b. mortgage of building owned by the Company c. corporate guarantee of Subsidiary Company	Repayable in 20 equal quarterly installments from the date of first disbursement.

20 Borrowings (cont'd)

Particulars	As at 31 March 2024	As at 31 March 2023	Effective interest rate	Security Details	Repayment terms
Term loans from banks	275.39	-	9%-10%	Secured by way of a. hypothecation of Escrow balances, other current assets and receivables (both present and future) of the project and Debt Service Reserve account	Repayable in 11 equal quarterly installments, after a moratorium period of 3 months from the date of first disbursement.
Term loans from other parties	386.32	603.81	8%-10%	Secured by way of a. mortgage of property owned by Subsidiary Company b. mortgage of building owned by the Company c. corporate security of Subsidiary Company	Repayable in 20 equal quarterly installments, after a moratorium period of 6 months from the date of first disbursement.
Term loans from other parties	826.41	1,012.98	8%-10%	Secured by way of a. first charge on the Company's share of Inventory of the project b. hypothecation of Escrow balances and Company's share of receivables (both present and future) of the project	Repayable in 24 monthly installments, after a moratorium period of 48 months from the date of first disbursement.
Term loans from other parties	420.71	797.90	8%-10%	Secured by way of a. equitable mortgage on the Company's share of Inventory of the project b. equitable mortgage on vacant land parcels c. hypothecation of Escrow balances and Company's share of receivables (both present and future) of the project	Repayable in 24 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Term loans from other parties	147.06	595.47	8%-10%	Secured by way of a. equitable mortgage on the Company's share of Inventory of the project b. hypothecation of Escrow balances and Company's share of receivables (both present and future) of the project	Repayable in 24 monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Term loans from other parties	-	23.67	9%-11%	Secured by way of a. equitable mortgage on the Company's share of Inventory of the project b. first charge on the vacant land parcels c. hypothecation of Escrow balances and Company's share of receivables (both present and future) of the project	Repayable in 24 monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Term loans from other parties	325.17	-	9%-10%	Secured by way of a. equitable mortgage on vacant land parcels b. hypothecation of Escrow balances and Company's shareof receivables (both present and future) of the project c. corporate guarantee of Subsidiary Company	Repayable in 24 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Term loans from other parties	905.81	-	8%-10%	Secured by way of a. equitable mortgage on the Company's share of Inventory of the project b. equitable mortgage on vacant land parcels c. hypothecation of Escrow balances and Company's share of receivables (both present and future) of the project	Repayable in 36 monthly installments, after a moratorium period of 36 months from the date of first disbursement.
Term loans from banks	993.06	-	9%-11%	Unsecured	Repayable in 30 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Sub - total	**11,229.48**	**11,335.45**			

20 Borrowings (cont'd)

Particulars	As at 31 March 2024	As at 31 March 2023	Effective interest rate	Security Details	Repayment terms
Current borrowings					
Loan from banks	-	1,178.53	8%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Loan from banks	695.76	696.42	8%-10%	Secured by way of a. first charge on inventory, receivables and other current assets of the manufacturing division. b. Equitable mortgage on vacant land parcels	Repayable on demand
Term loans from banks	-	551.03	8%-10%	Secured by way of a. equitable mortgage of immovable property of the project b. equitable mortgage on vacant land parcels c. hypothecation of other current assets and receivables (both present and future) of the project	Repayable in 10 quarterly installments, after a moratorium period of 30 months from the date of first disbursement.
Loan from banks	-	406.26	8%-11%	Secured by way of a. first charge on the Company's share of Inventory in the project b. hypothecation of Escrow balances, other current assets and Company's share of receivables (both present and future) of the project and Debt Service Reserve account	Repayable on demand
Loan from banks	1,475.87	1,490.25	8%-10%	Secured by way of a. first charge on inventory of the project b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Term loans from banks	98.27	262.01	8%-10%	Secured by way of a. first charge on the Company's share of Inventory of the project b. hypothecation of Escrow balances and Company's share of receivables (both present and future) of the project and Debt Service Reserve account c. fund shortfall undertaking by the director of the Company towards funding of underlying projects (*)	Repayable in 24 monthly installments, after a moratorium period of 36 months from the date of first disbursement.
Loan from banks	479.35	219.75	8%-10%	Secured by way of a. first charge on the Company's share of Inventory of the project b. hypothecation of Escrow balances and Company's share of receivables (both present and future) of the project and Debt Service Reserve account	Repayable on demand
Loan from banks	1,000.00	-	8%-10%	Secured by way of a. first charge on inventory of the project receivables and inventory of contractual business b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Term loans from other parties	-	678.68	8%-10%	Secured by way of a. equitable mortgage on immovable properties of the project b. hypothecation of receivables (both present and future) of the project.	Repayable in 30 monthly installments, after a moratorium period of 24 months from the date of first disbursement.

20 Borrowings (cont'd)

Particulars	As at 31 March 2024	As at 31 March 2023	Effective interest rate	Security Details	Repayment terms
Term loans from other parties	581.07	249.34	8%-10%	Secured by way of a. equitable mortgage on the Company's share of Inventory of the project b. equitable mortgage on vacant land parcels c. hypothecation of Escrow balances and Company's share of receivables (both present and future) of the project	Repayable in 24 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Term loans from other parties	371.62	-	9%-10%	Secured by way of a. equitable mortgage on vacant land parcels b. hypothecation of Escrow balances and Company's share of receivables (both present and future) of the project c. corporate guarantee of Subsidiary Company	Repayable in 24 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Cash credit	1,815.15	838.68	9%-11%	Secured by way of a. equitable mortgage on vacant land parcels b. hypothecation of receivables (both present and future) of projects	Repayable on demand
Cash credit	301.28	707.77	8%-10%	Secured by way of receivables of the projects	Repayable on demand
Cash credit	126.60	276.72	8%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	163.39	85.00	7%-9%	Secured by way of a. first charge on inventory, receivables and other current assets of the manufacturing division. b. Equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	-	20.09	8%-11%	Secured by way of a. first charge on the Company's share of Inventory in the project b. hypothecation of Escrow balances, other current assets and Company's share of receivables (both present and future) of the project and Debt Service Reserve account	Repayable on demand
Cash credit	8.14	4.92	7%-9%	Secured by way of a. first charge on inventory, receivables and other current assets of the manufacturing division. b. Equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	-	7.40	7%-9%	Secured by way of a. first charge on inventory, receivables and other current assets of the manufacturing division. b. Equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	0.39	9.93	8%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	-	3.65	8%-10%	Secured by way of a. first charge on receivables (both present and future) of the project b. equitable mortgage on the vacant lands	Repayable on demand

20 Borrowings (cont'd)

Particulars	As at 31 March 2024	As at 31 March 2023	Effective interest rate	Security Details	Repayment terms
Cash credit	-	0.72	8%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	0.32	0.04	7%-9%	Secured by way of a. first charge on inventory, receivables and other current assets of the manufacturing division. b. Equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	124.22	272.54	8%-10%	Secured by way of a. first charge on the Company's share of Inventory of the project b. hypothecation of Escrow balances and Company's share of receivables (both present and future) of the project and Debt Service Reserve account	Repayable on demand
Cash credit	30.00	50.20	8%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	58.30	30.00	8%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	10.22	18.98	8%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	1.52	-	8%-10%	Secured by way of a. first charge on inventory of the project receivables and inventory of contractual business b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	15.00	-	8%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand

20 Borrowings (cont'd)

Particulars	As at 31 March 2024	As at 31 March 2023	Effective interest rate	Security Details	Repayment terms
Cash credit	0.10	-	9%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	0.10	-	9%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	0.10	-	9%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	0.10	-	9%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	0.10	-	9%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	0.10	-	9%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	0.05	-	9%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Sub - total	**7,357.12**	**8,058.91**			
Total borrowings	**18,586.60**	**19,394.36**			

(*) Refer Note 35

21 Other financial liabilities

	As at 31 March 2024	As at 31 March 2023
Current		
Payable to land owner for acquisition of land/developmental rights	2,484.38	3,133.03
Security deposit received towards		
-Maintenance services	1,683.36	2,026.89
-Lease deposit	97.10	90.57
Letter of credit payable	521.78	1,346.96
Book overdraft	427.28	1,025.86
Revenue share payable under joint development agreement (refer note 35)	205.36	604.00
Interest accrued but not due on borrowings	16.23	28.15
Deferred lease rental	13.63	9.23
Unclaimed dividend (*)	2.00	2.00
Capital creditors	2.04	2.19
Payable to related parties (refer note 35)	3.68	1.89
Others	214.08	314.38
Total other financial liabilities	**5,670.92**	**8,585.15**

(*) Investor Protection and Education Fund is credited for unclaimed dividends when due.

22 Provisions

	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits				
Provision for gratuity (refer note 37)	245.54	228.85	98.15	85.68
Provision for compensated absence	-	-	124.97	117.09
	245.54	**228.85**	**223.12**	**202.77**

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23 Trade payables

	As at 31 March 2024	As at 31 March 2023
Dues of micro enterprises and small enterprises	-	-
Dues of creditors other than micro enterprises and small enterprises (refer note 35)	6,133.05	5,956.15
	6,133.05	**5,956.15**

Trade Payable Ageing

As at 31 March 2024	Accrued	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,097.73	1,067.88	3,767.60	107.49	40.04	52.31	6,133.05
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	1,097.73	**1,067.88**	**3,767.60**	**107.49**	**40.04**	**52.31**	**6,133.05**

As at 31 March 2023	Accrued	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	930.80	1,358.27	3,348.16	103.65	61.65	153.62	5,956.15
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	930.80	**1,358.27**	**3,348.16**	**103.65**	**61.65**	**153.62**	**5,956.15**

Note

A Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

	Particulars	31 March 2024	31 March 2023
i.	Principal amount remaining unpaid to any supplier as at the year end	-	-
ii.	Interest due thereon	-	-
iii.	Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
iv.	Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED, 2006	-	-
v.	Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi.	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 the MSMED Act, 2006	-	-

24 Other liabilities

	As at 31 March 2024	As at 31 March 2023
Contract liabilities		
-Advance from customers	66,420.42	50,878.07
-Mobilisation advance	833.92	621.99
-Liability under joint development agreement (*)	8,812.74	11,414.70
-Deferred revenue	165.18	168.70
Withholding taxes payable	98.82	120.54
Others	247.54	104.89
	76,578.62	**63,308.89**

(*) Represents amount payable to landowners where the Company has entered into joint development arrangements with landowners for joint development of properties on land in lieu of which, the Company has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, net of revenue recognised.

25 Revenue from operations (refer note 35)

		Year ended 31 March 2024	Year ended 31 March 2023
A	**Revenue from contract with customers**		
I	**Sale of products**		
	Income from constructed properties, plots and other development activities	22,217.88	23,512.01
	Income from sale of land and development rights (net)	159.51	-
	Income from glazing works	1,723.91	2,626.08
	Income from interior works	1,013.54	863.37
	Income from concrete blocks	843.15	649.08
II	**Sale of services**		
	Income from contractual activity	3,834.58	4,599.42
	Income from maintenance and other services	391.08	363.80
III	**Other operating revenue**		
	Forfeiture income	83.77	138.64
	Interest collected from customers	70.83	62.75
	Transfer fees	80.21	67.30
	Marketing fee	45.82	16.51
	Scrap sales	80.40	63.81
	Total (A)	**30,544.68**	**32,962.77**
B	**Rental income**		
	Rental income from operating leases (refer note 38)	374.80	318.09
	Total (A+B)	**30,919.48**	**33,280.86**

Additional disclosures required under Ind AS 115

A 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

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue recognition at a point of time	21,498.52	22,451.00
Revenue recognition over period of time	9,046.16	10,511.77
	30,544.68	**32,962.77**

25 Revenue from operations (refer note 35) (cont'd)

B Contract balances

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Contract assets		
Unbilled revenue	1,686.48	1,801.76
Total contract assets	**1,686.48**	**1,801.76**
Contract liabilities		
Advance from customers (includes mobilisation advance)	67,254.34	51,500.06
Liability under joint development agreement	8,812.74	11,414.70
Deferred revenue	165.18	168.70
Total contract liabilities	**76,232.26**	**63,083.46**
Receivables		
Trade receivables (net of expected credit loss)	2,369.39	2,892.78
Total receivables	**2,369.39**	**2,892.78**

Unbilled revenue is initially recognised for revenue earned on account of contracts where revenue is recognised over the period of time as receipt of consideration is conditional on successful completion of performance obligations as per contract. Once the performance obligation is fulfilled and milestones for invoicing are achieved, contract assets are classified to trade receivables. Such unbilled revenue is classified as non-financial asset because the right to consideration depends on completion of contractual milestones.

Contract liabilities include advances received from customers as well as deferred revenue representing transaction price allocated to outstanding performance obligations.

Cost to obtain the contract:
(i) Amortisation in Statement of Profit and Loss: ₹463.10 (31 March 2023: ₹326.20)
(ii) Recognised as contract assets: ₹1,521.90 (31 March 2023:₹909.39)

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

Particulars	As at 31 March 2024			As at 31 March 2023		
	Advances from customers (*)	Payable to land owner	Deferred Revenue	Advances from customers (*)	Payable to land owner	Deferred Revenue
Opening balance	**51,500.06**	**11,414.70**	**168.70**	**41,145.36**	**10,384.34**	**117.16**
Additions during the year (net)	34,959.80	885.71	165.18	31,608.40	4,316.63	168.70
Revenue recognised during the year	(19,205.52)	(3,487.67)	(168.70)	(21,253.70)	(3,286.27)	(117.16)
Closing balance	**67,254.34**	**8,812.74**	**165.18**	**51,500.06**	**11,414.70**	**168.70**

(*) Includes mobilisation advance

D Significant changes in unbilled revenue balances during the year are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	**1,801.76**	**3,324.71**
Revenue recognised during the year	5,604.31	7,242.01
Billed during the year	(5,719.59)	(8,764.96)
Closing balance	**1,686.48**	**1,801.76**

25 Revenue from operations (refer note 35) (cont'd)

E Reconciliation of revenue recognised with contract revenue:

Particulars	As at 31 March 2024	As at 31 March 2023
Contract revenue	30,544.68	32,962.77
Revenue recognised	**30,544.68**	**32,962.77**

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

The transaction price of the remaining performance obligation (unsatisfied or partly satisfied) as at 31 March 2024 is ₹140,915.27 (31 March 2023 is ₹117,002.90). The same is expected to be recognised within 1 to 5 years

26 Other income

	Year ended 31 March 2024	Year ended 31 March 2023
Interest income on		
-Bank deposits	246.88	43.66
-Loans to related parties (Refer note 35)	62.15	39.85
-Unwinding of discount on refundable deposits	324.05	231.29
-Refundable deposits	9.36	38.87
-Other financial assets	109.19	14.73
Share in profits of partnership firm investments (post tax)	43.40	19.06
Other non-operating income (net of expenses directly attributable to such income)		
-Liabilities no longer required written back	197.63	327.54
-Sub-contractor facilitation charges	245.63	179.50
-Gain on foreign exchange difference (net)	2.12	1.16
-Profit on sale of property, plant and equipment (net)	2.41	0.92
-Reversal of impairment of refundable deposit	-	50.55
-Others	64.15	30.66
	1,306.97	**977.79**

27 Cost of material consumed

	Year ended 31 March 2024	Year ended 31 March 2023
Inventory at the beginning of the year	717.54	636.87
Add: Purchases during the year	2,773.65	3,740.46
Less: Inventory at the end of the year	600.70	717.54
Cost of material consumed	**2,890.49**	**3,659.79**

28 Changes in inventories of raw materials, land stock, work in progress and finished goods

	Year ended 31 March 2024	Year ended 31 March 2023
Inventories at the end of the year		
Building materials	1,525.16	1,336.47
Land stock	4,436.99	5,635.90
Work-in-progress	75,958.03	61,157.66
Stock of units in completed real estate projects	5,911.19	13,957.80
Finished goods	53.03	61.53
	87,884.40	**82,149.36**
Inventories at the beginning of the year		
Building materials	1,336.47	75.80
Land stock	5,635.90	3,232.70
Work-in-progress	61,157.66	57,836.05
Stock of units in completed real estate projects	13,957.80	10,990.05
Finished goods	61.53	58.91
	82,149.36	**72,193.51**
Add: EDC/IDC charges transferred from other financial assets	1,054.70	-
	(4,680.34)	**(9,955.85)**

29 Employee benefits expense (refer note 35)

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	3,191.54	2,664.55
Contribution to provident and other funds (refer note 37)	97.48	89.79
Gratuity expenses (refer note 37)	44.67	40.24
Compensated absence	52.68	69.72
Staff welfare expenses	139.83	80.45
	3,526.20	**2,944.75**

30 Finance costs (*)

	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense		
-on borrowings	1,896.12	1,968.52
-unwinding of discount on land cost payable	255.20	189.01
-on lease liability	25.12	27.26
-on others	133.83	104.38
Other borrowing cost		
-letter of credit charges	24.85	85.08
-bank guarantee charges	32.13	18.88
-bank and other charges	31.85	30.67
Total	**2,399.10**	**2,423.80**
(*) Includes finance expense capitalised to inventory (The rate used to determine the amount of borrowing costs eligible for capitalisation is the effective interest rate of the underlying borrowings which is in the range of 7% to 11%) Capitalisation rate 31.03.2024 - 9% (31.03.2023 - 10%)	2,012.75	2,165.96

31 Depreciation and amortization expense

	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation of property, plant and equipment	586.47	492.21
Depreciation of investment properties	94.92	77.02
Depreciation of right of use assets	60.39	69.40
Amortization of intangible assets	0.06	0.08
	741.83	**638.71**

32 Other expenses

	Year ended 31 March 2024	Year ended 31 March 2023
License fees and plan approval charges	633.90	646.13
Power and fuel	568.04	588.69
Freight and forwarding charges	278.18	266.45
Rent (refer note 35)	437.79	157.90
Rates and taxes	124.04	192.39
Insurance	133.72	129.16
Property maintenance expenses	140.57	107.44
Repairs and maintenance		
Plant and machinery	57.69	52.62
Others	108.66	70.53
Advertising and sales promotion	484.84	409.48
Brokerage and discounts	479.78	324.49
Donation	-	0.95
Corporate Social Responsibility expenditure (refer note 'B' below)	150.00	199.50
Travelling and conveyance (refer note 35)	212.37	305.37
Printing and stationery	49.71	38.72
Software and subscription charges	81.12	75.45
Water charges	52.87	28.66
Legal and professional fees	512.69	369.63
Payment to auditor (refer note 'A' below)	15.75	17.66
Allowance for credit loss on doubtful trade receivables	20.66	313.83
Provision for land advances	82.63	168.16
Other advances written off	50.21	60.95
Security and house keeping	263.83	203.48
Impairment of property, plant and equipment	29.47	58.70
Miscellaneous expenses	316.43	358.85
	5,284.95	**5,145.19**

A Payment to the auditor

	Year ended 31 March 2024	Year ended 31 March 2023
Audit fees (including limited review's)	14.20	14.10
Certification fees	-	1.65
Reimbursement of expenses	1.55	1.91
	15.75	**17.66**

32 Other expenses (cont'd)

B Details of CSR expenditure:

		Year ended 31 March 2024	Year ended 31 March 2023
a.	Amount required to be spent by the Company during the year	29.16	44.56
b.	Amount approved by the Board to be spent during the year	150.00	199.50
c.	Amount spent during the year		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than above	150.00	199.50
d.	Shortfall at the end of the year	Nil	Nil
e.	Nature of CSR activities	Social empowerment	Social empowerment
f.	Details of related party transactions	150.00	199.50
	- Sri Kurumba Educational and Charitable Trust (refer note 35)		

33 Income tax

The significant components of income tax expense for the years ended 31 March 2024 and 31 March 2023 are -

A Amounts charged to statement of profit and loss

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current income tax:		
Current income tax charge	1,176.95	300.31
In respect of prior years	11.87	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(970.87)	63.90
Income tax expense reported in the statement of profit and loss	**217.95**	**364.21**

B Income tax recognised in other comprehensive income

Deferred tax credit on net loss on remeasurements of defined benefit plans	4.23	13.43
Income tax charge to other comprehensive income	**4.23**	**13.43**

C Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate for 31 March 2024 and 31 March 2023

	Year ended 31 March 2024	Year ended 31 March 2023
Accounting profit before income tax	683.64	1,317.10
Tax on accounting profit at statutory income tax rate 25.17% (31 March 2023: 25.17%)	172.05	331.47
Adjustments in respect of current income tax of previous years	11.87	-
Permanent adjustments	44.95	37.54
Tax impact on profit from partnership firm	(10.92)	(4.80)
	217.95	**364.21**

33 Income tax (cont'd)

D Deferred tax

Deferred tax assets and liabilities relates to the following- [DTA/(DTL)]

Particulars	Balance as at 01 April 2023	Movement in statement of Profit and Loss	Movement in OCI	Balance as at 31 March 2024
Deferred tax assets arising out of				
Property, plant and equipment and investment property	40.57	(22.23)	-	18.34
Provision for compensated absence	29.47	1.98	-	31.45
Provision for gratuity	79.17	3.10	4.23	86.50
Provision for exgratia	18.64	(2.47)	-	16.17
Expected credit losses	153.49	(8.49)	-	145.00
Others	14.47	(0.14)	-	14.33
On account of difference in IndAS 115 and ICDS III	(197.01)	999.12	-	802.11
Net deferred tax assets	**138.80**	**970.87**	**4.23**	**1,113.90**

Particulars	Balance as at 01 April 2022	Movement in statement of Profit and Loss	Movement in OCI	Balance as at 31 March 2023
Deferred tax assets arising out of				
Property, plant and equipment	66.01	(25.44)	-	40.57
Provision for compensated absence	20.50	8.97	-	29.47
Provision for gratuity	65.41	0.33	13.43	79.17
Provision for exgratia	11.62	7.02	-	18.64
Expected credit losses	80.30	73.19	-	153.49
Others	6.00	8.47	-	14.47
	249.84	72.54	13.43	335.81
Deferred tax liabilities arising out of				
On account of difference in IndAS 115 and ICDS III	(60.57)	(136.44)	-	(197.01)
	(60.57)	(136.44)	-	(197.01)
Net deferred tax assets	**189.27**	**(63.90)**	**13.43**	**138.80**

E The Company has not entered into any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

F Income tax assets (net)

Particulars	31 March 2024	31 March 2023
Income tax assets (net)	307.02	70.96
	307.02	**70.96**

G Current tax liabilities (net)

Particulars	31 March 2024	31 March 2023
Provision for tax (net of advance tax)	587.68	-
	587.68	**-**

34 Earnings per share ['EPS']

Particulars	31 March 2024	31 March 2023
Net Profit after tax attributable to equity shareholders	465.69	952.89
Weighted average number of equity shares used in calculating basic and diluted EPS	94,845,853	94,845,853
Nominal value per equity share (in ₹)	10	10
Earnings per share (in ₹)		
- Basic and diluted	4.91	10.05

The Company does not have any potential diluted equity shares and therefore basic and diluted EPS are same.

35 Related party disclosures

A) Name of the related parties and the nature of its relationship with the Company's as below

Subsidiaries

Sobha City
Sobha Highrise Ventures Private Limited
Sobha Developers (Pune) Limited
Sobha Assets Private Limited
Sobha Tambaram Developers Limited
Sobha Nandambakkam Developers Limited
Sobha Construction Products Private Limited
C.V.S.Tech Park Private Limited (with effect from 14 February 2024)

Subsidiaries of Sobha City

Vayaloor Properties Private Limited
Vayaloor Builders Private Limited
Vayaloor Developers Private Limited
Vayaloor Real Estate Private Limited
Vayaloor Realtors Private Limited
Valasai Vettikadu Realtors Private Limited

Subsidiaries of Sobha Highrise Ventures Private Limited

Sobha Contracting Private Limited

Subsidiaries of Sobha Developers (Pune) Limited

Kilai Builders Private Limited
Kuthavakkam Builders Private Limited
Kuthavakkam Realtors Private Limited
Sobha Interiors Private Limited

Joint Venture

Kondhwa Projects LLP

Associate

C.V.S.Tech Park Private Limited (till 14 February 2024)

35 Related party disclosures (cont'd)

A) Name of the related parties and the nature of its relationship with the Company's as below (cont'd)

Key Shareholder

Mr. P. N. C. Menon
Mrs. Sobha Menon

Key Management Personnel ('KMP')

Mr. Ravi PNC Menon - Chairman
Mr. Jagadish Nangineni - Managing Director

Additional related parties ('KMP's) as per Companies Act, 2013 with whom transactions have taken place

Mr. Yogesh Bansal - Chief Financial Officer
Mr. Bijan Kumar Dash - Company Secretary (with effect from 1 December 2023)
Mr. Vighneshwar G Bhat - Company Secretary (till 19 October 2023)

Other Directors

Mr. Anup Shah
Mr. R V S Rao
Mrs. Srivathsala KN
Mr. Raman Mangalorkar

Relatives of key management personnel

Mrs. Sudha Menon
Mr. P N Haridas

Post employment-benefit plan entity

Sobha Developers Employees Gratuity Trust

Other related parties with whom transcation has taken place

Puzhakkal Developers Private Limited
Sobha Glazing & Metal Works Private Limited
Sobha Projects & Trade Private Limited
Sobha Puravankara Aviation Private Limited
Sri Durga Devi Property Management Private Limited
Sri Kurumba Educational and Charitable Trust
Sri Parvathy Land Developers Private Limited
Technobuild Developers Private Limited
Mapedu Realtors Private Limited
Mapedu Builders Private Limited
Chikmangaloor Properties Private Limited
Chikmangaloor Developers Private Limited
Chikmangaloor Realtors Private Limited
Rusoh Marina Properties Private Limited
Rusoh Modern Builders Private Limited
Rusoh Modern Properties Private Limited
Thakazhi Developers Private Limited
Thakazhi Realtors Private Limited
Tirur Cyber Real Estates Private Limited
Kilai Super Developers Private Limited

35 Related party disclosures (cont'd)

B) Details of the transactions with the related parties:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
I. Transaction with subsidiaries		
Income from constructed properties, plots and other development activities		
Sobha Highrise Ventures Private Limited	56.79	71.29
Sobha Developers (Pune) Limited	2.19	-
Income from contractual activity		
Sobha City	125.65	10.52
Sobha Highrise Ventures Private Limited	390.71	416.08
Kilai Builders Private Limited	-	50.52
Sobha Contracting Private Limited	230.29	272.19
Other operating income		
Sobha Highrise Ventures Private Limited	26.57	-
Sobha Contracting Private Limited	3.68	-
Income from interior and mattress works		
Sobha Highrise Ventures Private Limited	28.35	31.87
Rental income from operating lease		
Sobha Highrise Ventures Private Limited	44.55	62.44
Land purchase and related cost		
Sobha Highrise Ventures Private Limited	-	263.88
Sobha Developers (Pune) Limited	428.19	-
Purchase of project material		
Sobha Highrise Ventures Private Limited	29.69	0.19
Share in profit of partnership firm		
Sobha City	43.40	19.06
Interest income on unsecured loans to related parties		
Sobha Highrise Ventures Private Limited	4.38	8.22
Sobha Developers (Pune) Limited	22.30	5.64
Sobha Assets Private Limited	-	9.82
Sobha Contracting Private Limited	17.37	16.03
Kuthavakkam Builders Private Limited	3.67	0.14
Kilai Builders Private Limited	14.43	-
Amount contributed to partnership current account		
Sobha City	177.80	273.78

35 Related party disclosures (cont'd)

B) Details of the transactions with the related parties: (cont'd)

I. Transaction with subsidiaries (cont'd)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Amount withdrawn from partnership current account		
Sobha City	24.00	170.69
Rent paid		
Kilai Builders Private Limited	0.35	-
Sobha City	1.64	-
Purchase of equity		
C.V.S.Tech Park Private Limited	0.05	-
Sale of land		
Kuthavakkam Builders Private Limited	14.62	-
Allowance for credit loss		
Sobha Assets Private Limited	-	8.34
Security deposit adjusted towards rent		
Sobha Interiors Private Limited	14.00	14.00
Security deposit		
Sobha Highrise Ventures Private Limited	0.50	-
Refundable deposits paid towards joint development		
Sobha Highrise Ventures Private Limited	-	20.00
Sobha Developers (Pune) Limited	20.00	-
Refundable deposits adjusted towards joint development		
Sobha Highrise Ventures Private Limited	12.41	4.32
Sobha Developers (Pune) Limited	0.91	-
Unsecured loans - Loan given to		
Sobha Highrise Ventures Private Limited	100.60	116.47
Sobha Developers (Pune) Limited	314.43	226.75
Sobha Assets Private Limited	0.50	461.89
Sobha Contracting Private Limited	44.04	23.00
Kuthavakkam Builders Private Limited	17.03	21.89
Kilai Builders Private Limited	386.02	-
Unsecured loans - Loan repaid by		
Sobha Highrise Ventures Private Limited	108.48	223.94
Sobha Developers (Pune) Limited	138.49	63.38
Sobha Assets Private Limited	-	250.05
Kilai Builders Private Limited	116.86	-
Sobha Contracting Private Limited	14.43	12.47

35 Related party disclosures (cont'd)

B) Details of the transactions with the related parties: (cont'd)

I. Transaction with subsidiaries (cont'd)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Corporate guarantee received		
Sobha Interiors Private Limited	700.00	-
Sobha City	1,500.00	-
Sobha Highrise Ventures Private Limited	-	750.00
Security extinquised		
Sobha Assets Private Limited	-	227.32
Sobha City	75.37	-
Sobha Interiors Private Limited	3.53	-
Corporate guarantee extinquised		
Kilai Builders Private Limited	-	5,750.00
Security received		
Sobha Contracting Private Limited	11.71	1,238.20
Sobha Highrise Ventures Private Limited	36.19	-
II. Transaction with Joint venture		
Amount contributed to partnership current account		
Kondhwa Projects LLP	-	0.60
III. Transaction with other related parties / KMP		
Income from constructed properties, plots and other development activities		
Mr. Jagadish Nangineni	5.02	-
Other income		
Mr. Jagadish Nangineni	0.16	-
Income/(loss) from sale of land and development rights		
Chikmangaloor Properties Private Limited	0.14	0.97
Chikmangaloor Developers Private Limited	(0.01)	-
Chikmangaloor Realtors Private Limited	0.06	-
Thakazhi Developers Private Limited	22.27	16.25
Thakazhi Realtors Private Limited	15.68	6.64
Rusoh Marina Properties Private Limited	(0.10)	(0.01)
Rusoh Modern Builders Private Limited	(1.39)	-
Rusoh Modern Properties Private Limited	0.23	-
Mapedu Realtors Private Limited	-	(0.15)
Mapedu Builders Private Limited	-	(0.14)
Kilai Super Developers Private Limited	(0.79)	-
Tirur Cyber Real Estates Private Limited	8.81	-
Income from glazing works		
Sri Kurumba Educational and Charitable Trust	0.49	0.30
Mr. R V S Rao	0.10	-

35 Related party disclosures (cont'd)

B) Details of the transactions with the related parties: (cont'd)

III. Transaction with other related parties / KMP (cont'd)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Income from interior works		
Sri Kurumba Educational and Charitable Trust	1.00	0.44
Mr. Anup Shah	-	0.04
Mr. Jagadish Nangineni	0.18	-
Income from concrete blocks		
Sobha Projects & Trade Private Limited	5.96	11.57
Sub-contractor cost		
Sobha Projects & Trade Private Limited	318.34	382.96
Rent		
Sri Kurumba Educational and Charitable Trust	0.12	-
Mr. Ravi PNC Menon	9.00	-
Travelling and conveyance - Aircraft hire charges		
Sobha Puravankara Aviation Private Limited	49.65	129.37
Corporate Social Responsibility expenditure		
Sri Kurumba Educational and Charitable Trust	150.00	199.50
Land advance paid		
Technobuild Developers Private Limited	-	200.00
Advances recoverable in kind		
Sobha Puravankara Aviation Private Limited	-	105.00
Sri Parvathy Land Developers Private Limited	-	0.01
Sri Durga Devi Property Management Private Limited	-	0.06
Land advance refunded		
Technobuild Developers Private Limited	189.60	247.43
Puzhakkal Developers Private Limited	-	52.20
Sri Parvathy Land Developers Private Limited	-	106.48
Sri Durga Devi Property Management Private Limited	-	43.10
Provision for land advances		
Sri Parvathy Land Developers Private Limited	-	60.51
Security deposit adjusted towards rent		
Sobha Glazing & Metal Works Private Limited	5.50	5.50
Contribution to plan assets		
Sobha Developers Employees Gratuity Trust	32.30	26.90
Guarantee or security received		
Sri Durga Devi Property Management Private Limited	900.00	1,100.00
Sri Parvathy Land Developers Private Limited	900.00	1,100.00

35 Related party disclosures (cont'd)

B) Details of the transactions with the related parties: (cont'd)

III. Transaction with other related parties / KMP (cont'd)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Guarantees extinguished		
Sri Durga Devi Property Management Private Limited	-	1,500.00
Sri Parvathy Land Developers Private Limited	-	1,500.00
Directors' remuneration		
Mr. Ravi PNC Menon	-	92.49
Mr. Jagadish Nangineni	22.88	33.08
Dividend paid (payment basis)		
Mr. Ravi PNC Menon	9.56	9.56
Mr. Jagadish Nangineni	0.01	-
Mr. Anup Shah	0.01	0.01
Mr. R V S Rao	-	0.05
Mrs. Sudha Menon	0.00	0.00
Mr. P N Haridas	0.14	0.14
Salary (including perquisites)		
Mr. Yogesh Bansal	8.87	6.74
Mr. Bijan Kumar Dash	1.94	-
Mr. Vighneshwar G Bhat	4.50	5.18
Directors' sitting fees and commission		
Mr. Anup Shah	2.19	2.14
Mr. R V S Rao	2.18	2.18
Mrs. Srivathsala KN	2.25	2.23
Mr. Raman Mangalorkar	2.22	2.16
IV. Transaction with key shareholders		
Dividend paid (payment basis)		
Mr. P. N. C. Menon	37.02	36.18
Mrs. Sobha Menon	86.18	86.18
Mr. P. N. C. Menon and Mrs. Sobha Menon (jointly held shares)	15.87	15.87

C) Details of balances receivable from and payable to related parties are as follows:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
I. Balances receivable from and payable to subsidiaries		
Advances recoverable in cash or in kind		
Sobha Assets Private Limited	88.88	88.88
Sobha Interiors Private Limited	56.66	51.41
Sobha Nandambakkam Developers Limited	-	0.78

35 Related party disclosures (cont'd)

C) Details of balances receivable from and payable to related parties (cont'd)

I. Balances receivable from and payable to subsidiaries (cont'd)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Trade receivables		
Sobha Highrise Ventures Private Limited	0.12	255.26
Sobha Contracting Private Limited	392.51	307.80
Sobha Developers (Pune) Limited	-	0.01
Contract asset (Unbilled Revenue)		
Sobha Highrise Ventures Private Limited	1.53	21.36
Sobha Contracting Private Limited	39.96	50.14
Sobha City	0.31	1.97
Liability under joint development agreement		
Sobha Highrise Ventures Private Limited	135.87	192.58
Sobha Developers (Pune) Limited	425.99	-
Advance from customers		
Sobha Tambaram Developers Limited	35.40	39.27
Kilai Builders Private Limited	-	1.41
Sobha Highrise Ventures Private Limited	147.29	-
Security deposit received		
Sobha Highrise Ventures Private Limited	0.80	-
Revenue share payable		
Sobha Highrise Ventures Private Limited	11.64	14.79
Sobha Developers (Pune) Limited	3.73	-
Refundable deposits towards joint development		
Sobha Highrise Ventures Private Limited	3.27	15.68
Sobha Developers (Pune) Limited	19.09	-
Right of use assets		
Sobha Interiors Private Limited	70.00	84.00
Land advance		
C.V.S.Tech Park Private Limited	11.12	-
Unsecured loan		
Sobha Highrise Ventures Private Limited	35.75	58.11
Sobha Developers (Pune) Limited	379.77	172.46
Sobha Assets Private Limited	247.20	246.94
Sobha Contracting Private Limited	189.19	175.98
Kuthavakkam Builders Private Limited	42.22	22.01
Kilai Builders Private Limited	327.89	-

35 Related party disclosures (cont'd)

C) Details of balances receivable from and payable to related parties (cont'd)

I. Balances receivable from and payable to subsidiaries (cont'd)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Allowance for credit loss		
Sobha Assets Private Limited	8.34	8.34
Guarantees and collaterals provided		
Sobha City	998.78	998.78
Guarantees received		
Sobha Interiors Private Limited	1,800.00	1,100.00
Sobha Contracting Private Limited	700.00	700.00
Sobha Highrise Ventures Private Limited	750.00	750.00
Sobha City	1,500.00	-
Security received		
Sobha Interiors Private Limited	1,798.79	1,802.32
Sobha Highrise Ventures Private Limited	1,274.39	1,238.20
Sobha Contracting Private Limited	1,161.52	1,149.81
Sobha City	1,480.51	1,555.88
Balance in partners current account		
Sobha City	1,535.37	1,381.57
II. Balances receivable from and payable to joint ventures		
In partners current account		
Kondhwa Projects LLP	1,149.28	1,149.28
III. Balances receivable from and payable to other related parties		
Land advance		
Technobuild Developers Private Limited	7,962.80	8,152.41
Sri Parvathy Land Developers Private Limited	-	60.51
Provision for land advances		
Sri Parvathy Land Developers Private Limited	-	60.51
Right of use assets		
Sobha Glazing & Metal Works Private Limited	27.50	33.00
Advances recoverable in cash or in kind		
Sobha Puravankara Aviation Private Limited	177.24	215.25
Sobha Glazing & Metal Works Private Limited	11.06	10.02
Trade receivables		
Sri Kurumba Educational and Charitable Trust	0.62	0.03
Sobha Projects & Trade Private Limited	192.17	212.01

35 Related party disclosures (cont'd)

C) Details of balances receivable from and payable to related parties (cont'd)

III. Balances receivable from and payable to other related parties (cont'd)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Thakazhi Developers Private Limited	-	2.57
Thakazhi Realtors Private Limited	8.05	-
Mapedu Realtors Private Limited	-	0.35
Mr. Anup Shah	0.23	0.73
Advance from customers		
Sri Parvathy Land Developers Private Limited	-	1.90
Mr. Jagadish Nangineni	1.51	-
Trade payables		
Sri Parvathy Land Developers Private Limited	-	2.53
Mapedu Builders Private Limited	-	0.11
Rusoh Marina Properties Private Limited	-	0.02
Sobha Projects & Trade Private Limited	86.75	83.10
Sri Durga Devi Property Management Private Limited	0.00	1.89
Mr. Ravi PNC Menon	1.07	-
Guarantee or security received		
Sri Durga Devi Property Management Private Limited	2,000.00	1,100.00
Sri Parvathy Land Developers Private Limited	2,000.00	1,100.00

D Payable to key management personnel/director of the Company

Particulars	As at 31 March 2024	As at 31 March 2023
Commission to independent directors	8.00	8.00
Commission to Chairman and Managing Director	9.40	41.10
	17.40	**49.10**

E Compensation of key management personnel of the Company

Particulars	As at 31 March 2024	As at 31 March 2023
Short-term employee benefits	38.19	137.49
Other benefits (*)	9.40	41.10
	47.59	**178.59**

(*) As the liability for gratuity and leave encashment is provided on actuarial basis for the Company as whole, the amount pertaining to the directors are not included above.

Note: The director of the Company has given fund shortfall undertaking for cetain borrowings towards funding of the respective underlying projects. Refer note 20

36 Segment information

Basis of segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Managing Director (MD) to make decisions about resources to be allocated to the segments and assess their performance.

The Company has two reportable segments, as described below, which are the Company's strategic business units. These business units offer different products and services, and are managed separately because they require different marketing strategies. For each of the business units, the Company's MD reviews internal management reports on at least a quarterly basis.

The MD monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the company has identified following as its reportable segment for the purpose of Ind AS 108:

a) Real estate segment;

b) Contractual and manufacturing segment.

Real Estate segment (RE) comprises development, sale, management and operation of all or any part of townships, housing projects, also includes leasing of self owned commercial premises.

The operation of the Contractual and Manufacturing segment (CM) comprises development of commercial premises and other related activities, also includes manufacturing activities related to interiors, glazing and metal works and concrete products.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a overall basis and are not allocated to operating segments.

The following tables present revenue and profit information for the Company's operating segments for the year ended 31 March 2024 and 31 March 2023 respectively:

Business segments

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Segment revenue		
Real estate	23,504.30	24,542.91
Contractual and manufacturing	8,800.89	10,339.95
Total segment revenue	**32,305.19**	**34,882.86**
Inter segment revenues	(1,385.71)	(1,602.00)
Net revenue from operations	**30,919.48**	**33,280.86**
Segment result		
Real estate	3,990.74	5,441.85
Contractual and manufacturing	767.14	131.10
Total segment results	**4,757.88**	**5,572.95**
Finance costs	(2,399.10)	(2,423.80)
Other unallocable expenditure	(2,648.70)	(2,528.00)
Share of profits in a subsidiary partnership firm	43.40	19.06
Other income (including finance income)	930.16	676.89
Profit before taxation	**683.64**	**1,317.10**
Income taxes	(217.95)	(364.21)
Profit after taxation	**465.69**	**952.89**

36 Segment information (cont'd)

The following table presents assets and liabilities information for the Company's operating segments as at 31 March 2024 and 31 March 2023 respectively:-

Particulars	As at 31 March 2024	As at 31 March 2023
Segment assets		
Real estate	108,030.86	99,713.48
Contractual and manufacturing	8,078.19	6,518.76
Total segment assets	**116,109.05**	**106,232.24**
Unallocated assets	15,757.99	15,087.42
Total assets	**131,867.04**	**121,319.66**
Segment liabilities		
Real estate	82,396.35	64,975.03
Contractual and manufacturing	6,124.60	6,239.37
Total segment liabilities	**88,520.95**	**71,214.40**
Unallocated liabilities	19,766.82	26,694.58
Total liabilities	**108,287.77**	**97,908.98**
Capital employed		
Real estate	25,634.51	34,738.35
Contractual and manufacturing	1,953.59	279.39
Unallocated capital employed	(4,008.83)	(11,607.16)
Total capital employed	**23,579.27**	**23,410.58**

Current taxes, deferred taxes and certain financial assets and liabilities are considered as unallocated as they are also managed on a Company basis.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Capital expenditure		
Real estate	1,034.77	407.72
Contractual and manufacturing	71.14	84.74
Unallocated capital expenditure	127.47	732.01
Total capital expenditure	**1,233.38**	**1,224.47**

Capital expenditure consists of additions of property, plant and equipment, intangible assets, investment property, investment property under development and intangible assets under development.

Information of revenue and non-current operating assets based on location has not been furnished since there are no revenue generated from business activities outside India and there are no non-current operating assets held by the Company outside India.

36 Segment information (cont'd)

Reconciliations to amounts reflected in the financial statements

(i) Reconciliation of assets

Particulars	As at 31 March 2024	As at31 March 2023
Segment assets	**116,109.05**	**106,232.24**
Investment (refer note 8)	4,675.06	4,521.29
Prepaid expenses (refer note 13)	1,629.35	1,013.08
Balances with statutory/ government authorities (refer note 13)	749.68	982.03
Cash and bank balances (refer note 14 and 15)	6,548.03	4,404.83
Non-current bank balances (refer note 12)	207.37	151.04
Other unallocable assets	1,948.50	4,015.15
Total assets	**131,867.04**	**121,319.66**

(ii) Reconciliation of liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Segment liabilities	**88,520.95**	**71,214.40**
Borrowings (refer note 20)	18,586.60	19,394.36
Provisions (refer note 22)	468.66	431.62
Current tax liabilities (net) (refer note 33)	280.66	-
Withholding taxes payable (refer note 24)	98.82	120.54
Others payable (refer note 24)	247.54	104.89
Other unallocable liabilities	84.54	6,643.17
Total liabilities	**108,287.77**	**97,908.98**

37 Employment benefit plans

A) Defined benefit plan

The Company has gratuity as defined benefit retirement plans for its employees. The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As at 31 March 2024 and 31 March 2023 the plan assets were invested in insurer managed funds.

It is exposed to the following types of risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

37 Employment benefit plans (cont'd)

A) Defined benefit plan (cont'd)

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company.

The following tables set out the funded status of gratuity plans and amount recognised in the balance sheet for the respective plans:

	Particulars	31 March 2024	31 March 2023
1	**The amounts recognized in the Balance Sheet are as follows:**		
	Present value of defined benefit obligation at the end of the year	348.03	318.74
	Less: Fair value of plan assets as at the end of the year	(4.34)	(4.21)
	Net liability recognised in the balance sheet	**343.69**	**314.53**
2	**Changes in the present value of defined benefit obligation**		
	Defined benefit obligation as at beginning of the year	318.73	251.17
	Current service cost	22.03	24.35
	Interest cost	22.95	16.10
	Benefits paid	(32.71)	(26.04)
	Actuarial loss due to demographic assumption changes	-	6.06
	Actuarial (gain) / loss due to financial assumption changes	(10.07)	26.70
	Actuarial loss due to experience adjustments	27.10	20.39
	Defined benefit obligation as at the end of the year	**348.03**	**318.73**
3	**Changes in the fair value of plan assets**		
	Fair value as at the beginning of the year	4.21	3.35
	Interest on plan assets	0.30	0.21
	Actuarial gain / (loss)	0.24	(0.21)
	Contributions	32.30	26.90
	Benefits paid	(32.71)	(26.04)
	Fair value as at the end of the year	**4.34**	**4.21**
4	**Net gratuity cost for the reporting years comprises of following components**		
	Current service cost	22.02	24.35
	Interest cost	22.95	16.10
	Interest income	(0.30)	(0.21)
	Net Gratuity cost	**44.67**	**40.24**
5	**Other comprehensive income**		
	Actuarial loss on defined benefit obligation	(17.03)	(53.15)
	Return on plan assets excluding interest income	0.24	(0.21)
	Loss recognised in other comprehensive income	**(16.79)**	**(53.36)**
6	**Experience adjustment:**		
	On plan defined benefit obligation loss	27.10	20.39
	On plan assets gain / (loss)	0.24	(0.21)

37 Employment benefit plans (cont'd)

A) Defined benefit plan (cont'd)

7 Investment Details

The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:

Particulars	31 March 2024	31 March 2023
Investment in insurance fund	100%	100%

8 Actuarial assumptions

Particulars	31 March 2024	31 March 2023
Discount rate (p.a)	7.14%	7.20%
Future salary growth (p.a)	10.00%	12.00%
Weighted Average Duration of the Defined Benefit Obligation (years)	3	3
Attrition rate (p.a)	35.00%	35.00%

9 Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31 March 2024		31 March 2023	
	Decrease	Increase	Decrease	Increase
Discount rate (+ / -1%)	6.01	6.33	5.63	5.94
Salary growth rate (- / + 1%)	5.07	5.18	4.64	4.74
Attrition rate (+ / -1%)	0.83	0.86	1.09	1.14

The sensitivity analyses above have been determined based on a method that extrapolates the impact on projected benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

10 Maturity profile of defined benefit obligation

Particulars	31 March 2024	31 March 2023
Within the next 12 months	116.70	108.32
Between 2 and 5 years	219.88	197.18
Between 6 and 10 years	56.02	54.73
Beyond 10 years	9.50	10.01
Total expected payments	**402.10**	**370.24**

Expected contribution in the next year ₹98.15

B) Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Scheme as per the Employees' State Insurance Act, 1948. The Company has recognized the following amounts in the Statement of Profit and Loss under defined contribution plan whereby the Company is required to contribute a specified percentage of the payroll costs to fund the benefits:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Employer's contribution to provident fund	96.27	88.45
Employer's contribution to Employees' state insurance scheme	1.01	0.99
Contribution to Superannuation Fund	0.20	0.35
Total	**97.48**	**89.79**

38 Leases

A The Company as a lessor

Assets given on operating lease:

The Company has entered into operating lease agreements with its lessees. Total lease rental income recognized in the statement of profit and loss for the year is ₹374.80 (31 March 2023: ₹318.09)

The future minimum lease receivables under operating leases in aggregate are as follows:

Year	As at 31 March 2024	As at 31 March 2023
FY 2023-24	-	294.16
FY 2024-25	283.82	273.95
FY 2025-26	146.57	126.15
FY 2026-27	119.84	85.44
FY 2027-28	107.57	75.19
FY 2028-29	48.41	-
More than 5 years	59.09	100.30
Total	**765.30**	**955.19**

B The Company as a lessee

The Company has leases for building, vehicles and plant and machinery. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability except for lease on buildings for which it was agreed that the company shall pay a security deposit which shall be adjusted to the minimum lease payments and due to which no lease liability in the same was created and the amount given as security deposit is treated as Right of use asset depreciated on a straight line basis over the lease period. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company has presented its right-of-use assets in the balance sheet separately from other assets.

Lease arrangements for vehicles contain an option to extend the lease for a further term till the vehicle is handed over to the lessor after the end of lease term as per agreement or for a fixed tenure of 3 to 9 months as the case may be as per the requirement of Lessee. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over Factory buildings, the Company must repair and maintain those properties in a good state and return the properties with all connections, sanitary, water and drainage fittings and fixtures as it may exist on the relevant date.

a. Right of use assets

	Other buildings	Vehicles	Plant and machinery	Total
Cost				
As at 1 April 2022	**175.50**	**147.30**	**90.33**	**413.13**
Additions during the year	-	31.42	-	31.42
Disposal during the year	-	(14.90)	-	(14.90)
As at 31 March 2023	**175.50**	**163.82**	**90.33**	**429.65**
Additions during the year	-	17.36	60.96	78.32
Disposal during the year	-	(12.01)	(90.33)	(102.34)
As at 31 March 2024	**175.50**	**169.17**	**60.96**	**405.63**

38 Leases (cont'd)

a. Right of use assets (cont'd)

Accumulated amortisation				
As at 1 April 2022	**39.00**	**78.05**	**66.83**	**183.88**
Charge for the year	19.50	28.95	20.95	69.40
Disposal during the year	-	(10.99)	-	(10.99)
As at 31 March 2023	**58.50**	**96.01**	**87.78**	**242.29**
Charge for the year	19.50	26.77	14.12	60.39
Disposal during the year	-	(12.01)	(90.33)	(102.34)
As at 31 March 2024	**78.00**	**110.77**	**11.57**	**200.34**
Carrying amount				
As at 31 March 2024	**97.50**	**58.40**	**49.39**	**205.29**
As at 31 March 2023	**117.00**	**67.81**	**2.55**	**187.36**

b. Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	Amount
As on 1 April 2022	**253.49**
Additions during the year	31.42
Interest expense for the year	27.26
Payment of lease liabilities	(79.36)
As on 31 March 2023	**232.81**
Additions during the year	78.32
Interest expense for the year	25.12
Payment of lease liabilities	(74.01)
As on 31 March 2024	**262.24**

Particulars	As at 31 March 2024	As at 31 March 2023
Current	48.80	28.04
Non Current	213.44	204.77

c. The following are the amounts recognised in the profit & loss

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation expenses of right-of-use assets	60.39	69.40
Interest expenses on lease liabilities	25.12	27.26
Expenses relating to short-term leases	357.53	156.36
Expenses relating to lease of low-value assets	80.26	1.54
Total amount recognised in the profit & loss	**523.30**	**254.56**
Total cash out flows towards leases	**511.80**	**237.26**

Lease term of the above referred leases range from 11 months to 63 years

d. Information about extension and termination options

Right of use assets	Number of leases	Range of remaining term (in years)	Average remaining lease term (in years)	Number of leases with extension options	Number of leases with purchase option	Number of leases with termination option
Other buildings	2.00	5.00	5.00	2.00	-	-
Plant and Machinery	11.00	1.46 to 1.94	1.70	-	11	-
Vehicles	60.00	0.18 to 4.65	2.41	60.00	60	60

e. The maturity profile for lease liabilities has been provided in note 41 (C)

39 Contingent liabilities and commitments

A) Contingent liabilities (to the extent not provided for)

	Particulars	31 March 2024	31 March 2023
i	Income tax matters in dispute (Refer Note 1 & 5)	326.83	-
ii	Value added tax, Service tax and customs matters in dispute (Refer Note 2)	1,290.33	1,288.38
iii	Customer related cases and complaints (Refer Note 3)	2.00	2.00
iv	Matters before prevention of money laundering adjudicating authority (Refer Note 4)	2,016.05	2,016.05
		3,635.21	**3,306.43**

Note: Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The Company does not expect the outcome of these proceeding to have a material adverse effect on its financial position. The Company does not expect any reimbursement in respect of above contingent liability.

1) The Income Tax Authorities have disputed the tax computation for certain years, which are pending before various forums. Based on the grounds of the appeals, the management believes that there is a reasonably strong likelihood of obtaining a favourable order. Any income, which may arise out of such litigations will be recognised only on the receipt basis/ or where right to receive such income is clearly established. Pending the final decisions on the above matter, no adjustment has been made in these standalone financial statements.

2) There are various disputes pending with the authorities of customs, service tax and value added tax. The Company is contesting these demands raised by authorities and are pending at various appellate authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

3) There are various litigations going on/ complaints filed against the Company primarily in Consumer Redressal Forum and under the Real Estate Regulation Act 2016. The Company is contesting such litigations with the respective appellate authorities. The management has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required in its separate financial statements. For most number of litigations/ complaints, based on the grounds of the appeals, the management believes that there is a reasonably strong likelihood of succeeding before these authorities and hence, pending the final decisions on the above matters, no adjustment has been made in these standalone financial statements.

4) The Company had entered into a Joint Development Arrangement with certain land owners in Gurugram, Haryana, in earlier years. In respect of this transaction, the Enforcement Directorate ('ED') after due investigation has filed a complaint with Adjudicating Authority, Prevention of Money Laundering ('AA-PML'), alleging certain irregularities in respect of the manner of allotment and pricing of certain plots under this project or payment of applicable fees and charges by the Company or the landowners, with respect to the terms and conditions mentioned in the development policy of Haryana Development and Regulation of Urban Areas Act (HDRUAA), 1975 and the bilateral agreement between the land owners and Directorate of Town and Country Planning, Haryana (DTCP) resulting in provisional attachment under the Prevention of Money Laundering Act, 2002 ('PMLA') of land parcels with value of ₹2,016.05 , held by Technobuild Developers Private Limited ('TDPL'). The Company has entered into a Memorandum of Understanding ('MoU') with TDPL for acquiring land parcels using advances extended by the Company. As per the MoU, TDPL and its affiliates cannot transfer land parcels without prior approval of the Company and the Company has absolute rights over land parcels acquired by TDPL and its affiliates acquired from such advance given by the Company.

During the previous year, the Company was in receipt of Show Cause Notice (SCN) under the PMLA from AA-PML and the Company had duly filed detailed responses to allegations made in SCN. During the current year, AA-PMLA has passed an order confirming the provisional attachment of the aforesaid land parcels and the Company has duly filed an appeal before The Appellate Tribunal against the AA-PML order under Section 26 of the PMLA.

The management, based on its overall assessment and independent legal opinion obtained, believes that these transactions have been carried out in accordance with all the applicable laws and regulations and the said bilateral agreement and has not

39 Contingent liabilities and commitments (cont'd)

A) Contingent liabilities (to the extent not provided for) (cont'd)

identified any adverse material impact to the standalone financial statement as at 31 March 2024 or for earlier periods including the recoverability of land advance given against such provisionally attached ₹2,016.05 land parcels held by TDPL.

5) The Income Tax Department ("the Department") conducted a Search under Section 132 of the Income Tax Act ('IT Act') ("the Search") on the Company and certain group companies during March 2023. The Company and certain group companies at the time of search and subsequently has co-operated with the department and responded to the necessary clarifications, data and details as sought by the Department. The Company has received notices under Section 148 of the IT Act requiring the management to re-file the Income Tax returns for the Assessment Years (AY) 2015-16, AY 2017-18, AY 2018-19, AY 2019-20, 2020-21 and AY 2021-22. The Company has filed the returns for AY 2020-21 and AY 2021-22, and is in the process of filing the returns for the other years.

Additionally, during the current year ended 31 March 2024, the Company has received demand orders for AY 2016-17 under Section 147 read with Section 143(3) and Section 148B of the IT Act, dated 29 March 2024 raising a demand of ₹131.23 (subsequently reduced to Nil vide rectification order under Section 154 of the IT Act, dated 14 May 2024 on account of adjustment of credit under Section 115JAA of the IT Act of tax paid in earlier years) and AY 2022-23 under Section 143(3) of the IT Act, dated 30 March 2024 raising a demand of ₹ 326.83 , by disallowing certain expenses and adding certain incomes during such periods, against which the Company has filed an appeal on 29 April 2024 before the Hon'ble Commissioner of Income Tax (Appeals), Bengaluru ('CIT appeals').

While the uncertainty exists regarding the outcomes of the legal proceedings, the management of the Company has evaluated the demand orders after considering all available records and facts known to it and based on an independent legal review and opinion from external legal counsels and believes that the Company can succeed in the appeals filed against the aforesaid demand orders and accordingly has not identified any adjustments to the current or prior period standalone financial statements.

6) During the previous year, one of the customers of Sobha Assets Private Limited (SAPL), a wholly owned subsidiary of the Company has terminated a project development contract entered by it and demanded compensation of ₹2,956.13 in addition to forfeiture of ₹227.32 performance guarantee and ₹26.00 of deposits alleging that SAPL has not commenced the contract work. The carrying value of aforesaid project related assets/receivables as at 31 March 2024 in the book of the Company and SAPL is₹24.10 and ₹ 330.00 respectively. SAPL has filed arbitration petition before the arbitrator challenging the termination and its grounds, against the customer towards business loss and other receivables. The Company based on its overall assessment and independent legal opinion, believes that the aforesaid termination is illegal and will not have any adverse impact to the standalone financial statement and accordingly no provision has been made.

7) In earlier year, the Company, during the process of renewal of fire clearances for one of the project, procured by an entrusted person, found the fire NOC and fire clearances submitted to local municipal body to be defective. On becoming aware of this fact, the Company had immediately taken remedial steps and obtained renewed fire NOC and fire clearances, which were then resubmitted with the local municipal body for regularization. During the previous year, the local municipal body had passed an order dated 21 January 2023 revoking/cancelling the modified sanction plan ('Plan') and occupancy certificate ('OC') for the project, based on a complaint being filed upon by one of the unit holders of such project. The Company had immediately filed an appeal with Karnataka Appellate Tribunal ('KAT') challenging the above order, and KAT had passed an interim order dated 1 February 2023 granting stay of revocation/cancellation of Plan and OC.

During the current year, the Chief Civil Metropolitan Magistrate ('CMM'), Bengaluru, has passed an order dated 19 September 2023 ('impugned order') to register a calendar case for the offences punishable under Indian Penal Code ('IPC') against the Company and few employees of the Company, based on a separate complaint filed with the CMM by the aforementioned unit holder. The Company has filed a petition before Hon'ble High court of Karnataka praying for quashing of the complaint, the impugned order and the calendar case, wherein, the High court of Karnataka has passed an interim order dated 11 October 2023 staying the impugned order and the calendar case. The management, based on its overall assessment and independent legal opinion obtained, believes that allegations made by the unit holder are baseless, false and not sustainable and the impugned order suffers from arbitrariness and liable to be quashed under section 482 of the code of criminal procedure, 1973. Accordingly, the Company believes that outcome of the above proceedings will not result in any adverse impact on the standalone financial statement.

39 Contingent liabilities and commitments (cont'd)

A) Contingent liabilities (to the extent not provided for) (cont'd)

8) The Company is involved in certain litigations for lands being developed/ acquired by it for construction purposes, either through a Joint Development Agreement or through outright purchases. These cases are pending with the Civil Courts and scheduled for hearings. After considering the facts and circumstances of each case in detail, and post consideration of the opinions of the in-house legal council, management believes that these litigations will not have a material effect on the standalone financial statements.

9) The Company has certain litigations pending at various forums/ courts against various authorities including the Forest department, Karnataka State Pollution Control Board (PCB), local municipal departments on certain projects undertaken by it. Also, certain claims have been laid upon the company under the Land acquisition act, against which the Company has filed writ petitions and obtained stay orders from the Honourable High Courts. The impact of all such litigations and claims is not quantifiable. Based on internal assessment, and post consideration of the opinion of its in-house legal counsel, the management is confident that the matter would be decided in its favour, accordingly no adjustment has been made in these standalone financial statements.

B) Commitments

(a) The contractual commitments pending for the acquisition of property, plant and equipment and intangible assets as at 31 March 2024 is ₹502.18 (31 March 2023: ₹263.96)

(b) The Company has entered into an aircraft usage agreement with a party wherein the Company along with certain other parties has committed minimum usage of aircraft. During the year ended 31 March 2024, the Company incurred ₹49.65 (31 March 2023 - ₹129.37) towards aircraft usage as per the agreement.

40 Fair value measurements

a. The carrying amounts of financial instruments by categories is as follows:

Particulars	Note	As at 31 March 2024			As at 31 March 2023		
		At cost	Fair value through profit or loss	At amortised cost	At cost	Fair value through profit or loss	At amortised cost
Financial assets							
Investments (*)	8	-	-	-	-	-	0.08
Trade receivables	10	-	-	2,369.39	-	-	2,892.78
Loans	11	-	-	1,213.68	-	-	667.17
Cash and bank balances	14 & 15	-	-	6,548.03	-	-	4,404.83
Other financials assets	12 & 16	-	-	5,072.01	-	-	5,092.34
Total		**-**	**-**	**15,203.11**	**-**	**-**	**13,057.20**
Financial liabilities							
Borrowings	20	-	-	18,586.60	-	-	19,394.36
Lease Liabilities	38			262.24			232.81
Trade payables	23	-	-	6,133.05	-	-	5,956.15
Other financial liabilities	21	-	-	5,670.92	-	-	8,585.15
Total		**-**	**-**	**30,652.81**	**-**	**-**	**34,168.47**

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

40 Fair value measurements (cont'd)

b. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Particulars	As at 31 March 2024				As at 31 March 2023			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Investment property (disclosure)	2,725.20	-	1,443.60	4,557.00	2,767.92	-	1,394.10	4,484.00
	2,725.20	**-**	**1,443.60**	**4,557.00**	**2,767.92**	**-**	**1,394.10**	**4,484.00**

Notes:
Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 inputs are unobservable inputs for the asset or liability.
There have been no transfers between the levels during the year.
Financial instruments such as trade receivables, loans, cash and other financial assets, borrowings, lease liabilities, trade payables and other financial liabilities are considered to be same as their fair values, due to their short term nature. For financial assets and liabilities that are measured at amortised cost, the carrying amounts are equal to the fair values.

Valuation method used for Level 3 valuations -

Particulars	Valuation technique	Unobservable input	Relationship of unobservable input with fair value
Fair value of Investment property (disclosure only)	Income approach (Discounted cash flow method)	Discount rate	Increase/decrease in discount rate would result in decrease/ increase in fair value
		Expected vacancy rates	Increase/decrease in vacancy rate would result in decrease/ increase in fair value
		Rental growth rate	Increase/decrease in rental growth rate would result in increase/ decrease in fair value

41 Financial risk management

The Company's principal financial liabilities comprise borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include instruments, trade and other receivables, cash and bank balances, land advances and refundable deposits that derive directly from its operations. The Company has exposure to the following risks arising from financial instruments.

Risk	Exposure arising from
Market Risk-Interest rate risk (A)	Borrowings
Credit Risk (B)	Trade receivables, cash and cash equivalents, bank balances, and other deposits and investments
Liquidity Risk (C)	Borrowings, trade payables and other financial liabilities

Risk Management policy

The Company's senior management oversees the management of these risks. The Company's senior management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The risk management committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks.

41 Financial risk management (cont'd)

A Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. The Company has a foreign currency exposure as at balance sheet date, which is not material.

The sensitivity analysis in the following sections relate to the position as at 31 March 2024 and 31 March 2023. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt. The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2024 and 31 March 2023.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate of borrowings. The Company does not enter into any interest rate swaps.

Below is the overall exposure of the Company to interest rate risk:

	As at 31 March 2024	As at 31 March 2023
Variable rate borrowings	18,586.60	18,715.68

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in interest rate	Effect on profit before tax (*)
31 March 2024		
INR	+1%	(185.86)
INR	-1%	185.86
31 March 2023		
INR	+1%	(187.16)
INR	-1%	187.16

(*) determined on gross basis i.e. without considering inventorisation of such borrowing cost.

(ii) Currency risk

Foreign currency risk is the risk arising from exposure to foreign currency movement that will impact the Company's future cash flows and profitability in the ordinary course of business. The Company's exposure to the risk of changes in foreign exchange rates relates primarily relates to its import in foreign currency. The details of trade payables,denominated in foreign currency and in ₹ are as follows:

Trade payables	**As at 31 March 2024**		**As at 31 March 2023**	
Particulars	**EUR**	**USD**	**EUR**	**USD**
Amount in foreign currency	0.16	0.02	0.36	0.15
Amount in ₹	14.39	1.67	32.08	12.33

41 Financial risk management (cont'd)

(ii) Currency risk (cont'd)

Particulars	As at 31 March 2024	As at 31 March 2023
EUR	89.95	89.11
USD	83.37	82.18

Sensitivity analysis

Particulars	Change in foreign currency rate by	Impact on profit or loss and equity			
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
		Increase in FC exchange rate by		Decrease in FC exchange rate by	
USD	5%	(0.08)	(0.62)	0.08	0.62
EUR	5%	(0.72)	(1.60)	0.72	1.60

(iii) Price risk

The Company's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets. There are no investments held by the company which are measured at fair value either through profit and loss or fair value through other comprehensive income, hence the Company is not exposed to price risk.

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk primarily from trade receivables (net of advances/ payables), refundable joint development deposits, security deposits, loans and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The carrying amounts of financial assets, unbilled revenue and contract assets represent the maximum credit exposure.

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial/ contract assets based on the assumptions, inputs and factors specific to the class of financial/ contract assets.

(a) Low credit risk
(b) Moderate credit risk
(c) High credit risk

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

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

Category	Asset class exposed to credit risk	Allowance for expected credit loss
Low credit risk/ medium credit risk	Loans, trade receivables (Category A and B), cash and cash equivalents, other financial assets measured at amortised cost	12 Months expected credit loss or specific allowance whichever is higher/ Lifetime expected credit loss
High credit risk	Trade receivables (Category C)	Life time expected credit loss or specific allowance

a. Management of Credit risk

i. Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only selecting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

41 Financial risk management (cont'd)

B. Credit risk (cont'd)

ii. Trade receivables

The Company divides its receivables in the following categories based on the credit risk associated with such categories

Category A - Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect. Company recognises impairment on a specific identification basis for debtors where no security exists.

Category B - Receivables from related parties: The Company has performs construction services for its subsidiaries which have individual real estate projects. Credit risk in such cases is managed as control is established; Also, such subsidiaries manage their credit risks by requiring their customers to pay in advance, before transfer of ownership. For other related parties, the Company actively manages such credit risk by an established process of inter-party reconciliations, follow ups and active business at an arms length price.

Category C - Receivables resulting from other than sale of properties: Credit risk is managed by each business unit (primarily pertaining to the contractual and manufacturing business subdivisions) subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients, who have a history of prompt payment for more than 5 years with the Company. For other customers, impairment is tested collectively based on the business sub-segment in which they operate. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company's credit period generally ranges from 30-90 days.

No single customer individually accounted for more than 10% of the trade receivable balance of the company as at 31 March 2024 and 31 March 2023.

iii. Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes refundable deposits paid under joint development arrangements, security deposits, loans to related parties, and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system are in place ensure the amounts are within defined limits.

b. Recognition of Expected credit losses

i. Financial assets with credit risk classified as 'low'/ 'medium'

Company provides for expected credit losses on financial assets other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

For cash & cash equivalents, other bank balances and derivative financial instruments - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, derivative financial instruments, other bank balances and bank deposits is evaluated as very low.

For refundable deposits (RD) under joint development arrangements (JDA) and security deposits - Credit risk is considered low because the Company is in possession of the underlying asset.

For trade receivables (category A and B) and other financial assets - Credit risk is evaluated based on Company knowledge of the credit worthiness of those parties and loss allowance is measured. For such financial assets, the Company policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses/ specific allowance upon significant increase in credit risk.

Particulars	Note no.	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment allowance
31 March 2024					
Cash and bank balances	14 & 15	6,548.03	0.00%	-	6,548.03
Trade receivables (Category A and B)	10	841.70	0.00%	29.12	812.58
Loans	11	1,222.02	0.00%	8.34	1,213.68
Refundable deposits under JDA	12 & 16	3,247.95	0.00%	-	3,247.95
Other financials assets	12 & 16	1,824.06	0.00%	-	1,824.06
Unbilled revenue	13	1,686.48	0.00%	-	1,686.48

41 Financial risk management (cont'd)

B. Credit risk (cont'd)

31 March 2023					
Cash and bank balances	14 & 15	4,404.83	0.00%	-	4,404.83
Trade receivables (Category A and B)	10	909.35	0.00%	29.12	880.23
Loans	11	675.51		8.34	667.17
Refundable deposits under JDA	12 & 16	3,406.74	0.00%	-	3,406.74
Other financials assets	12 & 16	1,685.60	0.00%	-	1,685.60
Unbilled revenue	13	1,801.76	0.00%	-	1,801.76

ii. Financial assets with credit risk classified as 'high'

For trade receivables (Category C) - The Company uses an allowance matrix to measure the expected credit losses of such trade and finance receivables. The measurement is made collectively based on the business sub-segment in which the respective customers operate. Loss rates are separately measured for customers which have a history of prompt payment, and are not significantly past due from payment. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables and loans are in default (credit impaired) if the payments are more than 730 days past due (Net of advances/ payables). Loss rates are based on actual credit loss experience over the past eleven quarters. In the current year, the Company has revised its estimation of loss rates.

Expected credit losses measured on the simplified approach

31 March 2024	Weighted average loss rate	Gross carrying amount	Loss Allowance	Net carrying amount after loss allowance
Current (Not past due)	2%	606.49	10.56	595.93
Upto 90 days past due	2%	575.08	13.66	561.42
91 - 180 days past due	4%	175.15	6.68	168.47
181 - 270 days past due	18%	201.12	35.26	165.86
271 - 360 days past due	25%	35.19	8.80	26.39
361 - 730 days past due	71%	124.86	89.04	35.82
More than 730 days past due	99%	385.88	382.95	2.93

31 March 2023	Weighted average loss rate	Gross carrying amount	Loss Allowance	Net carrying amount after loss allowance
Current (Not past due)	1%	1,226.92	12.56	1,214.36
Upto 90 days past due	3%	641.55	18.09	623.46
91 - 180 days past due	5%	49.86	2.64	47.22
181 - 270 days past due	22%	78.32	17.23	61.09
271 - 360 days past due	31%	16.50	5.11	11.39
361 - 730 days past due	65%	90.81	59.07	31.74
More than 730 days past due	95%	480.94	457.64	23.30

Movement in allowance for credit losses of Trade receivables

Particulars	31 March 2024	31 March 2023
Opening balance	601.47	319.05
Amounts written off	(46.04)	(23.08)
Net remeasurement of loss allowance	20.66	305.50
Closing balance	**576.09**	**601.47**

41 Financial risk management (cont'd)

B. Credit risk (cont'd)

Movement in allowance for credit losses of others

Particulars	Other financial assets		Loans	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Opening balance	-	50.55	8.34	-
Amounts written off	-	-	-	-
Amounts written back	-	(50.55)	-	-
Net remeasurement of loss allowance	-	-	-	8.34
Closing balance	**-**	**-**	**8.34**	**8.34**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2024 and 31 March 2023 is the carrying amounts.

C. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand	Less than one year	1 to 5 years	> 5 years	Total
31 March 2024					
Borrowings (refer note 20)	6,306.16	4,322.12	9,632.47	805.85	21,066.60
Trade payables (refer note 23)	-	6,133.05	-	-	6,133.05
Other financial liabilities (refer note 21)	-	5,670.92	-	-	5,670.92
Lease liabilities (refer note 38)	-	72.80	136.41	704.29	913.50
Financial guarantee contracts (*)	-	998.78	-	-	998.78
	6,306.16	**17,197.67**	**9,768.88**	**1,510.14**	**34,782.85**
31 March 2023					
Borrowings (refer note 20)	6,321.46	5,499.11	8,767.22	1,342.27	21,930.06
Trade payables (refer note 23)	-	5,956.15	-	-	5,956.15
Other financial liabilities (refer note 21)	1.89	8,583.26	-	-	8,585.15
Lease liabilities (refer note 38)	-	49.85	113.92	734.57	898.34
Financial guarantee contracts (*)	-	998.78	-	-	998.78
	6,323.35	**21,087.15**	**8,881.14**	**2,076.84**	**38,368.48**

(*) Based on the maximum amount that can be called for under the financial guarantee contract.

42 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings.

	As at 31 March 2024	As at 31 March 2023
Borrowings (long-term and short-term) (Note 20)	18,586.60	19,394.36
Other financial liabilities (interest accrued but not due) (Note 21)	16.23	28.15
Net debt	**18,602.83**	**19,422.51**
Equity share capital (Note 17)	948.46	948.46
Other equity (Note 18)	22,630.81	22,462.22
Total capital	**23,579.27**	**23,410.68**
Capital and net debt	**42,182.10**	**42,833.19**
Gearing ratio	44.10%	45.34%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

43 Assets pledged as security

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

Particulars	As at 31 March 2024	As at 31 March 2023
A. Non-current		
Property, plant and equipment	908.50	395.95
Investment property	1,796.95	1,907.47
Financial assets		
Trade receivables	393.45	795.18
Other financial assets		
Fixed deposits with banks with maturity more than 12 months	10.11	64.81
Total non-current assets	**3,109.01**	**3,163.41**
B. Current		
Inventories	39,441.95	39,737.39
Financial assets		
Trade receivables	1,906.89	1,393.16
Cash and cash equivalents	5.80	82.17
Bank balance other than cash and cash equivalents	91.20	39.88
Other current assets	1,297.98	1,594.70
Total current assets	**42,743.82**	**42,847.30**
Total assets pledged as security	**45,852.83**	**46,010.71**

44 Ratios

Ratios	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	% of Change	Explanation for change in ratio of more than 25%
Liquidity ratio						
Current ratio	Current Assets	Current Liabilities	1.06	1.09	(2.75%)	NA
Solvency ratio						
Debt-Equity ratio	Total Debt (*)	Total Equity	0.79	0.83	(4.91%)	NA
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	0.40	0.46	(14.24%)	NA
Profitability ratio						
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	0.02	0.04	(51.96%)	Due to higher margin in land sale in the previous year
Net Profit ratio	Net Profits after taxes	Revenue from operations	0.02	0.03	(47.40%)	Due to higher margin in land sale in the previous year
Return on Capital Employed	Earnings before interest (^^) and taxes	Net Worth + Total Debt (*) + Deferred Tax Liability	6%	7%	(14.86%)	NA
Return on Investment	Interest income on bank deposits	Fixed deposit with bank	4%	2%	81.37%	Due to increase in the closing balance of fixed deposits as at the year end
Utilisation ratio						
Trade Receivable Turnover Ratio	Revenue from operations (^)	Average Trade Receivable	3.31	2.77	19.35%	NA
Inventory Turnover ratio	Cost of goods sold	Average Inventory	0.31	0.36	(14.21%)	NA
Trade Payable Turnover Ratio	Purchase of project materials, sub contractor cost, other expenses	Average Trade Payables	4.49	5.11	(12.15%)	NA
Net Capital Turnover Ratio	Revenue from operations	Working capital = Current assets–Current liabilities	4.73	3.82	23.77%	NA

(*) Includes Interest accrued but not due on borrowings
(^) Excludes Income from constructed properties, plots and other development activities
(^^) Net of inventorisation

45 Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) 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

(v) The Company has not received any fund from any person(s) or entity(ies), 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

(vi) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year

(vii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

46 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.

47 No material events have occurred between the Balance Sheet date to the date of issue of these standalone financial statements that could affect the values stated in the financial statements as at 31 March 2024.

48 Previous year's figures have been regrouped or reclassified wherever necessary to conform with the current year figures. The impact of such reclassification / regrouping is not material to the standalone financial statement.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

New Delhi
17 May 2024

For and on behalf of the Board of Directors of **Sobha Limited**

Ravi PNC Menon
Chairman
DIN: 02070036

Jagadish Nangineni
Managing Director
DIN: 01871780

Yogesh Bansal
Chief Financial Officer

Bijan Kumar Dash
Company Secretary and Compliance Officer
ACS17222

Bengaluru
17 May 2024

INDEPENDENT AUDITORS' REPORT

To the Members of Sobha Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Sobha Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and joint venture, the aforesaid consolidated 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 consolidated state of affairs of the Group and joint venture, as at 31 March 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint venture 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 consolidated 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 39(5) of the accompanying consolidated financial statement, regarding the search operation carried out by the Income Tax Department ('the department') at various business premises of the Holding Company and certain other group companies during March 2023. During the current year, the Holding Company has received demand orders from the department for AY 2016-17 and AY 2022-23, in respect of disallowances of certain expenses and addition of certain incomes, against which subsequent to the year end the Holding Company has filed an appeal before the Hon'ble Commissioner of Income Tax (Appeals), Bengaluru. Given the uncertainty and pending outcome of the legal proceedings, the Holding Company, considering all available records and facts known to it including the independent legal review and opinion from external legal counsels obtained by it, has determined that no adjustments are required to the consolidated financial statement in respect of the aforesaid demand orders. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associate and joint venture, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
1. Revenue recognition for sale of residential units	
The Group applies Ind AS 115, Revenue from Contracts with Customers ("Ind AS 115") for recognition of revenue from sale of residential units and revenue from joint development agreements. Refer note 2.2(a)(I)(i) and 25 to the consolidated financial statements for accounting policy and related disclosures. Revenue is recognised upon transfer of control of residential units to customers for an amount which reflects the consideration the Group expects to receive in exchange for those units. The point of revenue recognition is normally based on the terms as included in the intimation for the handover of unit to the customer on completion of the project, and substantial collection is received. The Group recognises the revenue at a point in time upon handover/deemed handover of the residential units. For revenue contracts forming part of joint development arrangements that are not jointly controlled operations ('JDA'), the revenue from the development and transfer of constructed area/revenue share with corresponding land/ development rights received by the Group is measured at the fair value of the estimated construction service rendered by the Group to the landowner under JDA. Such revenue is recognised over a period of time in accordance with the requirements of Ind AS 115. Ind AS 115 requires significant judgment in determining when 'control' of the residential units is transferred to the customer. Further, for projects executed through JDA, significant estimate is undertaken by management for determining the fair value of the estimated construction service. Considering the significance of management judgements and estimates involved and the materiality of amounts involved, aforementioned revenue recognition is identified as a key audit matter.	Our audit procedures on revenue recognised from sale of residential units included, but were not limited to the following: • Evaluated the appropriateness of accounting policy for revenue recognition on sale of residential units in terms of principles enunciated under Ind AS 115; • Obtained and understood the revenue recognition process, evaluated the design and performed test of controls over revenue recognition including determination of point of transfer of control and completion of performance obligations on a sample basis; • Inspected, on a sample basis, underlying customer contracts and handover documents, evidencing the transfer of control of the residential units to the customer based on which revenue is recognised at a point in time; • For projects executed during the year in accordance with JDAs, we have performed the following additional procedures on a sample basis: o Obtained and examined the computation of the fair value of the construction service under JDA with reference to project cost estimates and mark up considered by the management; o Obtained the JDAs entered into by the Holding Company, including addendums thereto and compared the ratio of constructed area/ revenue sharing arrangement between the Holding Company and the landowner as mentioned in the agreement to the computation statement prepared by the management; and o Tested the computation for recognition of revenue over a period of time for revenue contracts forming part of JDA and management's assessment of stage of completion of projects and project cost estimates. • Assessed the adequacy of disclosures included in the consolidated financial statements in compliance with the requirements of Ind AS 115.

Key audit matter	How our audit addressed the key audit matter
2. Revenue recognition for contractual construction and glazing projects	
The Group recognises revenue over a period of time in accordance with Ind AS 115, Revenue from Contracts with Customers ("Ind AS 115"). Refer note 2.2(a)(I)(ii)(iv) and 25 to the consolidated financial statements for accounting policy and related disclosures. The Group recognises revenue from construction contracts on the basis of stage of completion over a period of time. The recognition of revenue is therefore dependent on estimates in relation to total estimated costs of each such contract, which involves judgement. Significant judgments are also involved in determining when the underlying performance obligations are satisfied and also determining expected losses, when such losses become probable based on the expected total contract cost. Cost contingencies are included in these estimates to take into account specific risks of uncertainties or disputed claims against the Group, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the life of the contract and adjusted where appropriate. Considering the significance of management judgements and estimates involved and the materiality of amounts involved, revenue recognition from contractual construction and glazing projects are identified as a key audit matter.	Our audit procedures on revenue recognition for contractual construction and glazing projects included, but were not limited to the following: • Evaluated the appropriateness of accounting policy on revenue recognition for contractual construction and glazing projects in terms of principles enunciated under Ind AS 115; • Evaluated the design and tested operating effectiveness of key controls around computation of stage of work completed, raising of invoices and estimating the cost to complete the project; • On a sample basis, tested costs incurred by examining underlying invoices and other applicable documents; • For sample contracts active during the year, verifying the underlying documents including work orders, last invoice, and customer acceptance on the latest RA bills/ Completion letter where applicable; • Verified the mathematical accuracy of management's computation of stage of Completion with respect to Contractual and Glazing projects. • Assessed the adequacy of disclosures included in the consolidated financial statements in compliance with the requirements of Ind AS 115.
3. Assessing the recoverability of carrying value of Inventories, advances paid towards land procurement and deposits paid under joint development arrangements ("JDA")	
Refer note 2.2(c), 2.2(d), 2.2(o), 10, 14 and 13 to the consolidated financial statements for accounting policies on inventories, advances paid towards land procurement and deposits paid under JDA (financial asset) and related financial disclosures. As at 31 March 2024, the carrying value of the inventory comprising of Work in progress, Stock of residential units in completed projects and land stock is	Our procedures in assessing the carrying value of the inventories, land advances and deposits paid under JDA included, but were not limited to the following: • Evaluated the appropriateness of accounting policies with respect to inventories, land advances and deposits paid under JDA in terms of principles enunciated under applicable accounting standards;

Key audit matter	How our audit addressed the key audit matter
3. Assessing the recoverability of carrying value of Inventories, advances paid towards land procurement and deposits paid under joint development arrangements ("JDA") (cont'd)	
₹90,882.32 million, land advances is ₹9,428.44 million and refundable deposits paid under JDA is ₹3,225.59 million, represents a significant portion of the Group's total assets. The inventories are carried at lower of cost and net realisable value ('NRV'). The determination of the NRV involves estimates based on prevailing market conditions and taking into account the estimated future selling price, cost to complete projects and selling costs. Advances paid by the Group to the seller/ intermediary towards outright purchase of land is recognised as land advance under other assets during the course of transferring the legal title to the Group, whereupon it is transferred to land stock under inventories. Further, deposits paid under joint development arrangements are in the nature of non-refundable/refundable deposits, for acquiring the development rights. On the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress. The aforesaid deposits and advances are carried at the lower of the amount paid/payable and net recoverable value, which is based on the management's assessment including the expected date of commencement and completion of the project and the estimate of sale prices and construction costs of the project. We identified the assessment towards recoverability of carrying value of inventory, land advances and deposits paid under JDA as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole and the involvement of estimates and judgement in the assessment.	• Evaluated the design and tested operation of internal controls related to comparing NRV/ net recoverable value with carrying amount of inventory, land advances and deposits paid under JDA; • Inquired with management to understand key assumptions used in determination of the NRV/ net recoverable value; • For inventory balance: o Compared the NRV to recent sales in the project or to the estimated selling price; o Compared the estimated construction costs to complete each project with the Holding Company's updated budgets; and o For land stock, on a sample basis, obtained the fair valuation reports or the guidance values and reviewed the valuation methodology, key estimates and assumptions adopted in the valuation. Involved auditor's valuation expert, where such fair valuation reports were obtained. • For land advances/ deposits paid under JDA: o Obtained an update on the status of the land acquisition/ project progress from the management and verified the underlying documents for related developments; o For land advances, compared the acquisition cost of the underlying land with the guidance values; and o Carried out external confirmation procedures on sample basis to obtain evidence supporting the carrying value of land advance and deposits paid under JDA. • Assessed the adequacy of disclosures included in the consolidated financial statements in compliance with the applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
4. Assessment of certain transactions entered into by the Holding Company and recoverability of balances, on which regulatory proceedings are ongoing	
The Holding Company had entered into a joint development arrangement with certain landowners in Gurugram, Haryana, in earlier years. In respect of this transaction, the Enforcement Directorate ('ED') after due investigation has filed a complaint with Adjudicating Authority, Prevention of Money Laundering ('AA-PML'), alleging certain irregularities in respect of the manner of allotment and pricing of certain plots under this project or payment of applicable fees and charges by the Holding Company or the landowners, with respect to the terms and conditions mentioned in the development policy of Haryana Development and Regulation of Urban Areas Act (HDRUAA), 1975 and the bilateral agreement between the land owners and Directorate of Town and Country Planning, Haryana (DTCP) resulting in provisional attachment under the Prevention of Money Laundering Act, 2002 ('PMLA') of land parcels with value of ₹2,016.05 million held by Technobuild Developers Private Limited ('TDPL') disclosed under Note 39. The Holding Company has entered into a Memorandum of Understanding ('MoU') with TDPL for acquiring land parcels using advances extended by the Holding Company, of equivalent value. As per the MoU, TDPL and its affiliates cannot transfer land parcels without prior approval of the Holding Company and the Holding Company has absolute rights over land parcels acquired by TDPL and its affiliates acquired from such advance given by the Holding Company. As part of the inquiry process, the Holding Company and its officers have been asked to provide contracts, documents and justification in respect of this transaction by the concerned authorities. The Holding Company and its officers have been responding to the queries raised / documents sought from time to time. During the previous year, the Holding Company is in receipt of Show Cause Notice (SCN) under the PMLA from AA-PML and the Holding Company has duly filed the detailed responses to allegations made in SCN. During the current year, AA-PML had passed an order confirming the provisional attachment of the aforesaid	Our audit procedures on this matter included, but were not limited to the following: • Obtained an understanding from the management with respect to process and controls followed by the Holding Company for identification, monitoring of significant developments and impact analysis in relation to the litigations, including completeness thereof; • Gaining an understanding of the ongoing regulatory proceedings through discussions with the management, and reading the underlying case related documents, communications and legal opinions to ensure consistency with the explanations provided to us and we have also assessed the objectivity, experience, competence and independence of management's expert; • Evaluated and challenged the Holding Company's assessment of recoverability of the balances outstanding as at the balance sheet date, the business rationale for entering these transactions, including considering the developments on the matter subsequent to the balance sheet date; • Engaged auditor's expert, who obtained an understanding of the current status of the litigation, reviewed independent legal opinion obtained by the management and considered relevant legal provisions and available precedents to validate the conclusions made by the management's expert;

Key audit matter	How our audit addressed the key audit matter
Assessment of certain transactions entered into by the Holding Company and recoverability of balances, on which regulatory proceedings are ongoing (cont'd)	
land parcels, to which the Holding Company had appealed before the Appellate Tribunal. The Holding Company, based on its overall assessment and independent legal opinion obtained, believes that these transactions have been carried out in accordance with all the applicable laws and regulations and the said bilateral agreement and has not identified any adverse material impact to the consolidated financial statements. Considering the significance of the matter which involves uncertainty of outcome due to ongoing proceedings in AA-PML and significant judgements and estimates by the Holding Company on the assessment of the legality and outcome of the above case, this is considered as a key audit matter. Considering this matter is also fundamental to the understanding of the user of consolidated financial statement, we draw attention to Note 39 of the consolidated financial statements.	• Communicated and discussed periodic updates on these transactions with those charged with governance, including the recoverability and management's business rationale aspects for these transactions; and • Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the consolidated financial statements.

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

7. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

   When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding 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 consolidated financial statements that give

a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate and joint venture in accordance with the 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. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, and its associate company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associate and joint venture 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 Group or to cease operations, or has no realistic alternative but to do so.

10. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

12. 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 consolidated 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 Holding Company has adequate internal financial controls with reference to consolidated 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 ability of the Group and its associate and joint venture 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 Group and its associate and joint venture to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, and its associate and joint venture, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. 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.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. We did not audit the financial statements of 19 subsidiaries, whose financial statements reflects total assets of ₹11,703.32 million, total revenues of ₹1,044.32 million and net cash inflows amounting to ₹20.35 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive loss) of ₹0.05 million for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of 1 associate and 1 joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, associate and joint venture, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries, we report that the Holding Company has paid remuneration to their directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that 18 subsidiaries incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.

18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 16 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

19. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associate and joint venture incorporated in India whose financial statements have been audited under the Act, 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 aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

    e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiaries, covered under the Act, none of the directors of the Group companies and its associate company, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.

    f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 19(b) above on reporting under section 143(3)(b) of the Act and paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries and associate company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and

    h) 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 and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint venture as detailed in Note 39 to the consolidated financial statements;

ii. The Holding Company, its subsidiaries, associate and joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2024. Further, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies and the associate company covered under the Act, during the year ended 31 March 2024;

iv. a. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in note 45 to the consolidated 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 Holding Company or its subsidiaries to or in any persons or entities, 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 Holding Company, or any such subsidiaries, associate and joint venture ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiaries, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint venture respectively that, to the best of their knowledge and belief, as disclosed in the note 45 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries, associate and joint venture 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 by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The final dividend paid by the Holding Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. Further, the subsidiary companies, associate company and joint venture have not declared or paid any dividend during the year ended 31 March 2024.

As stated in note 19 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks and that performed by the respective auditors of the 18 subsidiaries of the Holding Company which are companies incorporated in India and audited under the Act, the Holding Company, its 18 subsidiaries in respect of financial year commencing on 01 April 2023, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software except that, the accounting software used for maintenance of payroll records of the Holding Company is operated by a third-party software service provider. The 'Independent Service Auditor's Report on a Description of the Service Organization's System and the Suitability of the Design and Operating Effectiveness of Controls' (based on the criteria for a description of a service organization's system as set forth in DC Section 200, 2018 Description Criteria for a Description of a Service Organization's System in a SOC 2 Report, in AICPA Description criteria), does not provide information on retention of audit trail (edit logs) for any direct changes made at the database level. Accordingly, we are unable to comment on whether audit trail feature with respect to the database of the said software was operated throughout the year.

Further, during the course of our audit we and respective auditors of the above referred 18 subsidiaries did not come across any instance of audit trail feature being tampered with, in respect of the accounting software where such feature is enabled.

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

Manish Agrawal
Partner
Membership No: 507000
UDIN: 24507000BKDHOT4218

New Delhi
17 May 2024

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Annexure I

List of entities consolidated in the consolidated financial statements of Sobha Limited for the year ended 31 March 2024 (in addition to the Sobha Limited, the Holding Company)

S. No.	Name of the Company/Entity	Relationship
1	Sobha City	Subsidiary
2	Sobha Highrise Ventures Private Limited	Subsidiary
3	Sobha Developers (Pune) Limited	Subsidiary
4	Sobha Assets Private Limited	Subsidiary
5	Sobha Tambaram Developers Limited	Subsidiary
6	Sobha Nandambakkam Developers Limited	Subsidiary
7	Sobha Construction Products Private Limited	Subsidiary
8	Vayaloor Properties Private Limited	Step-down subsidiary
9	Vayaloor Builders Private Limited	Step-down subsidiary
10	Vayaloor Developers Private Limited	Step-down subsidiary
11	Vayaloor Real Estate Private Limited	Step-down subsidiary
12	Vayaloor Realtors Private Limited	Step-down subsidiary
13	Valasai Vettikadu Realtors Private Limited	Step-down subsidiary
14	Sobha Contracting Private Limited	Step-down subsidiary
15	Kilai Builders Private Limited	Step-down subsidiary
16	Kuthavakkam Builders Private Limited	Step-down subsidiary
17	Kuthavakkam Realtors Private Limited	Step-down subsidiary
18	Sobha Interiors Private Limited	Step-down subsidiary
19	CVS Tech Park Private Limited	Subsidiary (effective 14 February 2024 until which Associate)
20	Kondhwa Projects LLP	Joint Venture

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Annexure II to the Independent Auditor's Report of even date to the members of Sobha Limited on the consolidated financial statements for the year ended 31 March 2024

Independent Auditor's Report on the internal financial controls with reference to consolidated 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 consolidated financial statements of Sobha Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company, which are companies covered under the Act, as at that date.

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

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated 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 ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the 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 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated 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 consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A Company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, associate company and joint venture, the Holding Company, its subsidiary companies and its associate Company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to 18 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹8,219.67 million, total revenues of ₹617.44 million and net cash inflows amounting to ₹5.38 million for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies, have been audited by other auditors whose report have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

Manish Agrawal
Partner
Membership No: 507000
UDIN: 24507000BKDHOT4218

New Delhi
17 May 2024

SOBHA LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2024

(All amounts in ₹ millions, unless otherwise stated)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,652.74	4,129.98
Investment property	5	4,433.13	4,518.72
Investment property under development	6	67.89	67.89
Intangible asset under development	7	54.36	17.62
Goodwill	8	171.67	171.67
Other intangible assets	8	2.39	2.55
Right of use assets	38	135.29	103.27
Investments accounted for using the equity method	9A	1,149.33	1,149.38
Financial assets			
(i) Investments	9B	-	0.08
(ii) Trade receivables	11	393.45	795.18
(iii) Other financial assets	13	907.48	382.60
Income tax assets (net)	33	531.73	217.46
Deferred tax asset (net)	33	1,256.31	222.38
Other non-current assets	14	10,781.67	9,297.99
		24,537.44	**21,076.77**
Current assets			
Inventories	10	93,764.13	87,609.75
Financial assets			
(i) Trade receivables	11	1,645.25	1,580.16
(ii) Cash and cash equivalents	15	1,137.31	2,793.86
(iii) Bank balance other than (ii) above	16	5,595.64	1,720.18
(iv) Loans	12	-	9.00
(v) Other financial assets	13	4,161.42	4,711.51
Other current assets	14	6,123.72	6,381.20
		112,427.47	**104,805.66**
Total assets		**136,964.91**	**125,882.43**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	948.46	948.46
Other equity	18	24,192.28	23,998.25
Equity attributable to owners of the Holding Company		**25,140.74**	**24,946.71**
Non-controlling interest		-	-
Total equity		**25,140.74**	**24,946.71**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	7,163.49	6,134.59
(ii) Lease liabilities	38	213.44	204.77
Provisions	22	245.54	228.85
Deferred tax liabilities (net)	33	149.39	125.82
		7,771.86	**6,694.03**
Current liabilities			
Financial liabilities			
(i) Borrowings	20	11,971.60	13,900.90
(ii) Lease liabilities	38	48.80	28.04
(iii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises; and	23	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	6,165.47	5,986.75
(iv) Other financial liabilities	21	6,001.84	8,970.44
Other current liabilities	24	78,984.68	65,152.80
Provisions	22	223.12	202.76
Current tax liabilities (net)	33	656.80	-
		104,052.31	**94,241.69**
Total liabilities		**111,824.17**	**100,935.72**
Total equity and liabilities		**136,964.91**	**125,882.43**
Summary of material accounting policies	2.4		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

New Delhi
17 May 2024

For and on behalf of the Board of Directors of **Sobha Limited**

Ravi PNC Menon
Chairman
DIN: 02070036

Yogesh Bansal
Chief Financial Officer

Bengaluru
17 May 2024

Jagadish Nangineni
Managing Director
DIN: 01871780

Bijan Kumar Dash
Company Secretary and Compliance Officer
ACS17222

SOBHA LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts in ₹ millions, unless otherwise stated)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	25	30,969.46	33,101.14
Other income	26	1,209.36	923.19
Total income		**32,178.82**	**34,024.33**
Expenses			
Land purchase and related cost		2,236.52	10,528.43
Cost of materials consumed	27	2,890.49	3,659.79
Purchase of project materials		9,907.75	9,554.69
Changes in inventories of raw materials, land stock, work in progress and finished goods	28	(5,216.51)	(11,013.29)
Sub-contractor cost		9,230.17	8,291.69
Employee benefits expense	29	3,526.30	2,944.75
Finance costs	30	2,455.06	2,490.24
Depreciation and amortisation expense	31	782.21	678.37
Other expenses	32	5,624.51	5,439.91
Total expenses		**31,436.50**	**32,574.58**
Profit before tax and share of loss in associate/joint venture		**742.32**	**1,449.75**
Share of loss in associate / joint venture		(0.05)	-
Profit before tax		**742.27**	**1,449.75**
Tax expenses			
Current tax	33	1,245.40	360.46
Tax adjustments relating to earlier year	33	11.87	-
Deferred tax (credit) / charge	33	(1,006.13)	47.24
Tax expense		**251.14**	**407.70**
Profit for the year		**491.13**	**1,042.05**
Other comprehensive income			
Item that will not be reclassified to profit or loss			
Re-measurement on defined benefit plan	37	(16.79)	(53.36)
Income tax relating to above	33	4.23	13.43
Other comprehensive income / (loss) for the year, net of tax		**(12.56)**	**(39.93)**
Total comprehensive income for the year		**478.57**	**1,002.12**
Profit attributable to:			
Owners of the Holding Company		491.13	1,042.05
Non-controlling interests		-	-
Other comprehensive income / (loss) attributable to:			
Owners of the Holding Company		(12.56)	(39.93)
Non-controlling interests		-	-
Total comprehensive income attributable to:			
Owners of the Holding Company		478.57	1,002.12
Non-controlling interests		-	-
Earnings per equity share [nominal value of ₹ 10 per share]			
Basic and diluted (in ₹)	34	5.18	10.99
Summary of material accounting policies	2.4		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

New Delhi
17 May 2024

For and on behalf of the Board of Directors of **Sobha Limited**

Ravi PNC Menon
Chairman
DIN: 02070036

Yogesh Bansal
Chief Financial Officer

Bengaluru
17 May 2024

Jagadish Nangineni
Managing Director
DIN: 01871780

Bijan Kumar Dash
Company Secretary and Compliance Officer
ACS17222

SOBHA LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2024

(All amounts in ₹ millions, unless otherwise stated)

Particulars		Year ended 31 March 2024	Year ended 31 March 2023
A.	**Cash flows from operating activities**		
	Profit before tax	**742.27**	**1,449.75**
	Adjustments to reconcile profit before tax to net cash flows from operating activities		
	Depreciation and amortisation expense	782.21	678.37
	Gain on sale of property, plant and equipment and investment property	(2.41)	(1.00)
	Finance costs (including fair value change in financial instruments)	2,455.06	2,490.24
	Finance income (including fair value change in financial instruments)	(686.84)	(293.32)
	Reversal of impairement loss on financial assets	-	(50.55)
	Impairment of property, plant and equipment	29.47	58.71
	Allowance for credit loss	12.32	372.10
	Provision for doubtful land advances	82.63	168.16
	Other advances written off	50.21	60.85
	Liabilities written back	(198.52)	(327.96)
	Operating profit before working capital changes	**3,266.40**	**4,605.35**
	Working capital adjustments		
	Changes in trade receivables	324.32	1,412.63
	Changes in inventories	(6,361.06)	(11,093.95)
	Changes in other current and non-current financial assets	299.05	1,098.10
	Changes in other current and non-current assets	(1,543.55)	766.56
	Changes in trade payables	377.24	1,844.86
	Changes in provisions	20.26	102.36
	Changes in other current financial liabilities	(2,809.42)	1,512.52
	Changes in other current liabilities	13,672.83	11,932.69
	Cash generated from operating activities	**7,246.07**	**12,181.12**
	Income tax paid (net of refund)	(771.65)	(679.00)
	Net cash flows from operating activities (A)	**6,474.42**	**11,502.12**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, investment property and intangible assets	(1,247.17)	(1,234.05)
	Proceeds from sale of property, plant and equipment and investment property	10.42	68.00
	Investments in fixed deposits (net)	(3,875.38)	(1,326.76)
	Interest income	362.79	124.39
	Net cash flows used in investing activities (B)	**(4,749.34)**	**(2,368.42)**
C.	**Cash flow from financing activities**		
	Repayments of current borrowings (net)	(701.79)	(6,438.83)
	Proceeds from non-current borrowings	6,645.38	2,723.80
	Repayment of non-current borrowings	(6,843.99)	(1,404.12)
	Repayment of principal portion of lease liabilities	(48.89)	(52.10)
	Repayment of interest portion of lease liabilities	(25.12)	(27.26)
	Interest paid	(2,122.68)	(2,246.65)
	Dividend paid on equity shares	(284.54)	(285.32)
	Net cash flows used in financing activities (C)	**(3,381.63)**	**(7,730.48)**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	(1,656.55)	1,403.21
	Cash and cash equivalents at the beginning of the year	2,793.86	1,390.65
	Cash and cash equivalents at the end of the year (Refer Note 15)	**1,137.31**	**2,793.86**
	Less: Book overdraft from scheduled banks (Refer Note 21)	(427.70)	(1,026.00)
	Net Cash and cash equivalents at the end of the year	**709.61**	**1,767.86**
	Changes in liabilities arising from financing activities (Refer Note 15)		

Summary of material accounting policies 2.4

The above Consolidated Statement of Cash Flow has been prepared under the "Indirect Method' as set out in the Ind AS 7, 'Statement of Cash flow'

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

New Delhi
17 May 2024

For and on behalf of the Board of Directors of **Sobha Limited**

Ravi PNC Menon
Chairman
DIN: 02070036

Yogesh Bansal
Chief Financial Officer

Bengaluru
17 May 2024

Jagadish Nangineni
Managing Director
DIN: 01871780

Bijan Kumar Dash
Company Secretary and Compliance Officer
ACS17222

SOBHA LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

(All amounts in ₹ millions, unless otherwise stated)

A.Equity share capital (*)

	Amount
Balance as at 1 April 2022	**948.46**
Changes in equity share capital during the year	-
Balance as at 31 March 2023	**948.46**
Balance as at 1 April 2023	**948.46**
Changes in equity share capital during the year	-
Balance as at 31 March 2024	**948.46**

B. Other equity (**)

	Attributable to owners of the Holding Company					
	Reserves and Surplus				Items of OCI	Total
	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Other items of OCI	
Balance as at 1 April 2022	**119.47**	**9,328.92**	**4,348.50**	**9,492.29**	**(8.51)**	**23,280.67**
Profit for the year	-	-	-	1,042.05	-	**1,042.05**
Other comprehensive income/(loss)	-	-	-	-	(39.93)	(39.93)
Total comprehensive income for the year	**-**	**-**	**-**	**1,042.05**	**(39.93)**	**1,002.12**
Transfer to other reserves						
General reserve	-	-	104.20	(104.20)	-	-
Total transfer to other reserves	**-**	**-**	**104.20**	**(104.20)**	**-**	**-**
Transaction with owners, recorded directly in equity						
Dividend	-	-	-	(284.54)	-	(284.54)
Total distribution to owners	**-**	**-**	**-**	**(284.54)**	**-**	**(284.54)**
Balance as at 31 March 2023	**119.47**	**9,328.92**	**4,452.70**	**10,145.60**	**(48.44)**	**23,998.25**
Profit for the year	-	-	-	491.13	-	**491.13**
Other comprehensive income/(loss)	-	-	-	-	(12.56)	(12.56)
Total comprehensive income for the year	**-**	**-**	**-**	**491.13**	**(12.56)**	**478.57**
Transfer to other reserves						
General reserve	-	-	49.11	(49.11)	-	-
Total transfer to other reserves	**-**	**-**	**49.11**	**(49.11)**	**-**	**-**
Transaction with owners, recorded directly in equity						
Dividend	-	-	-	(284.54)	-	(284.54)
Total distribution to owners	**-**	**-**	**-**	**(284.54)**	**-**	**(284.54)**
Balance as at 31 March 2024	**119.47**	**9,328.92**	**4,501.81**	**10,303.08**	**(61.00)**	**24,192.28**

(*) Refer Note 17
(**) Refer Note 18

Summary of material accounting policies 2.4

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

New Delhi
17 May 2024

For and on behalf of the Board of Directors of **Sobha Limited**

Ravi PNC Menon
Chairman
DIN: 02070036

Yogesh Bansal
Chief Financial Officer

Bengaluru
17 May 2024

Jagadish Nangineni
Managing Director
DIN: 01871780

Bijan Kumar Dash
Company Secretary and Compliance Officer
ACS17222

1 Corporate information

Sobha Limited (the 'Company' or the 'Holding Company ') was incorporated on 07 August 1995 under the provision of erstwhile Companies Act, 1956. The Holding Company along with its subsidiaries, associate and joint venture (collectively referred to as 'the Group') is engaged in the business of real estate construction, development, sale, management and operation of all or any part of townships, housing projects, commercial premises and other related activities. The Group is also engaged in manufacturing activities related to interiors, glazing and metal works and concrete products which also provides backward integration to Sobha's turnkey projects.

The Holding Company is a public limited company, incorporated and domiciled in India and has its registered office at, Sarjapur – Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bengaluru - 560 103. The Holding Company's equity shares are listed on two recognized stock exchanges in India namely National Stock Exchange of India Limited and BSE Limited.

2.1 Basis of preparation

a. Statement of Compliance

The consolidated financial statements of the Group are prepared in accordance with the Indian Accounting Standards (Ind-AS) specified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 and other accounting principles generally accepted in India.

The consolidated financial statements for the year ended 31 March 2024 were authorized and approved for issue by the Board of Directors on 17 May 2024.The revision to consolidated financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of Companies Act, 2013.

b. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupee (₹') which is also the functional and presentation currency of the Group. All amounts have been rounded-off to the nearest million (two decimals), unless otherwise indicated.

c. Basis of measurement

These consolidated financial statements have been prepared on going concern basis under the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

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

d. Use of estimates

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The Management believes that, although these estimates used in preparation of the financial statements are prudent and reasonable and are based on 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. The effect of change in an accounting estimate is recognized prospectively. Significant management judgement in applying accounting policies and estimation uncertainty have been disclosed in note 2.5.

2.1 Basis of preparation (cont'd)

e. Fair value measurement

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 Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for 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 realisable value in Ind AS 2, 'Inventories', or value in use in Ind AS 36, 'Impairment of assets'.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques have been disclosed in note 2.4(p)(xi).

f. Current versus non-current classification

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

The Group classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

The real estate development projects undertaken by the Group generally run over a period ranging up to 5 years. Based on the nature of service and the time between the acquisition of assets for development and their realization in cash and cash equivalents, Operating assets and liabilities relating to such projects are classified as current based on an operating cycle as 5 years. For all other assets and liabilities the Group has considered twelve months.

2.2 Group information

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name of investee	Principal activities	Country of incorporation	Percentage of ownership/ voting rights	
			31 March 2024	31 March 2023
Subsidiaries				
Sobha City ['Partnership firm']	Real estate development	India	100%	100%
Sobha Contracting Pvt Ltd		India	100%	100%
Sobha Developers (Pune) Limited		India	100%	100%
Sobha Assets Private Limited		India	100%	100%
Sobha Highrise Ventures Private Limited		India	100%	100%
Sobha Interiors Private Limited		India	100%	100%
Sobha Nandambakkam Developers Limited		India	100%	100%
Sobha Tambaram Developers Limited		India	100%	100%
Sobha Construction Products Private Limited		India	100%	100%
C.V.S.Tech Park Private Limited (*)		India	100%	49%
Kilai Builders Private Limited		India	100%	100%
Kuthavakkam Builders Private Limited		India	100%	100%
Kuthavakkam Realtors Private Limited		India	100%	100%
Vayaloor Properties Private Limited		India	100%	100%
Vayaloor Builders Private Limited		India	100%	100%
Vayaloor Developers Private Limited		India	100%	100%
Vayaloor Real Estate Private Limited		India	100%	100%
Vayaloor Realtors Private Limited		India	100%	100%
Valasai Vettikadu Realtors Private Limited		India	100%	100%

(*) Subsidiary with effect from 14 February 2024

The consolidated financial statements also includes the result of a joint venture, Kondhwa Projects LLP, which has been accounted for under the equity method of accounting.

The consolidated financial statements also includes the result of associate, C.V.S.Tech Park Private Limited (till 14 February 2024), which has been accounted for under the equity method of accounting.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries, an associate company and a joint venture. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee and
- The ability to use its power over the investee to affect its returns

2.3 Basis of consolidation (cont'd)

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March 2024.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(d) Include the results, i.e.profit or loss from the joint venture in the consolidated Statement of profit and loss.

Investments accounted for using the equity method

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing

2.3 Basis of consolidation (cont'd)

control. The Group's investments in its joint ventures and associates are accounted for using the equity method.

Under the equity method, the investment in a joint venture or associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill, if any, relating to the joint venture or associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture or associate.Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture or associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture or associate are eliminated to the extent of the interest in the joint venture or associate.

If an entity's share of losses of a joint venture or associate equals or exceeds its interest in the joint venture or associate (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture or associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate. If the joint venture or associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture or associate is shown on the face of the statement of profit and loss.

The financial statements of joint venture or associate used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on March 31st and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture or associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture or associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture or associate and its carrying value, and then recognises the loss as 'Share of profit in joint venture or associate' in the statement of profit or loss.

Upon loss of significant influence over the joint venture or associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture or associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.4 Material accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Impairment of Goodwill

Goodwill recognized on business combination are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit to which these pertain is less than the carrying value. The recoverable amount of the asset or the cash generating units is higher of value-in-use and fair value less cost of disposal. The calculation of value in use of an asset or a cash generating unit involves use of significant estimates and assumptions which include turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

b) Revenue recognition

I. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other credits, if any, as specified in the contract with the customer. The Group presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

The Group has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the consolidated financial statements. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

a) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or

2.4 Material accounting policies (cont'd)

b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

c) The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

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

Revenue is recognised either at point of time or over a period of time based on various conditions as included in the contracts with customers.

The billing schedules agreed with customers include periodic performance-based billing and / or milestone-based progress billings. Revenues in excess of billing are classified as unbilled revenue, while billing in excess of revenues is classified as contract liabilities (which we refer to as deferred revenues).

i) Recognition of revenue from sale of real estate property

Revenue from real estate development of residential unit is recognised at the point in time, when the control of the asset is transferred to the customer, which generally coincides with transfer of physical possession of the residential unit to the customer ie., handover/ deemed handover of the residential units. Deemed handover of the residential units is considered upon intimation to the customers about receipt of occupancy certificate and receipt of substantial sale consideration.

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Group as a single performance obligation, as they are highly interrelated/ interdependent.

Further, for projects executed through joint development arrangements not being jointly controlled operations, wherein the land owner/ possessor provides land and the Group undertakes to develop properties on such land and in lieu of land owner providing land, the Group 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 recognised over time, 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.

The revenue is measured at the fair value of the land received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the land received cannot be measured reliably, the revenue is measured at the fair value of the estimated construction service rendered to the land owner, adjusted by the amount of any cash or cash equivalents transferred. The fair value so estimated is considered as the cost of land in the computation of percentage of completion for the purpose of revenue recognition as mentioned above.

For contracts involving sale of real estate unit, the Group receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Group under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Group has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

ii) Recognition of revenue from contractual projects

Revenue from contractual project is recognised over time, with reference to the stage of completion

2.4 Material accounting policies (cont'd)

of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

The Group recognises revenue only when it can reasonably measure its progress in satisfying the performance obligation. Until such time, the Group recognises revenue to the extent of cost incurred, provided the Group expects to recover the costs incurred towards satisfying the performance obligation.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately when such probability is determined.

iii) Recognition of revenue from sale of land and development rights

Revenue from sale of land and development rights is recognised upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements. Revenue from sale of land and development rights is only recognised when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer.

iv) Recognition of revenue from glazing works

Revenue from glazing projects is recognised over time, with reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of the budgeted cost associated to the units produced/ installed for work performed to date relative to the total contractual obligation of production/ installation of such units.

The Group recognises revenue only when it can reasonably measure its progress in satisfying the performance obligation. Until such time, the Group recognises revenue to the extent of cost incurred, provided the Group expects to recover the costs incurred towards satisfying the performance obligation.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately when such probability is determined.

v) Recognition of revenue from interior works and sale of concrete products and scrap

Revenue is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Revenue excludes indirect taxes and is after deduction of any trade discounts.

vi) Recognition of revenue from maintenance and other services

Revenue in respect of maintenance services and other services is recognised on an accrual basis, in accordance with the terms of the respective contract as and when the Group satisfies performance obligations by delivering the services as per contractual agreed terms.

vii) Other operating income

Interest on delayed receipts, cancellation/ forfeiture income, transfer fees, marketing fee from customers are recognised based upon underlying agreements with customers and when reasonable certainty of collection is established.

viii) Contract balances

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

2.4 Material accounting policies (cont'd)

Trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

ix) Cost to obtain a contract

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The Group incurs costs such as sales commission when it enters into a new contract, which are directly related to winning the contract. The asset recognised is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

II. Rental income from operating leases

Rental income receivable under operating leases (excluding variable rental income) is recognized in the statement of profit and loss on a straight-line basis over the term of the lease including lease income on fair value of refundable security deposits. Rental income under operating leases having variable rental income is recognized as per the terms of the contract.

III. Interest income

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate method.

c) Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

The Group treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

d) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined based on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

I. *Related to real estate and contractual activity*

Direct expenditure relating to real estate activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

2.4 Material accounting policies (cont'd)

i)	Work-in-progress (Real estate)	Represents cost incurred in respect of projects where the revenue is yet to be recognized and includes cost of land (including development rights and non-refundable deposits paid, if any under joint development arrangements ('JDA')), internal development costs, external development charges, construction costs, overheads, borrowing cost etc. Land/ development rights received under JDA is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project.
ii)	Stock of units/plots in completed real estate projects	Represents cost incurred in respect of completed real estate project net cost of revenue.
iii)	Building materials	Cost comprises of purchase price and other costs incurred in bringing the inventories to their present location and condition. Building materials are valued at cost computed on weighted average basis.
iv)	Land stock	Represents land other than area transferred to work-in-progress at the commencement of construction. Cost comprises of purchase price under agreement to purchase, stamp duty, registration charges, brokerage cost and other incidental expenses.

II. *Related to glazing, interiors and concrete products activity*

i)	Raw material, components and stores	Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Raw material, components and stores are valued at cost computed on weighted average basis.
ii)	Work-in-progress and Finished goods	Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

e) Advance paid towards land procurement

Advances paid by the Group to the seller/ intermediary towards outright purchase of land is recognised as land advance under other assets during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Group, whereupon it is transferred to land stock under inventories. Management is of the view that these advances are given under normal trade practices and are neither in the nature of loans nor advance in the nature of loans. (refer note 14)

f) Foreign currency transactions and balances

i) Initial recognition

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

2.4 Material accounting policies (cont'd)

ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) Exchange differences

The Group accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income or as expense in the period in which they arise.

g) Property, plant and equipment

i) Recognition and initial measurement

Property, plant and equipment at their initial recognition are stated at their cost of acquisition. Cost of an item of property, plant and equipment comprises its purchase price, borrowing costs (if capitalization criteria are met), import duties, non-refundable taxes and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. the Group identifies and determines cost of each component/ part of the asset separately, if the component/ part have a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour, borrowing costs (if capitalization criteria are met) and any other costs directly attributable to bringing the asset to working condition for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

ii) Subsequent measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

iii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

iv) Derecognition

An item of Property, plant and equipment and any significant part initially recognized is de-recognized 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 income statement when the Property, plant and equipment is de-recognized.

2.4 Material accounting policies (cont'd)

h) Investment property

i) Recognition and initial measurement

Investment property is property held either to earn rental income or for capital appreciation or for both. Upon initial recognition, an investment property is measured at cost, including related transaction costs. The cost comprises purchase price, cost of replacing parts, 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.

The cost of a self-constructed item of Investment property comprises the cost of materials, direct labour, borrowing costs (if capitalization criteria are met) and any other costs directly attributable to bringing the asset to working condition for its intended use.

ii) Subsequent measurement

Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

iii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

iv) Derecognition

Investment property is derecognised either when control of the same is transferred to the buyer or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

v) Reclassification from / to investment property

Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

vi) Fair value disclosure

Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual valuation performed by an accredited external independent valuer.

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2.4 Material accounting policies (cont'd)

i) Depreciation on property, plant and equipment and Investment property

Depreciation is calculated on written down value basis using the following useful lives prescribed under Schedule II of the Act, except where specified.

Particulars	Useful lives estimated by the management (in years)
Property, plant and equipment	
Factory buildings	30
Buildings - other than factory buildings	60
Buildings - temporary structure for precast plant	8
Buildings - temporary structure	3
Plant and machinery	
i. General plant and machinery	15
ii. Plant and machinery - Civil construction	12
iii. Plant and machinery - Electrical installations	10
iv. Plant and machinery - Precast plant	8
v. Plant and machinery - Others	3-5
Furniture and fixtures	10
Motor vehicles - Two wheelers	10
Motor vehicles - Four wheelers	8
Computers	
i. Computer equipment	3
ii. Servers and network equipment	6
Office equipment	5
Investment property	
Buildings - other than factory buildings	60
Buildings - One Sobha	46-48
Plant and machinery	
i. General plant and machinery	15
ii. Plant and machinery	12
Office equipments	5
Furniture and fixtures	10

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building and plant and equipment 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.

Steel scaffolding items are depreciated using straight line method over a period of 6 years, which is estimated to be the useful life of the asset by the management based on planned usage and technical advice thereon. These lives are higher than those indicated in Schedule II.

Leasehold land is amortized on a straight-line basis over the balance period of lease

Freehold land is not depreciated and is stated at cost less impairment loss, if any.

2.4 Material accounting policies (cont'd)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j) Capital work-in-progress and intangible assets under development

Capital work-in-progress and intangible assets under development represents expenditure incurred in respect of capital projects/ intangible assets under development which are not yet ready for their intended use and are carried at cost less accumulated impairment loss, if any.

Depreciation/ amortisation is not provided on capital work-in-progress and intangible assets under development until construction/ installation are complete and the asset is ready for its intended use.

k) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets, comprising of software and intellectual property rights are amortized on a straight line basis over a period of 3 years, which is estimated to be the useful life of the asset and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

l) Leases

The Group 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.

I. Group as a lessee

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

i) Right-of-use assets

The Group 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, if any 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 Group 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.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.4(q)(ii) on impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Group 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

2.4 Material accounting policies (cont'd)

guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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.

iii) Short-term leases and leases of low-value assets

The Group 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.

II. Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Assets subject to operating leases are included under Investment property.

Lease income from operating lease is recognized on a straight-line basis over the term of the relevant lease including lease income on fair value of refundable security deposits, unless the lease agreement explicitly states that increase is on account of inflation. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

m) Retirement and other employee benefits

i) Employee Provident Fund and Employee State Insurance

Retirement benefits in the form of state governed Employee Provident Fund and Employee State Insurance are defined contribution schemes (collectively the 'Schemes'). The Group has no obligation, other than the contribution payable to the Schemes. The Group recognizes contribution payable to the Schemes as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognized as an asset and the contribution due in excess of amount paid is recognized as a liability.

ii) Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/ obligation at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/ obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service

2.4 Material accounting policies (cont'd)

cost and net interest expense on the Group's defined benefit plan is included in statement of profit and loss. Actuarial gains/ losses resulting from re-measurements of the liability are included in other comprehensive income in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

The Group makes contributions to Sobha Developers Employees Gratuity Trust ('the Trust') to discharge the gratuity liability to employees. Provision towards gratuity, a defined benefit plan, is made for the difference between actuarial valuation by an independent actuary and the fund balance, as at the year-end.

iii) Compensated absences

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

iv) 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.

n) Provisions, contingent assets and contingent liabilities

i) Provisions

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. 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 Group 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.

ii) Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e. the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

iii) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

2.4 Material accounting policies (cont'd)

The Group does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

iv) Contingent assets

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

o) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

i) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

ii) Deferred income tax

Deferred income tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

p) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Initial recognition and measurement of financial assets and liabilities

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, however, trade receivables

2.4 Material accounting policies (cont'd)

and trade payables that do not contain a significant financing component are measured at transaction value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

ii) Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets 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.

iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

iv) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

v) Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) 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 profit or loss. This category generally applies to trade and other receivables.

vi) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

vii) Financial liabilities at amortized cost

Financial liabilities are subsequently carried at amortized cost using the effective interest ('EIR') method.

Interest-bearing loans and borrowings are subsequently measured at amortized cost using EIR method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.4 Material accounting policies (cont'd)

viii) De-recognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

ix) Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial instruments.

x) 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 recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

xi) Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

q) Impairment

i) Financial assets

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets (except financial assets valued through fair value through profit or loss) is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The presumption under Ind AS 109 with reference to significant increases in credit risk since initial recognition (when financial assets are more than 30 days past due), has been rebutted and is not applicable to the Group, as the Group is able to collect a significat portion of its receivables that exceed the due date.

2.4 Material accounting policies (cont'd)

ii) Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

iii) 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 .

r) Segment reporting

i) Identification of segments

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Group's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Results of the operating segments are reviewed regularly by the Managing Director who has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance.

ii) Inter-segment transfers

The Group generally accounts for intersegment sales and transfers at appropriate margins.

iii) Unallocated items

Unallocated items include general corporate asset, liability, income and expense items which are not allocated to any business segment.

iv) Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

s) Cash dividend to equity holders of the Group or Holding Company

The Group recognizes a liability to make cash distributions to equity holders of the Group when the distribution is authorized and the distribution is no longer at the discretion of the Group. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

2.4 Material accounting policies (cont'd)

t) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

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, if any.

u) 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, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

2.5 Significant accounting judgements, estimates and assumptions

Significant accounting judgements, estimates and assumptions used by management are as below

Determination of performance obligations and timing of revenue recognition on revenue from real estate development [Refer note 2.4(b)(I)(i)]

Accounting for revenue and land cost for projects executed through joint development arrangement [Refer note 2.4(b)(I)(i)]

Computation of percentage completion for projects in progress, project cost, revenue and saleable area estimates [Refer note 2.4(b)(I)(i),(ii)(iv)]

Estimation of net realizable value for inventory [Refer note 2.4(d)], land advance and refundable deposits paid under JDA

Provision for litigations and contingencies [Refer note 2.4(n)]

Useful life and residual value of property, plant and equipment, investment property and intangible assets [Refer note 2.4(i)]

Evaluation of indicators and impairment of financial and non-financial assets [Refer note 2.4(q)]

Classification of property as investment property or inventory [Refer note 2.4(d) and (h)]

Fair value measurement disclosures [Refer note 2.4(p)]

Provision for tax [Refer note 2.4(o)]

3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2024.

4. Property, plant and equipment

	Freehold land	Factory buildings	Other buildings	Plant and machinery	Scaffolding items	Furniture and fixtures	Vehicles	Computers	Office equipment	Total
Cost										
As at 1 April 2022	**1,826.41**	**708.54**	**1,085.03**	**1,962.83**	**1,980.75**	**54.76**	**12.63**	**199.21**	**40.75**	**7,870.91**
Additions during the year	-	-	43.82	61.21	383.57	4.33	3.63	35.26	6.44	**538.26**
Disposal during the year	-	-	-	(24.40)	(12.52)	(0.18)	(0.01)	(2.72)	(0.34)	**(40.17)**
As at 31 March 2023	**1,826.41**	**708.54**	**1,128.85**	**1,999.64**	**2,351.80**	**58.91**	**16.25**	**231.75**	**46.85**	**8,369.00**
Additions during the year	12.54	71.78	84.62	89.67	815.04	17.91	6.37	52.06	6.97	**1,156.96**
Disposal during the year	-	-	-	(12.92)	(0.39)	(0.05)	-	(0.08)	(0.07)	**(13.51)**
As at 31 March 2024	**1,838.95**	**780.32**	**1,213.47**	**2,076.39**	**3,166.45**	**76.77**	**22.62**	**283.73**	**53.75**	**9,512.45**
Accumulated depreciation and impairment loss										
As at 1 April 2022	**-**	**475.44**	**389.17**	**1,306.66**	**1,309.60**	**37.72**	**8.73**	**153.23**	**29.43**	**3,709.98**
Charge for the year	-	71.82	46.85	140.57	199.58	4.43	1.04	31.41	5.13	**500.83**
Impairment loss	2.85	-	55.62	0.24	-	-	-	-	-	**58.71**
Disposal during the year	-	-	-	(20.13)	(7.48)	(0.14)	(0.01)	(2.43)	(0.31)	**(30.50)**
As at 31 March 2023	**2.85**	**547.26**	**491.64**	**1,427.34**	**1,501.70**	**42.01**	**9.76**	**182.21**	**34.25**	**4,239.02**
Charge for the year	-	53.85	58.20	133.68	295.84	6.86	2.17	39.01	7.13	**596.74**
Impairment loss	-	1.35	3.36	15.76	-	1.36	1.39	5.18	1.07	**29.47**
Disposal during the year	-	-	-	(4.94)	(0.39)	(0.04)	-	(0.08)	(0.07)	**(5.52)**
As at 31 March 2024	**2.85**	**602.46**	**553.20**	**1,571.84**	**1,797.15**	**50.19**	**13.32**	**226.32**	**42.38**	**4,859.71**
Carrying amount										
As at 31 March 2024	**1,836.10**	**177.86**	**660.27**	**504.55**	**1,369.30**	**26.58**	**9.30**	**57.41**	**11.37**	**4,652.74**
As at 31 March 2023	**1,823.56**	**161.28**	**637.21**	**572.30**	**850.10**	**16.90**	**6.49**	**49.54**	**12.60**	**4,129.98**

Note:

a) **Contractual obligations**
The contractual commitments pending for the acquisition of property, plant and equipment as at 31 March 2024 is ₹493.42 (31 March 2023: ₹250.03).

b) **Property, plant and equipment pledged as security**
Refer Note.43 for details of Property, plant and equipment pledged as security for borrowings.

c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), are held in the name of the Group.

d) The Company has not revalued its property, plant and equipment during the current or previous year.

5 Investment property

Particulars	Other assets forming part of Building						
	Freehold land	Right of use - Land	Other buildings	Plant and machinery	Furniture and fixtures	Office equipment	Total
Cost							
As at 1 April 2022	**132.47**	**142.84**	**3,760.60**	**307.94**	**36.81**	**0.17**	**4,380.83**
Additions during the year	-	-	671.30	1.66	0.22	3.52	**676.70**
Disposal during the year	-		-	-	-	-	**-**
As at 31 March 2023	**132.47**	**142.84**	**4,431.90**	**309.60**	**37.03**	**3.69**	**5,057.53**
Additions during the year	-	-	50.60	0.01	-	1.73	**52.34**
Disposal during the year	-	-	-	(0.11)	-	-	**(0.11)**
As at 31 March 2024	**132.47**	**142.84**	**4,482.50**	**309.50**	**37.03**	**5.42**	**5,109.76**
Accumulated depreciation and amortisation							
As at 1 April 2022	**-**	**3.01**	**274.16**	**124.25**	**17.23**	**0.16**	**418.81**
Charge for the year	-	3.01	84.58	28.32	3.56	0.53	**120.00**
Disposal during the year	-	-	-	-	-	-	**-**
As at 31 March 2023	**-**	**6.02**	**358.74**	**152.57**	**20.79**	**0.69**	**538.81**
Charge for the year	-	3.02	104.17	25.38	3.30	2.04	**137.91**
Disposal during the year	-	-	-	(0.09)	-	-	**(0.09)**
As at 31 March 2024	**-**	**9.04**	**462.91**	**177.86**	**24.09**	**2.73**	**676.63**
Carrying amount							
As at 31 March 2024	**132.47**	**133.80**	**4,019.59**	**131.64**	**12.94**	**2.69**	**4,433.13**
As at 31 March 2023	**132.47**	**136.82**	**4,073.16**	**157.03**	**16.24**	**3.00**	**4,518.72**

a. One investment property is constructed/ developed on a leasehold land where the Group is the lessee and the lease agreement is duly executed in favour of the lessee. The Right-of-use assets meet the definition of investment property, and hence is presented within 'investment property'.

b. Investment property comprises of various commercial properties and club houses that is leased to third parties. Each of the leases contains an initial non-cancellable period of 2-3 years. The Group has no restrictions on the realisability of its investment property.

c. **Fair value of investment property**

The fair value of Investment property is ₹9,198.60 (31 March 2023: ₹9,054.10). The valuations is based on valuation performed by an accredited independent valuer and is a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value of the Group's investment properties have been arrived at using discounted cash flow method, direct comparison approach, and depreciated replacement cost method. Under discounted cash flow method, cash flow projections based on reliable estimates of cash flow are discounted. The main inputs used are rental growth rate, expected vacancy rates, discount rates, and transacted values of similar properties which are based on comparable transactions and industry data. The fair value measurement of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. (refer note 40b)

d. **Investment property pledged as security**

Refer Note.43 for details of investment property pledged as security for borrowings.

e. **Amounts recognised in profit or loss**

Particulars	31 March 2024	31 March 2023
Rental income derived from investment properties (refer note 25B)	**618.27**	**478.24**
Direct operating expenses (including repairs and maintenance) generating rental income	(170.14)	(173.77)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(19.34)	(19.37)
Profit arising from investment properties before depreciation and indirect expenses	**428.79**	**285.10**
Less:- Depreciation	(137.91)	(120.00)
Profit arising from investment properties before indirect expenses	**290.88**	**165.10**

6 Investment property under development

	Amount
As at 1 April 2022	**65.03**
Additions during the year	2.86
Disposal during the year	-
Capitalised during the year	-
As at 1 April 2023	**67.89**
Additions during the year	-
Disposal during the year	-
Capitalised during the year	-
As at 31 March 2024	**67.89**

As at 31 March 2024

Particulars	Amount of Investment property under construction for the period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended (*)	-	2.86	6.75	58.28	67.89
Total	**-**	**2.86**	**6.75**	**58.28**	**67.89**

As at 31 March 2023

Particulars	Amount of Investment property under construction for the period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	2.86	6.75	2.27	56.01	67.89
Projects temporarily suspended	-	-	-	-	-
Total	**2.86**	**6.75**	**2.27**	**56.01**	**67.89**

(*) Refer note 39(6)

Note: The Management is of the view that the fair value of investment properties under development cannot be reliably measured and hence fair value disclosures pertaining to investment properties under development have not been provided.

7 Intangible asset under development

	Software	Amount
As at 1 April 2022	-	**-**
Additions during the year	17.62	17.62
Charged to cost of sale	-	-
As at 31 March 2023	**17.62**	**17.62**
Additions during the year	36.74	36.74
Charged to cost of sale	-	-
As at 31 March 2024	**54.36**	**54.36**

Contractual obligations

The contractual commitments pending for the acquisition of intangible asset under development as at 31 March 2024 is ₹8.75 (31 March 2023: ₹13.93)

Ageing of intangible assets under development as at 31 March 2024

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress *	36.74	17.62	-	-	54.36
Projects temporarily suspended	-	-	-	-	-
	36.74	**17.62**	**-**	**-**	**54.36**

7 Intangible asset under development (cont'd)

Ageing of intangible assets under development as at 31 March 2023

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress *	17.62	-	-	-	17.62
Projects temporarily suspended	-	-	-	-	-
	17.62	**-**	**-**	**-**	**17.62**

(*) There are no projects in progress under 'Intangible assets under development' whose completion is overdue or has exceeded its cost compared to its original plan.

8 Intangible assets

	Goodwill	Software	Intellectual property rights	Total
Cost				
As at 1 April 2022	**171.67**	**26.72**	**0.05**	**198.44**
Additions during the year	-	-	-	-
As at 31 March 2023	**171.67**	**26.72**	**0.05**	**198.44**
Additions during the year	-	1.00	-	1.00
As at 31 March 2024	**171.67**	**27.72**	**0.05**	**199.44**
Amortization and impairment				
As at 1 April 2022	**-**	**22.03**	**0.05**	**22.08**
Charge for the year	-	2.14	-	2.14
As at 31 March 2023	**-**	**24.17**	**0.05**	**24.22**
Charge for the year	-	1.16	-	1.16
As at 31 March 2024	**-**	**25.33**	**0.05**	**25.38**
Carrying amount				
As at 31 March 2024	**171.67**	**2.39**	**-**	**174.06**
As at 31 March 2023	**171.67**	**2.55**	**-**	**174.22**

Note:
The Group has not revalued its intangible assets during the current or previous year.

Allocation of goodwill to Cash Generating Units

Particulars	As at 31 March 2024	As at 31 March 2023
Sobha City	123.85	123.85
Kuthavakkam Builders Private Limited	47.82	47.82
	171.67	**171.67**

For impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which goodwill is monitored for internal management purposes. Goodwill is tested for impairment at least annually in accordance with the Group's procedure for determining the recoverable value of each CGU. The recoverable amount of the CGU is determined on the basis of Higher of value in use or Fair Value Less Cost of Disposal (FVLCD). The recoverable amount of the CGU is determined based on the discounted cash flow approach, using the discount rate and terminal income growth rate from unobservable market data by the Management for the year ended March 31, 2024. The discount rate applied to the cash flow projections is within the range of 17% (31 March 2023: 17%) and cash flows beyond the five-year period were extrapolated using a growth rate of 8% (31 March 2023: 8%), which was the same as the long term average growth rate of the real estate industry in the India. The fair value measurement is categorised as a level 3 fair value based on the inputs in the valuation techniques used. Goodwill acquired through business combinations have been allocated to the reporting units for impairment testing. As at March 31, 2024, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

9A Investments accounted for using the equity method

Particulars	As at 31 March 2024	As at 31 March 2023
Investment in associates (refer note a below)	-	0.05
Investments in joint ventures (refer note b below)	1,149.33	1,149.33
	1,149.33	**1,149.38**

Particulars	Principal activities	Place of registration	% of voting rights 31 March 2024	% of voting rights 31 March 2023	Amount As at 31 March 2024	Amount As at 31 March 2023
a. *Investment in associate*						
Investment in equity instruments (Unquoted)						
(i) C.V.S.Tech Park Private Limited (till 14 February 2024)	Real estate	India	NA	49%	-	0.05
b. *Investments in joint venture*						
In Limited Liability Partnership (LLP) firm						
50% (31 March 2023 - 50%) share in the profits of partnership firm:						
Kondhwa Projects LLP	Real estate	India	50%	50%		
- Capital account					0.05	0.05
- Current account					1,149.28	1,149.28
					1,149.33	**1,149.33**
					1,149.33	**1,149.38**
Aggregate amount of quoted investments and market value thereof					**-**	**-**
Aggregate amount of unquoted investments					**1,149.33**	**1,149.38**
Aggregate amount of impairment in value of investments					**-**	**-**

The principle place of business of all the investments of the Holding Company is India

Investment in Joint venture (Kondhwa Projects LLP)

Particulars	As at 31 March 2024	As at 31 March 2023
Share of the joint venture's statement of financial position :		
Non current assets		
Property, Plant, and Equipment	2,285.56	2,292.06
Current assets		
Cash and Cash Equivalents	6.60	0.02
Other Current Assets	6.86	6.73
	2,299.02	2,298.81
Non current liabilities	-	-
Current liabilities	(0.37)	(0.16)
Equity	2,298.65	2,298.65
Proportion of group ownership (50%)	1,149.33	1,149.33
Revenue	-	-
Total comprehensive income	-	-
Group's carrying amount of the investment (50%)	1,149.33	1,149.33

Note: The Group has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

9B Investment

Particulars	As at 31 March 2024	As at 31 March 2023
Investments in Government or trust securities	-	0.08
Investments at amortized cost		
Investment in Government or trust securities (unquoted)		
National savings certificates	-	0.08
Total investments carried at amortised cost	**-**	**0.08**

10 Inventories

(Valued at cost or net realisable value, which ever is lower)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials, components and stores	600.70	717.54
Building materials	1,525.16	1,336.47
Land stock (*)	5,909.67	7,225.32
Work-in-progress		
- Real estate projects (*)	79,017.98	63,484.04
- Others	624.45	491.94
Stock of units in completed real estate projects (*)	5,954.67	14,198.74
Finished goods	131.50	155.70
	93,764.13	**87,609.75**

(*) Refer note 43 for details of inventories pledged as security for borrowings.

Note: The write-down (net) of inventories to net realisable value for the year ended 31 March 2024 is ₹54.82 (31 March 2023: ₹124.00). This was recorded as an expense during the respective years and included in 'changes in inventories' in consolidated statement of profit and loss.

11 Trade receivables

	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Trade receivables considered good - unsecured	393.45	795.18	2,278.52	2,247.16
Trade receivables - credit impaired	-	-	29.12	29.12
	393.45	795.18	2,307.64	2,276.28
Less: Impairment allowance (allowance for credit loss)				
Trade receivables considered good - unsecured			(633.27)	(667.00)
Trade receivables - credit impaired	-	-	(29.12)	(29.12)
Net trade receivables	**393.45**	**795.18**	**1,645.25**	**1,580.16**
Note:				
a. Trade receivables due by firms or private companies in which the director of the Group is a partner or a director or a member (refer note 35)	-	-	192.17	212.01
b. Trade receivables from other related parties (refer note 35)	-	-	15.28	10.06
c. Refer Note 43 for details of Trade receivables pledged as security for borrowings				

11 Trade receivables (cont'd)

d. Trade receivable ageing schedule

As at 31 March 2024	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
A. Non-current							
Undisputed Trade receivables-considered good	373.74	2.99	4.20	1.79	0.57	10.16	393.45
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables-considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Total of Non-current	**373.74**	**2.99**	**4.20**	**1.79**	**0.57**	**10.16**	**393.45**
B. Current							
Undisputed Trade receivables-considered good	235.84	934.41	254.10	135.79	159.09	469.73	2,188.96
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables-credit impaired	-	-	-	-	-	29.12	29.12
Disputed Trade receivables-considered good	-	-	0.68	0.74	0.83	87.31	89.56
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Total of Current	**235.84**	**934.41**	**254.78**	**136.53**	**159.92**	**586.16**	**2,307.64**

As at 31 March 2023	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
A. Non-current							
Undisputed Trade receivables-considered good	770.71	4.27	1.94	4.33	0.28	13.65	795.18
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables-considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Total of Non-current	**770.71**	**4.27**	**1.94**	**4.33**	**0.28**	**13.65**	**795.18**
B. Current							
Undisputed Trade receivables-considered good	235.70	855.46	293.24	238.64	91.14	532.98	2,247.16
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables-credit impaired	-	-	-	-	-	29.12	29.12
Disputed Trade receivables-considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Total of Current	**235.70**	**855.46**	**293.24**	**238.64**	**91.14**	**562.10**	**2,276.28**

e. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days

12 Loans

	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Loans to related parties (refer note 35)				
Loans receivables considered good – unsecured	-	-	-	9.00
Loans receivables – credit impaired	-	-	-	-
	-	**-**	**-**	**9.00**
Less: Allowances for credit loss				
Loans receivables – credit impaired	-	-	-	-
Net loans	**-**	**-**	**-**	**9.00**

There are no loans due from directors or other officers either severally or jointly with any other person.

13 Other financial assets

	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good				
Refundable deposits towards joint development agreement	180.00	180.00	3,045.59	3,211.06
Security deposit	53.37	51.56	137.43	135.61
Earnest money deposit	466.74	-	-	-
External/Internal development charges (EDC/IDC)	-	-	144.36	1,284.84
Settlement share recoverable			599.87	-
Other receivables	-	-	234.17	80.00
Fixed deposits with maturity for more than 12 months				
- Pledged/ under lien/ earmarked/ margin money (^^)	207.37	151.04	-	-
	907.48	**382.60**	**4,161.42**	**4,711.51**

Note: Refer Note 43 for details of deposits pledged as security for borrowings.
(^^) Includes interest accrued but not due.

14 Other assets

	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good				
Land advances (*)	9,115.49	9,021.93	312.95	683.59
Advances recoverable in kind	0.24	0.24	897.96	1,015.21
Prepaid expenses	-	-	1,625.57	1,017.99
Balances with statutory/ government authorities	-	-	878.46	1,127.67
Unbilled revenue (^)	-	-	1,736.87	1,764.53
Advances for joint development arrangements (#)	1,654.82	275.82	663.20	772.21
Other receivables	11.12	-	8.71	-
Unsecured, considered doubtful				
Land advances (^^)	82.63	168.16	-	-
Less: Provision for doubtful advances	(82.63)	(168.16)	-	-
	10,781.67	**9,297.99**	**6,123.72**	**6,381.20**

(*) Advances for land though unsecured, are considered good as the advances have been given based on arrangements/ memorandum of understanding executed by the Group and the Group/ seller/ intermediary has either already obtained a clear and marketable title, or is in the process of obtaining the same.

(^) Classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

14 Other assets (cont'd)

(#) Advances under Joint Development Arrangements (JDA) are paid predominantely under JDA agreement/MOU's where there are certain conditions precedent to execute and register a JDA agreement. On completion of such conditions precedent and registration of JDA, such advances are usually reclassified to refundable deposit based on the terms of the registered JDA.

(^^) Land advances amounting to ₹218.37 have been written off during the year. Out of such write off ₹168.16 was provided for as at 31 March 2023.

	Note	Non-current		Current	
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
a	Advances recoverable in kind from firms or private companies in which the director of the Holding Company is a partner or a director or a member	-	-	11.06	10.02
b	Includes from related parties				
	Land advances (refer note 35)	7,962.80	8,212.92	-	-
	Advances recoverable in kind (refer note 35)	-	-	177.24	215.25

15 Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Balances with banks in current accounts (*)	1,082.91	2,659.65
Cash on hand	4.49	9.16
Cheques/ drafts on hand	49.91	125.05
	1,137.31	**2,793.86**
(*) Includes amount held in escrow account for projects under Real Estate Regulation and Development Act, 2016, to be utilised for project specific purposes.	576.19	1,758.76

Note:

(i) Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes:

Liabilities	As at 1 April 2023	Cash flow	Non-cash changes: Amortization of transaction cost	Non-cash changes: Accrued Interest	Non-cash changes: Initial recognition of Lease Liability	As at 31 March 2024
Borrowings from bank and other parties	20,035.49	(900.40)	-	-	-	19,135.09
Interest on Borrowings	62.39	(2,122.68)	-	2,080.88	-	20.59
Unclaimed dividend	2.00	-	-	-	-	2.00
Lease liabilities	232.81	(74.01)	-	25.12	78.42	262.34

Liabilities	As at 1 April 2022	Cash flow	Non-cash changes: Amortization of transaction cost	Non-cash changes: Accrued Interest	Non-cash changes: Initial recognition of Lease Liability	As at 31 March 2023
Borrowings from bank and other parties	24,542.18	(4,624.06)	117.37	-	-	20,035.49
Non-convertible debentures	495.09	(495.09)	-	-	-	-
Interest on Borrowings	35.07	(2,246.65)	-	2,273.97	-	62.39
Unclaimed dividend	2.32	(0.32)	-	-	-	2.00
Lease liabilities	253.49	(79.36)	-	27.26	31.42	232.81

16 Bank balance other than cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Earmarked bank balances		
– On unclaimed dividend account	2.00	2.00
Fixed deposits with banks with maturity less than 12 months (#)(^)		
- Pledged/ under lien/ earmarked/ margin money (^^)	5,593.64	1,718.18
	5,595.64	**1,720.18**
(#) Includes amount held in escrow account for projects under Real Estate Regulation and Development Act, 2016, to be utilised for project specific purposes.	5,587.84	1,636.01

(^) Refer Note 43 for details of deposits pledged as security for borrowings.

(^^)Includes interest accrued but not due.

17 Equity share capital

	31 March 2024		31 March 2023	
	No of shares	Amount	No of shares	Amount
Authorised shares(*)				
Equity shares of ₹10 each (in ₹)	150,000,000	1,500.00	150,000,000	1,500.00
Issued, subscribed and fully paid-up shares				
Equity shares of ₹10 (in ₹) each fully paid up	94,845,853	948.46	94,845,853	948.46
Total issued, subscribed and fully paid-up share capital	**94,845,853**	**948.46**	**94,845,853**	**948.46**

(*) Excludes 5,000,000, 7% Redeemable preference shares of ₹100 each (in ₹) amounting to ₹500 (31 March 2023: ₹500)

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	31 March 2024		31 March 2023	
	No of shares	Amount	No of shares	Amount
Equity shares				
At the beginning of the year	94,845,853	948.46	94,845,853	948.46
Outstanding at the end of the year	**94,845,853**	**948.46**	**94,845,853**	**948.46**

(b) Terms/rights attached to equity shares

The Group has only one class of equity shares having a par value of ₹10 per share (in ₹) fully paid up. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares would be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of equity shareholders holding more than 5% shares in the Holding Company

	31 March 2024		31 March 2023	
	No of shares	Holding %	No of shares	Holding %
Equity shares of ₹10 (in ₹) each fully paid up				
Mrs. Sobha Menon	28,726,420	30.29%	28,726,420	30.29%
Mr. P.N.C. Menon	12,339,259	13.01%	12,339,259	12.99%
Mr. P.N.C. Menon (inclusive of joint holding with Mrs. Sobha Menon)	5,289,054	5.58%	5,289,054	5.58%
Anamudi Real Estates LLP	9,475,096	9.99%	9,475,096	9.99%
Schroder International Selection Fund Emerging Asia (^)	355,638	0.37%	5,541,913	5.84%
Franklin India Focused Equity Fund (^)	2,805,879	2.96%	5,828,613	6.15%

(^) Held more than 5% as at 31 March 2023

17 Equity share capital (cont'd)

(d) Details of shares held by promoters

Promoter Name	31 March 2024			31 March 2023		
	No.of shares	% of total shares	% change during the year	No.of shares	% of total shares	% change during the year
Mrs. Sobha Menon	28,726,420	30.29%	-	28,726,420	30.29%	-
Mr. P.N.C. Menon	12,339,259	13.01%	0.02%	12,319,259	12.99%	0.27%
Mr. P.N.C. Menon (inclusive of joint holding with Mrs. Sobha Menon)	5,289,054	5.58%	-	5,289,054	5.58%	-
Mr. Ravi PNC Menon	3,185,930	3.36%	-	3,185,930	3.36%	-

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

(f) There are no shares reserved for issue under options and contracts/ commitments for sale of shares/ disinvestments.

18 Other equity

	As at 31 March 2024	As at 31 March 2023
Capital redemption reserve	119.47	119.47
Securities premium	9,328.92	9,328.92
General reserve	4,501.82	4,452.70
Retained earnings	10,242.06	10,097.15
	24,192.28	**23,998.25**

Nature and purpose of reserve

(a) Capital redemption reserve
The Group recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital redemption reserve.

(b) Securities premium
Securities premium reserve is used to record the premium received on issue of shares by the Group. The reserve can be utilised in accordance with the provision of Section 52(2) of Companies Act, 2013.

(c) General reserve
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

(d) Retained earnings
The cumulative gain or loss arising from the operations which is retained by the Group is recognised and accumulated under the heading of retained earnings.

19 Distribution made and proposed

	As at 31 March 2024	As at 31 March 2023
Final dividend on equity shares declared and paid		
₹ 3 per share for the year ended 31 March 2023	284.54	-
₹3 per share for the year ended 31 March 2022	-	284.54
	284.54	**284.54**
Details of proposed final dividend on equity shares (*)		
₹3 per share for the year ended 31 March 2024	284.54	-
₹3 per share for the year ended 31 March 2023	-	284.54
	284.54	**284.54**

(*) Proposed dividend on equity shares are subject to the approval of the shareholders at the ensuing annual general meeting and are not recognised as a liability as at respective balance sheet dates.

20 Borrowings

	As at 31 March 2024	As at 31 March 2023
Non-current borrowings		
Term loans (Secured)	7,773.41	8,942.75
- from banks	3,011.48	3,033.83
- from other parties	**10,784.89**	**11,976.58**
Term loans (Unsecured)		
- from banks	993.06	-
Less: Current maturities of long term borrowings	(4,614.46)	(5,841.99)
Total non-current borrowings	**7,163.49**	**6,134.59**
Current borrowings		
Term loans (Secured)		
- from banks	98.29	813.04
- from other parties	952.69	928.02
Loans repayable on demand		
- from banks	3,650.98	3,991.21
Cash credit from banks	2,655.18	2,326.64
Current maturities of long term borrowings	4,614.46	5,841.99
Total current borrowings	**11,971.60**	**13,900.90**

Note:

(i) The Group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts.

(ii) None of the entities in the Group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

Particulars	As at 31 March 2024	As at 31 March 2023	Effective interest rate	Security Details	Repayment terms
Non-current borrowings					
Term loans from banks	1,154.17	2,789.15	8%-10%	Secured by way of a. equitable mortgage on immovable properties of the project b. equitable mortgage on vacant land parcels c. hypothecation of Escrow balances, other current assets and receivables (both present and future) of the project	Repayable in 10 equal quarterly installments, after a moratorium period of 39 months from the date of first disbursement.
Term loans from banks	1,394.52	1,475.98	8%-10%	Secured by way of a. mortgage of Investment Property and hypothecation of current assets and receivables relating to the Investment Property b. hypothecation of Escrow account and Debt Service Reserve account	Repayable in 153 monthly installments, after a moratorium period of 3 months from the date of first disbursement.
Term loans from banks	179.55	1,387.87	8%-10%	Secured by way of a. first charge on the Holding Company's share of Inventory in the project b. equitable mortgage on vacant land parcels c. hypothecation of Escrow balances, other current assets and Company's share of receivables (both present and future) of the project and Debt Service Reserve account	Repayable in 10 equal quarterly installments, after a moratorium period of 42 months from the date of first disbursement.

20 Borrowings (cont'd)

Particulars	As at 31 March 2024	As at 31 March 2023	Effective interest rate	Security Details	Repayment terms
Term loans from banks	548.47	641.13	8%-10%	Secured by way of a. mortgage of Investment Property of the Group b. hypothecation of receivables (both present and future) of the relation to the Investment Property c. corporate guarantee from the Group	Repayable in 126 monthly installments, after a moratorium period of 3 months from the date of first disbursement.
Term loans from banks	372.03	558.39	8%-10%	Security charge by way of a. equitable mortgage of immovable property of the Subsidiary project b. first Charge on Escrow balances and all assets of the Subsidiary project c. Corporate guarantee of the subsidiary	Repayable in 15 equal quarterly installments, after a moratorium period of 3 months from the date of first disbursement.
Term loans from banks	1,168.74	462.51	8%-10%	Secured by way of a. equitable mortgage on immovable properties of the project b. equitable mortgage on vacant land parcels c. hypothecation of Escrow balances, other current assets and receivables (both present and future) of the project and Debt Service Reserve account	Repayable in 10 equal quarterly installments, after a moratorium period of 51 months from the date of first disbursement.
Term loans from banks	74.17	222.43	8%-10%	Secured by way of a. first charge on Property, Plant and Equipment b. equitable mortgage on vacant land parcels	Repayable in 16 equal quarterly installments from the date of first disbursement
Term loans from banks	46.84	195.78	8%-10%	Secured by way of a. equitable mortgage on immovable properties of the project b. hypothecation of receivables (both present and future)	Repayable in 48 quarterly installments, after a moratorium period of 30 months from the date of first disbursement.
Term loans from banks	374.47	684.96	8%-10%	Security charge by way of a. equitable mortgage of immovable property of the Subsidiary project b. first charge on all assets of the Subsidiary project	Repayable in 36 equal quarterly installments, after a moratorium period of 12 months from the date of first disbursement.
Term loans from banks	186.46	524.55	8%-10%	Secured by way of a. first charge on the Holding Company's share of Inventory of the project b. hypothecation of Escrow balances and Company's share of receivables (both present and future) of the project and Debt Service Reserve account	Repayable in 24 monthly installments, after a moratorium period of 36 months from the date of first disbursement.
Term loans from banks	839.04	-	9%-10%	Secured by way of a. Registered mortgage on immovable properties of the project b. hypothecation of Escrow balances, other current assets and receivables (both present and future) of the project and Debt Service Reserve account	Repayable in 36 monthly installments, after a moratorium period of 12 months from the date of first disbursement.
Term loans from banks	497.83	-	9%-10%	Secured by way of a. equitable mortgage on immovable properties of the project(both present and future) b. hypothecation of receivables (both present and future)	Repayable in 8 equal quarterly installments, after a moratorium period of 12 months from the date of first disbursement.
Term loans from banks	661.73	-	9%-11%	Secured by way of a. mortgage of property owned by Group b. mortgage of building owned by the Holding Company c. corporate guarantee of Group	Repayable in 20 equal quarterly installments from the date of first disbursement.

20 Borrowings (cont'd)

Particulars	As at 31 March 2024	As at 31 March 2023	Effective interest rate	Security Details	Repayment terms
Term loans from banks	275.39	-	9%-10%	Secured by way of a. hypothecation of Escrow balances, other current assets and receivables (both present and future) of the project and Debt Service Reserve account	Repayable in 11 equal quarterly installments, after a moratorium period of 3 months from the date of first disbursement.
Term loans from other parties	386.32	603.81	9%-11%	Secured by way of a. mortgage of property owned by Group b. mortgage of building owned by the Holding Company c. corporate guarantee of Group	Repayable in 20 equal quarterly installments, after a moratorium period of 6 months from the date of first disbursement.
Term loans from other parties	826.41	1,012.98	8%-10%	Secured by way of a. first charge on the Holding Company's share of Inventory of the project b. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project	Repayable in 24 monthly installments, after a moratorium period of 48 months from the date of first disbursement.
Term loans from other parties	420.71	797.90	8%-10%	Secured by way of a. equitable mortgage on the Holding Company's share of Inventory of the project b. equitable mortgage on vacant land parcels c. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project	Repayable in 24 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Term loans from other parties	147.06	595.47	8%-10%	Secured by way of a. equitable mortgage on the Holding Company's share of Inventory of the project b. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project	Repayable in 24 monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Term loans from other parties	-	23.67	9%-11%	Secured by way of a. equitable mortgage on the Holding Company's share of Inventory of the project b. first charge on the vacant land parcels c. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project	Repayable in 24 monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Term loans from other parties	325.17	-	9%-10%	Secured by way of a. equitable mortgage on vacant land parcels b. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project c. corporate guarantee of Group	Repayable in 24 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Term loans from other parties	905.81	-	8%-10%	Secured by way of a. equitable mortgage on the Holding Company's share of Inventory of the project b. equitable mortgage on vacant land parcels c. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project	Repayable in 36 monthly installments, after a moratorium period of 36 months from the date of first disbursement.
Term loans from banks	993.06	-	9%-11%	Unsecured	Repayable in 30 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Sub - total	**11,777.95**	**11,976.58**			

Current borrowings

20 Borrowings (cont'd)

Particulars	As at 31 March 2024	As at 31 March 2023	Effective interest rate	Security Details	Repayment terms
Loans from banks	-	1,178.53	8%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Loans from banks	695.76	696.42	8%-10%	Secured by way of a. first charge on inventory, receivables and other current assets of the manufacturing division. b. Equitable mortgage on vacant land parcels	Repayable on demand
Term loans from banks	-	551.03	8%-10%	Secured by way of a. equitable mortgage of immovable property of the project b. equitable mortgage on vacant land parcels c. hypothecation of other current assets and receivables (both present and future) of the project	Repayable in 10 quarterly installments, after a moratorium period of 30 months from the date of first disbursement.
Loans from banks	-	406.26	8%-11%	Secured by way of a. first charge on the Holding Company's share of Inventory in the project b. hypothecation of Escrow balances, other current assets and Holding Company's share of receivables (both present and future) of the project and Debt Service Reserve account	Repayable on demand
Loans from banks	1,475.87	1,490.25	8%-10%	Secured by way of a. first charge on inventory of the project b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Term loans from banks	98.29	262.01	8%-10%	Secured by way of a. first charge on the Holding Company's share of Inventory of the project b. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project and Debt Service Reserve account c. fund shortfall undertaking by the director of the Holding Company towards funding of underlying projects (*)	Repayable in 24 monthly installments, after a moratorium period of 36 months from the date of first disbursement.
Loans from banks	479.35	219.75	8%-10%	Secured by way of a. first charge on the Holding Company's share of Inventory of the project b. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project and Debt Service Reserve account	Repayable on demand
Loans from banks	1,000.00	-	8%-10%	Secured by way of a. first charge on inventory of the project receivables and inventory of contractual business b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Term loans from other parties	-	678.68	8%-10%	Secured by way of a. equitable mortgage on immovable properties of the project b. hypothecation of receivables (both present and future) of the project.	Repayable in 30 monthly installments, after a moratorium period of 24 months from the date of first disbursement.

20 Borrowings (cont'd)

Particulars	As at 31 March 2024	As at 31 March 2023	Effective interest rate	Security Details	Repayment terms
Term loans from other parties	581.07	249.34	8%-10%	Secured by way of a. equitable mortgage on the Holding Company's share of Inventory of the project b. equitable mortgage on vacant land parcels c. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project	Repayable in 24 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Term loans from other parties	371.62	-	9%-10%	Secured by way of a. equitable mortgage on vacant land parcels b. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project c. corporate guarantee of Group	Repayable in 24 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Cash credit	1,815.15	838.68	9%-11%	Secured by way of a. equitable mortgage on vacant land parcels b. hypothecation of receivables (both present and future) of projects	Repayable on demand
Cash credit	301.28	707.77	8%-10%	Secured by way of receivables of the projects	Repayable on demand
Cash credit	126.60	276.72	8%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	163.39	85.00	7%-9%	Secured by way of a. first charge on inventory, receivables and other current assets of the manufacturing division. b. Equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	-	20.09	8%-11%	Secured by way of a. first charge on the Holding Company's share of Inventory in the project b. hypothecation of Escrow balances, other current assets and Holding Company's share of receivables (both present and future) of the project and Debt Service Reserve account	Repayable on demand
Cash credit	8.14	4.92	7%-9%	Secured by way of a. first charge on inventory, receivables and other current assets of the manufacturing division. b. Equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	-	7.40	7%-9%	Secured by way of a. first charge on inventory, receivables and other current assets of the manufacturing division. b. Equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	0.39	9.93	8%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	-	3.65	8%-10%	Secured by way of a. first charge on receivables (both present and future) of the project b. equitable mortgage on the vacant lands	Repayable on demand

20 Borrowings (cont'd)

Particulars	As at 31 March 2024	As at 31 March 2023	Effective interest rate	Security Details	Repayment terms
Cash credit	-	0.72	8%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	0.32	0.04	7%-9%	Secured by way of a. first charge on inventory, receivables and other current assets of the manufacturing division. b. Equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	124.22	272.54	8%-10%	Secured by way of a. first charge on the Holding Company's share of Inventory of the project b. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project and Debt Service Reserve account	Repayable on demand
Cash credit	30.00	50.20	8%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	58.30	30.00	8%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	10.22	18.98	8%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	1.52	-	8%-10%	Secured by way of a. first charge on inventory of the project receivables and inventory of contractual business b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	15.00	-	8%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand

20 Borrowings (cont'd)

Particulars	As at 31 March 2024	As at 31 March 2023	Effective interest rate	Security Details	Repayment terms
Cash credit	0.10	-	9%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	0.10	-	9%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	0.10	-	9%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	0.10	-	9%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	0.10	-	9%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	0.10	-	9%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	0.05	-	9%-10%	Secured by way of a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels	Repayable on demand
Sub - total	**7,357.14**	**8,058.91**			
Total borrowings	**19,135.09**	**20,035.49**			

(*) Refer Note 35

21 Other financial liabilities

	As at 31 March 2024	As at 31 March 2023
Current		
Payable to land owner for acquisition of land/developmental rights	2,495.50	3,133.03
Security deposit received towards		
-Maintenance services	1,736.93	2,087.41
-Lease deposit	182.62	152.37
Letter of credit payable	521.78	1,346.96
Book overdraft	427.70	1,025.86
Revenue share payable under joint development agreement	189.99	632.42
Interest accrued but not due on borrowings	20.59	62.39
Deferred lease rental	13.63	27.93
Unclaimed dividend (*)	2.00	2.00
Payable for purchase of property, plant and equipment	2.04	2.19
Payable to related parties (refer note 35)	192.41	170.53
Others	216.65	327.35
Total other financial liabilities	**6,001.84**	**8,970.44**

(*) Investor Protection and Education Fund is credited for unclaimed dividends when due.

22 Provisions

	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits				
Provision for gratuity (refer note 37)	245.54	228.85	98.15	85.67
Provision for compensated absence	-	-	124.97	117.09
	245.54	**228.85**	**223.12**	**202.76**

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SOBHA LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts in ₹ millions, unless otherwise stated)

23 Trade payables

	As at 31 March 2024	As at 31 March 2023
Dues of micro enterprises and small enterprises	-	-
Dues of creditors other than micro enterprises and small enterprises (refer note 35)	6,165.47	5,986.75
	6,165.47	**5,986.75**

Trade Payable Ageing schedule

As at 31 March 2024	Accrued	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,097.73	1,067.88	3,794.81	110.18	40.31	54.56	6,165.47
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	1,097.73	**1,067.88**	**3,794.81**	**110.18**	**40.31**	**54.56**	**6,165.47**

As at 31 March 2023	Accrued	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	930.80	1,360.17	3,365.02	108.57	62.27	159.92	5,986.75
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	930.80	**1,360.17**	**3,365.02**	**108.57**	**62.27**	**159.92**	**5,986.75**

Note: Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group.

	Particulars	As at 31 March 2024	As at 31 March 2023
i.	Principal amount remaining unpaid to any supplier as at the year end	-	-
ii.	Interest due thereon	-	-
iii.	Amount of interest paid by the Group in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
iv.	Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED, 2006	-	-
v.	Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi.	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 the MSMED Act, 2006	-	-

24 Other liabilities

	As at 31 March 2024	As at 31 March 2023
Contract liabilities		
-Advance from customers	69,515.39	52,912.64
-Mobilisation advance	651.45	581.31
-Liability under joint development agreement (*)	8,250.87	11,222.11
-Deferred revenue	165.18	168.70
Withholding taxes payable	107.43	135.71
Others	294.36	132.33
	78,984.68	**65,152.80**

(*) Represents amount payable to landowners where the Holding Company has entered into joint development arrangements with landowners for joint development of properties on land in lieu of which, the Holding Company has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, net of revenue recognised.

25 Revenue from operations (refer note 35)

		Year ended 31 March 2024	Year ended 31 March 2023
A	**Revenue from contract with customers**		
I	**Sale of products**		
	Income from constructed properties, plots and other development activities	22,377.08	23,937.32
	Income from sale of land and development rights	286.10	-
	Income from glazing works	1,723.91	2,626.08
	Income from interior works	983.85	831.49
	Income from concrete blocks	843.15	649.08
	Income from retail sales	191.80	133.93
II	**Sale of services**		
	Income from contractual activity	3,088.42	3,622.51
	Income from maintenance and other services	519.37	470.50
III	**Other operating revenue**		
	Forfeiture income	83.77	140.96
	Interest collected from customer	71.05	63.01
	Transfer fees	80.21	67.30
	Marketing fee	15.67	16.51
	Scrap sales	86.81	64.21
	Total (A)	**30,351.19**	**32,622.90**
B	**Rental income**		
	Rental income from operating leases (refer note 38)	618.27	478.24
	Total (A+B)	**30,969.46**	**33,101.14**

Additional disclosures required under Ind AS 115

(a) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers by timing of transfer of goods or services

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue recognition at a point of time	22,143.75	23,159.33
Revenue recognition over period of time	8,207.44	9,463.57
	30,351.19	**32,622.90**

25 Revenue from operations (refer note 35) (cont'd)

(b) Contract balances

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Contract assets		
Unbilled revenue	1,736.87	1,764.53
Total contract assets	**1,736.87**	**1,764.53**
Contract liabilities		
Advance from customers (includes mobilisation advance)	70,166.84	53,493.95
Liability under joint development agreement	8,250.87	11,222.11
Deferred revenue	165.18	168.70
Total contract liabilities	**78,582.89**	**64,884.76**
Receivables		
Trade receivables (net of expected credit loss)	2,038.70	2,375.34
Total receivables	**2,038.70**	**2,375.34**

Unbilled revenue is initially recognised for revenue earned on account of contracts where revenue is recognised over the period of time as receipt of consideration is conditional on successful completion of performance obligations as per contract. Once the performance obligation is fulfilled and milestones for invoicing are achieved, contract assets are classified to trade receivables. Such unbilled revenue is classified as non-financial asset because the right to consideration depends on completion of contractual milestones.

Contract liabilities include advances received from customers as well as deferred revenue representing transaction price allocated to outstanding performance obligations.

Cost to obtain the contract:
(i) Amortisation in Statement of Profit and Loss: ₹463.10 (31 March 2023: ₹326.20)
(ii) Recognised as contract assets: ₹1,521.90 (31 March 2023:₹909.39)

(c) Significant changes in contract liabilities balances during the year are as follows:

Particulars	As at 31 March 2024			As at 31 March 2023		
	Advances from customers (*)	Payable to land owner	Deferred Revenue	Advances from customers (*)	Payable to land owner	Deferred Revenue
Opening balance	**53,493.95**	**11,222.11**	**168.70**	**42,460.59**	**10,384.34**	**117.16**
Additions during the year (net)	36,130.39	423.87	165.18	32,026.97	4,052.75	168.70
Revenue recognised during the year	(19,457.50)	(3,395.11)	(168.70)	(20,993.61)	(3,214.98)	(117.16)
Closing balance	**70,166.84**	**8,250.87**	**165.18**	**53,493.95**	**11,222.11**	**168.70**

(*) Includes mobilisation advance

(d) Significant changes in unbilled revenue balances during the year are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	**1,764.53**	**3,361.68**
Revenue recognised during the year	4,828.00	6,502.10
Billed during the year	(4,855.66)	(8,099.25)
Closing balance	**1,736.87**	**1,764.53**

25 Revenue from operations (refer note 35) (cont'd)

(e) Reconciliation of revenue recognised with contract revenue:

Particulars	As at 31 March 2024	As at 31 March 2023
Contract revenue	30,351.19	32,622.90
Revenue recognised	**30,351.19**	**32,622.90**

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

The transaction price of the remaining performance obligation (unsatisfied or partly satisfied) as at 31 March 2024 is ₹142,188.67 (31 March 2023 is ₹115,536.09). The same is expected to be recognised within 1 to 5 years.

26 Other income

	Year ended 31 March 2024	Year ended 31 March 2023
Interest income on		
-Bank deposits	253.48	47.30
-Unwinding of discount on refundable deposits	324.05	231.29
-Refundable deposits	9.36	38.87
-Other financial assets	109.31	14.73
Other non-operating income (net of expenses directly attributable to such income)		
-Liabilities no longer required written back	198.52	327.96
-Sub-contractor facilitation charges	245.63	179.50
-Gain on foreign exchange difference (net)	2.12	1.16
-Profit on sale of property, plant and equipment (net)	2.41	0.92
-Reversal of impairement of refundable deposit	-	50.55
-Others	64.48	30.91
	1,209.36	**923.19**

27 Cost of material consumed

	Year ended 31 March 2024	Year ended 31 March 2023
Inventory at the beginning of the year	717.54	636.87
Add: Purchases during the year	2,773.65	3,740.46
Less: Inventory at the end of the year	600.70	717.54
Cost of material consumed	**2,890.49**	**3,659.79**

28 Changes in inventories of raw materials, land stock, work in progress and finished goods

	Year ended 31 March 2024	Year ended 31 March 2023
Inventories at the end of the year		
Building materials	1,525.16	1,336.47
Land stock	5,909.67	7,225.32
Work-in-progress	79,642.43	63,975.98
Stock of units in completed real estate projects	5,954.67	14,198.74
Finished goods	131.50	155.70
	93,163.43	**86,892.21**
Inventories at the beginning of the year		
Building materials	1,336.47	75.80
Land stock	7,225.32	4,319.20
Work-in-progress	63,975.98	60,034.74
Stock of units in completed real estate projects	14,198.74	11,325.03
Finished goods	155.71	124.15
	86,892.22	**75,878.92**
Add: EDC/IDC charges transferred from other financial assets	1,054.70	-
	(5,216.51)	**(11,013.29)**

29 Employee benefits expense (refer note 35)

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	3,191.54	2,664.55
Contribution to provident and other funds (refer note 37)	97.48	89.79
Gratuity expenses (refer note 37)	44.67	40.24
Compensated absence	52.68	69.72
Staff welfare expenses	139.93	80.45
	3,526.30	**2,944.75**

30 Finance costs (*)

	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense		
-on borrowings	1,922.21	2,032.87
-unwinding of discount on land cost payable	173.43	189.01
-on lease liability	25.12	27.26
-on others	133.83	104.38
Other borrowing cost		
-letter of credit charges	24.85	85.08
-bank guarantee charges	32.13	18.88
-bank and other charges	143.49	32.76
Total	**2,455.06**	**2,490.24**
(*) Includes finance expense capitalised to inventory (The rate used to determine the amount of borrowing costs eligible for capitalisation is the effective interest rate of the underlying borrowings which is in the range of 7% to 11%) Capitalisation rate 31.03.2024 - 9% (31.03.2023 - 10%)	2,034.63	2,260.65

31 Depreciation and amortization expense

	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation of property, plant and equipment	596.74	500.83
Depreciation of investment properties	137.91	120.00
Depreciation of right of use assets	46.40	55.40
Amortization of intangible assets	1.16	2.14
	782.21	**678.37**

32 Other expenses

	Year ended 31 March 2024	Year ended 31 March 2023
License fees and plan approval charges	637.43	654.01
Power and fuel	657.33	663.35
Water charges	52.87	28.66
Freight and forwarding charges	279.16	267.59
Rent (refer note 35)	435.44	165.38
Rates and taxes	131.78	201.13
Insurance	136.30	132.19
Property maintenance expenses	211.43	160.46
Repairs and maintenance		
Plant and machinery	57.69	52.62
Others	125.30	87.05
Advertising and sales promotion	517.77	415.48
Brokerage and discounts	463.10	326.20
Donation	-	0.95
Corporate Social Responsibility expenditure (refer note 35)	151.55	199.62
Travelling and conveyance (refer note 35)	212.48	305.52
Printing and stationery	50.09	39.09
Software and subscription	81.12	75.45
Legal and professional fees	538.25	403.80
Payment to auditor	17.41	18.70
Allowance for credit loss on doubtful trade receivable	12.32	372.10
Provision for land advances	82.63	168.16
Other advances written off	50.21	60.85
Security and housekeeping	263.83	203.48
Impairment of property, plant and equipment	29.47	58.71
Miscellaneous expenses	429.55	379.36
	5,624.51	**5,439.91**

33 Income tax

The significant components of income tax expense for the years ended 31 March 2024 and 31 March 2023 are -

A Amounts charged to statement of profit and loss

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current income tax:		
Current income tax charge	1,245.40	360.46
In respect of prior years	11.87	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,006.13)	47.24
Income tax expense reported in the statement of profit and loss	**251.14**	**407.70**

B Income tax recognised in other comprehensive income

Net loss on remeasurements of defined benefit plans	4.23	13.43
Income tax charge to other comprehensive income	**4.23**	**13.43**

C Reconciliation of tax expense and the accounting profit multiplied by Group's domestic tax rate for 31 March 2024 and 31 March 2023

	Year ended 31 March 2024	Year ended 31 March 2023
Accounting profit before income tax	742.27	1,449.75
Tax on accounting profit at statutory income tax rate applicable to the Holding Company 25.17% (31 March 2023: 25.17%)	186.83	364.90
Adjustments in respect of change in tax rate of subsidiary	6.59	0.94
Permanent adjustments	45.85	41.86
Adjustments in respect of current income tax of previous years	11.87	-
	251.14	**407.70**

D Deferred tax asset / Liability

Deferred tax assets relates to the following

Particulars	31 March 2024		31 March 2023	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Provision for compensated absence	31.45	-	29.46	-
Provision for gratuity	86.50	-	79.16	-
Provision for exgratia	16.17	-	18.64	-
Expected credit losses	145.00	-	145.05	-
Deferred tax asset on tax losses and unabsorbed depreciation	7.11	-	26.93	-
Others	14.33	-	55.79	-
Property, plant and equipment and investment property	19.23	-	40.70	-
On account of difference in IndAS 115 and ICDS III	936.52	-	-	(173.35)
Deferred tax asset/(liability)	**1,256.31**	**-**	**395.73**	**(173.35)**
Deferred tax asset (Net)	**1,256.31**	**-**	**222.38**	**-**

33 Income tax (cont'd)

Deferred tax liability relates to the following

Particulars	31 March 2024		31 March 2023	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Expected credit losses	30.16	-	30.16	-
Deferred tax asset on tax losses and unabsorbed depreciation	4.16	-	56.59	-
Others	-	(30.30)	-	(30.32)
Property, plant and equipment and investment property	-	(287.16)	-	(269.92)
On account of difference in IndAS 115 and ICDS III	133.75	-	87.67	-
	168.07	**(317.46)**	**174.42**	**(300.24)**
Deferred Tax (liability) (Net)	**-**	**(149.39)**	**-**	**(125.82)**

Following summarises the movement of Deferred tax asset/ (liability)

Year ended 31 March 2024	Balance as at 01 April 2023	Movement in statement of Profit and Loss	Movement in OCI	Balance as at 31 March 2024
Provision for compensated absence	29.46	1.99	-	31.45
Provision for gratuity	79.16	3.11	4.23	86.50
Provision for exgratia	18.64	(2.47)	-	16.17
Expected credit losses	175.21	(0.05)	-	175.16
Deferred tax asset on tax losses and unabsorbed depreciation	83.52	(72.25)	-	11.27
Others	25.47	(41.44)	-	(15.97)
Property, plant and equipment and investment property	(229.22)	(38.71)	-	(267.93)
On account of difference in IndAS 115 and ICDS III	(85.68)	1,155.95	-	1,070.27
Total	**96.56**	**1,006.13**	**4.23**	**1,106.92**

Year ended 31 March 2023	Balance as at 01 April 2022	Movement in statement of Profit and Loss	Movement in OCI	Balance as at 31 March 2023
Provision for compensated absence	20.49	8.97	-	29.46
Provision for gratuity	62.38	3.35	13.43	79.16
Provision for exgratia	11.62	7.02	-	18.64
Expected credit losses	86.66	88.55	-	175.21
Deferred tax asset on tax losses and unabsorbed depreciation	79.26	4.26	-	83.52
Others	13.87	11.60	-	25.47
Property, plant and equipment and investment property	(182.45)	(46.77)	-	(229.22)
On account of difference in IndAS 115 and ICDS III	38.54	(124.22)	-	(85.68)
Total	**130.37**	**(47.24)**	**13.43**	**96.56**

E The Group has not entered into any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

33 Income tax (cont'd)

F Income tax assets (net)

Particulars	31 March 2024	31 March 2023
Income tax assets (net)	531.73	217.46
	531.73	**217.46**

G Current tax liabilities (net)

Particulars	31 March 2024	31 March 2023
Provision for tax (net of advance tax)	656.80	-
	656.80	**-**

34 Earnings per share ['EPS']

Particulars	31 March 2024	31 March 2023
Net Profit after tax attributable to equity shareholders	491.13	1,042.05
Weighted average number of equity shares used in calculating basic and diluted EPS	94,845,853	94,845,853
Nominal value per equity share (in ₹)	10	10
Earnings per share (in ₹)		
- Basic and diluted	5.18	10.99

35 Related party disclosures

A) Name of the related parties and the nature of its relationship with the Group:

Joint Venture
Kondhwa Projects LLP

Associate
C.V.S.Tech Park Private Limited (till 14 February 2024)

Key Shareholder
Mr. P. N. C. Menon
Mrs. Sobha Menon

Key Management Personnel ('KMP')
Mr. Ravi PNC Menon - Chairman
Mr. Jagadish Nangineni - Managing Director

Additional related parties ('KMP's) as per Companies Act, 2013 with whom transactions have taken place
Mr. Yogesh Bansal - Chief Financial Officer
Mr. Bijan Kumar Dash - Company Secretary (with effect from 1 December 2023)
Mr. Vighneshwar G Bhat - Company Secretary (till 19 October 2023)

Other Directors
Mr. Anup Shah
Mr. R V S Rao
Mrs. Srivathsala KN
Mr. Raman Mangalorkar

35 Related party disclosures (cont'd)

A) Name of the related parties and the nature of its relationship with the Group (cont'd)

Relatives of key management personnel

Mrs. Sudha Menon
Mr. P N Haridas

Post employment-benefit plan entity

Sobha Developers Employees Gratuity Trust

Other related parties with whom transactions have taken place

Puzhakkal Developers Private Limited
Sobha Glazing & Metal Works Private Limited
Sobha Projects & Trade Private Limited
Sobha Puravankara Aviation Private Limited
Sobha Space Private Limited
Sri Durga Devi Property Management Private Limited
Sri Kurumba Educational and Charitable Trust
Sri Parvathy Land Developers Private Limited
Technobuild Developers Private Limited
Mapedu Realtors Private Limited
Mapedu Builders Private Limited
Chikmangaloor Properties Private Limited
Chikmangaloor Developers Private Limited
Chikmangaloor Realtors Private Limited
Rusoh Marina Properties Private Limited
Rusoh Modern Builders Private Limited
Rusoh Modern Properties Private Limited
Thakazhi Developers Private Limited
Thakazhi Realtors Private Limited
Tirur Cyber Real Estates Private Limited
Kilai Super Developers Private Limited

B) Details of the transactions with the related parties:

	Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
I.	**Transaction with Joint Venture**		
	Amount contributed to partnership current account		
	Kondhwa Projects LLP	-	0.60
II.	**Transaction with other related parties / KMP**		
	Income from constructed properties, plots and other development activities		
	Mr. Jagadish Nangineni	5.02	-
	Other income		
	Mr. Jagadish Nangineni	0.16	-

35 Related party disclosures (cont'd)

B) Details of the transactions with the related parties: (cont'd)

II. Transaction with other related parties / KMP (cont'd)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Income/(loss) from sale of land and development rights		
Chikmangaloor Properties Private Limited	0.14	0.97
Chikmangaloor Developers Private Limited	(0.01)	-
Chikmangaloor Realtors Private Limited	0.06	-
Thakazhi Developers Private Limited	22.27	16.25
Thakazhi Realtors Private Limited	15.68	6.64
Rusoh Marina Properties Private Limited	(0.10)	(0.01)
Rusoh Modern Builders Private Limited	(1.39)	-
Rusoh Modern Properties Private Limited	0.23	-
Mapedu Realtors Private Limited	-	(0.15)
Mapedu Builders Private Limited	-	(0.14)
Kilai Super Developers Private Limited	(0.79)	-
Tirur Cyber Real Estates Private Limited	8.81	-
Income from glazing works		
Sri Kurumba Educational and Charitable Trust	0.49	0.30
Mr. R V S Rao	0.10	-
Income from interior works		
Sri Kurumba Educational and Charitable Trust	1.00	0.44
Mr. Jagadish Nangineni	0.18	-
Mr. Anup Shah	-	0.04
Income from concrete blocks/works		
Sobha Projects & Trade Private Limited	5.96	11.57
Sub-contractor cost		
Sobha Projects & Trade Private Limited	318.34	382.96
Rent		
Sri Kurumba Educational and Charitable Trust	0.12	-
Mr. Ravi PNC Menon	9.00	-
Travelling and conveyance - Aircraft hire charges		
Sobha Puravankara Aviation Private Limited	49.65	129.37
Corporate social responsibility expenditure		
Sri Kurumba Educational and Charitable Trust	151.55	199.62
Land advance paid		
Technobuild Developers Private Limited	-	201.06
Advances recoverable in kind		
Sri Parvathy Land Developers Private Limited	-	0.01
Sri Durga Devi Property Management Private Limited	-	0.06
Sobha Puravankara Aviation Private Limited	-	105.00

35 Related party disclosures (cont'd)

II. Transaction with other related parties / KMP (cont'd)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Reimbursement of expenses		
Technobuild Developers Private Limited	12.27	-
Interest others		
Technobuild Developers Private Limited	0.09	-
Land advances refunded		
Technobuild Developers Private Limited	196.78	449.98
Puzhakkal Developers Private Limited	-	52.20
Sri Parvathy Land Developers Private Limited	-	106.48
Sri Durga Devi Property Management Private Limited	-	43.10
Advances received fom the related party		
Technobuild Developers Private Limited	1.92	1.06
Provision for land advances		
Sri Parvathy Land Developers Private Limited	-	60.51
Security deposit adjusted towards rent		
Sobha Glazing & Metal Works Private Limited	5.50	5.50
Contribution to plan assets		
Sobha Developers Employees Gratuity Trust	32.30	26.90
Gurantee or security received		
Sri Durga Devi Property Management Private Limited	900.00	1,100.00
Sri Parvathy Land Developers Private Limited	900.00	1,100.00
Guarantees extinguished		
Sri Durga Devi Property Management Private Limited	-	1,500.00
Sri Parvathy Land Developers Private Limited	-	1,500.00

III. Transaction with key managerial personnel

Directors' remuneration		
Mr. Ravi PNC Menon	-	92.49
Mr. Jagadish Nangineni (with effect from 01 April 2022)	22.88	33.08
Dividend paid (payment basis)		
Mr. Ravi PNC Menon	9.56	9.56
Mr. Jagadish Nangineni	0.01	-
Mr. Anup Shah	0.01	0.01
Mr. R V S Rao	-	0.05
Mrs. Sudha Menon	0.00	0.00
Mr. P N Haridas	0.14	0.14

35 Related party disclosures (cont'd)

III. Transaction with key managerial personnel (cont'd)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Salary (including perquisites)		
Mr. Yogesh Bansal	8.87	6.74
Mr. Bijan Kumar Dash - Company Secretary (with effect from 1 December 2023)	1.94	-
Mr. Vighneshwar G Bhat	4.50	5.18
Directors' sitting fees and commission		
Mr. Anup Shah	2.19	2.14
Mr. R V S Rao	2.18	2.18
Mrs. Srivathsala KN	2.25	2.23
Mr. Raman Mangalorkar	2.22	2.16

IV. Transaction with key shareholders

Dividend paid (payment basis)		
Mr. P. N. C. Menon	37.02	36.18
Mrs. Sobha Menon	86.18	86.18
Mr. P. N. C. Menon and Mrs. Sobha Menon (jointly held shares)	15.87	15.87

C) Details of balances receivable from and payable to related parties are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
I. Balances receivable from and payable to joint venture		
In partners current account		
Kondhwa Projects LLP	1,149.28	1,149.28
II. Balances receivable from and payable to other related parties / KMP		
Land advance		
Technobuild Developers Private Limited	7,962.80	8,152.41
Sri Parvathy Land Developers Private Limited	-	60.51
Provision for land advances		
Sri Parvathy Land Developers Private Limited	-	60.51
Right of use assets		
Sobha Glazing & Metal Works Private Limited	27.52	33.00
Advances recoverable in cash or in kind		
Sobha Puravankara Aviation Private Limited	177.24	215.25
Sobha Glazing & Metal Works Private Limited	11.06	10.02
Trade receivables		
Sri Kurumba Educational and Charitable Trust	7.00	6.41
Sobha Projects & Trade Private Limited	192.17	212.01
Thakazhi Developers Private Limited	-	2.57
Thakazhi Realtors Private Limited	8.05	-
Mapedu Realtors Private Limited	-	0.35
Mr. Anup Shah	0.23	0.73

35 Related party disclosures (cont'd)

C) Details of balances receivable from and payable to related parties are as follows: (cont'd)

II. Balances receivable from and payable to other related parties / KMP (cont'd)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance from customers		
Sri Parvathy Land Developers Private Limited	-	1.90
Mr. Jagadish Nangineni	1.51	-
Trade payables		
Sobha Projects & Trade Private Limited	86.75	-
Sobha Glazing & Metal Works Private Limited	-	0.00
Mapedu Builders Private Limited	-	0.11
Rusoh Marina Properties Private Limited	-	0.02
Sri Parvathy Land Developers Private Limited	-	2.53
Sobha Space Private Limited	-	14.05
Sri Durga Devi Property Management Private Limited	0.00	1.89
Mr. Ravi PNC Menon	1.07	-
Other current financial liabilities		
Technobuild Developers Private Limited	169.65	173.88
Sobha Space Private Limited	14.05	14.05
Sobha Glazing & Metal Works Private Limited	0.00	0.00
Sobha Projects & Trade Private Limited	7.01	7.01
Guarantee or security received		
Sri Durga Devi Property Management Private Limited	2,000.00	1,100.00
Sri Parvathy Land Developers Private Limited	2,000.00	1,100.00

D) Payable to key management personnel/director of the Company

Particulars	As at 31 March 2024	As at 31 March 2023
Commission to independent directors	8.00	8.00
Commission to Chairman and Managing Director	9.40	41.10
	17.40	**49.10**

E) Compensation of key management personnel of the Group

Particulars	As at 31 March 2024	As at 31 March 2023
Short-term employee benefits	38.19	137.49
Other benefits*	9.40	41.10
	47.59	**178.59**

*As the liability for gratuity and leave encashment is provided on actuarial basis for the Group as whole, the amount pertaining to the directors are not included above.

Note

The director of the Holding Company has given fund shortfall undertaking for cetain borrowings towards funding of the respective underlying projects. Refer note 20

36 Segment information

Basis of segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Managing Director (MD) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has two reportable segments, as described below, which are the Group's strategic business units. These business units offer different products and services, and are managed separately because they require different marketing strategies. For each of the business units, the Group's MD reviews internal management reports on at least a quarterly basis.

The MD monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the Group has identified following as its reportable segment for the purpose of Ind AS 108:

a) Real estate segment;

b) Contractual and manufacturing segment.

Real Estate segment (RE) comprises development, sale, management and operation of all or any part of townships, housing projects, also includes leasing of self owned commercial premises.

The operation of the Contractual and Manufacturing segment (CM) comprises development of commercial premises and other related activities, also includes manufacturing activities related to interiors, glazing and metal works and concrete products.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Also, the Group's financing (including finance costs and finance income) and income taxes are managed on a overall basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following tables present revenue and profit information for the Group's operating segments for the year ended 31 March 2024 and 31 March 2023 respectively:

Business segments

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Segment revenue		
Real estate	24,138.33	25,372.14
Contractual and manufacturing	8,216.84	9,331.00
Total segment revenue	**32,355.17**	**34,703.14**
Inter segment revenues	(1,385.71)	(1,602.00)
Net revenue from operations	**30,969.46**	**33,101.14**
Segment result		
Real estate	4,257.43	5,872.01
Contractual and manufacturing	712.65	(45.34)
Total segment results	**4,970.08**	**5,826.67**
Finance costs	(2,455.06)	(2,490.24)
Other unallocable expenditure	(2,648.70)	(2,527.68)
Other income (including finance income)	875.95	641.00
Profit before taxation	**742.27**	**1,449.75**
Income taxes	(251.14)	(407.70)
Profit after taxation	**491.13**	**1,042.05**

36 Segment information (cont'd)

The following table presents assets and liabilities information for the Holding Company's operating segments as at 31 March 2024 and 31 March 2023 respectively:-

Particulars	As at 31 March 2024	As at 31 March 2023
Segment assets		
Real estate	112,986.25	104,150.24
Contractual and manufacturing	8,036.50	6,518.76
Total segment assets	**121,022.75**	**110,669.00**
Unallocated assets	15,942.16	15,213.43
Total assets	**136,964.91**	**125,882.43**
Segment liabilities		
Real estate	85,792.81	67,876.00
Contractual and manufacturing	5,942.12	6,239.00
Total segment liabilities	**91,734.93**	**74,115.00**
Unallocated liabilities	20,089.24	26,820.72
Total liabilities	**111,824.17**	**100,935.72**
Capital employed		
Real estate	27,193.44	36,274.24
Contractual and manufacturing	2,094.38	279.76
Unallocated capital employed	(4,147.08)	(11,607.29)
Total capital employed	**25,140.74**	**24,946.71**

Current taxes, deferred taxes and certain financial assets and liabilities are considered as unallocated as they are also managed on a Group basis.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Capital expenditure		
Real estate	1,034.77	468.32
Contractual and manufacturing	71.14	84.74
Unallocated capital expenditure	141.12	732.01
Total capital expenditure	**1,247.03**	**1,285.07**

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment property under development.

Information of revenue and non-current operating assets based on location has not been furnished since there are no revenue generated from business activities outside India and there are no non-current operating assets held by the Group outside India.

36 Segment information (cont'd)

Reconciliations to amounts reflected in the financial statements

(i) Reconciliation of assets

Particulars	As at 31 March 2024	As at 31 March 2023
Segment assets	**121,022.75**	**110,669.00**
Investment (refer note 9A)	1,149.33	1,149.33
Prepaid expenses (refer note 14)	1,625.57	1,017.99
Balances with statutory/ government authorities (refer note 14)	878.46	1,127.67
Income tax assets (net) (refer note 33)	531.73	217.46
Deferred tax assets (net) (refer note 33)	1,256.31	222.38
Cash and bank balances (refer note 15 and 16)	6,732.95	4,514.04
Non-current bank balances (refer note 13)	207.37	151.04
Other unallocable assets	3,560.44	6,813.52
Total assets	**136,964.91**	**125,882.43**

(ii) Reconciliation of liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Segment liabilities	**91,734.93**	**74,115.00**
Borrowings (refer note 20)	19,135.09	20,035.49
Provisions (refer note 22)	468.66	431.61
Deferred tax liabilities (refer note 33)	149.39	125.82
Current tax liabilities (net) (refer note 33)	125.07	-
Withholding taxes payable (refer note 24)	107.43	135.71
Other unallocable liabilities	103.60	6,092.09
Total liabilities	**111,824.17**	**100,935.72**

37 Employment benefit plans

A Defined benefit plan

The Group has gratuity as defined benefit retirement plans for its employees. The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As at 31 March 2024 and 31 March 2023 the plan assets were invested in insurer managed funds.

It is exposed to the following types of risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

37 Employment benefit plans (cont'd)

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company.

The following tables set out the funded status of gratuity plans and amount recognised in the balance sheet for the respective plans:

	Particulars	31 March 2024	31 March 2023
1	**The amounts recognized in the Balance Sheet are as follows:**		
	Present value of defined benefit obligation at the end of the year	348.03	318.73
	Less: Fair value of plan assets as at the end of the year	(4.34)	(4.21)
	Net liability recognised in the balance sheet	**343.69**	**314.52**
2	**Changes in the present value of defined benefit obligation**		
	Defined benefit obligation as at beginning of the year	318.73	251.17
	Current service cost	22.03	24.35
	Interest cost	22.95	16.10
	Benefits paid	(32.71)	(26.04)
	Actuarial loss due to demographic assumption changes	-	6.06
	Actuarial (gain) / loss due to financial assumption changes	(10.07)	26.70
	Actuarial loss due to experience adjustments	27.10	20.39
	Defined benefit obligation as at the end of the year	**348.03**	**318.73**
3	**Changes in the fair value of plan assets**		
	Fair value as at the beginning of the year	4.21	3.35
	Interest on plan assets	0.30	0.21
	Actuarial gain / (loss)	0.24	(0.21)
	Contributions	32.30	26.90
	Benefits paid	(32.71)	(26.04)
	Fair value as at the end of the year	**4.34**	**4.21**
4	**Net gratuity cost for the reporting years comprises of following components**		
	Current service cost	22.02	24.35
	Interest cost	22.95	16.10
	Interest income	(0.30)	(0.21)
	Net Gratuity cost	**44.67**	**40.24**
5	**Other comprehensive income**		
	Actuarial loss on defined benefit obligation	(17.03)	(53.15)
	Return on plan assets excluding interest income	0.24	(0.21)
	Loss recognised in other comprehensive income	**(16.79)**	**(53.36)**
6	**Experience adjustment:**		
	On plan defined benefit obligation loss	27.10	20.39
	On plan assets gain / (loss)	0.24	(0.21)

37 Employment benefit plans (cont'd)

7 Investment Details

The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:

Particulars	31 March 2024	31 March 2023
Investment in insurance fund	100%	100%

8 Actuarial assumptions

Particulars	31 March 2024	31 March 2023
Discount rate (p.a)	7.14%	7.20%
Future salary growth (p.a)	10.00%	12.00%
Weighted Average Duration of the Defined Benefit Obligation (years)	3	3
Attrition rate (p.a)	35.00%	35.00%

9 Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31 March 2024		31 March 2023	
	Decrease	Increase	Decrease	Increase
Discount rate (+ / -1%)	6.01	6.33	5.63	5.94
Salary growth rate (- / + 1%)	5.07	5.18	4.64	4.74
Attrition rate (+ / -1%)	0.83	0.86	1.09	1.14

The sensitivity analyses above have been determined based on a method that extrapolates the impact on projected benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

10 Maturity profile of defined benefit obligation

Particulars	31 March 2024	31 March 2023
Within the next 12 months	116.70	108.32
Between 2 and 5 years	219.88	197.18
Between 6 and 10 years	56.02	54.73
Beyond 10 years	9.50	10.01
Total expected payments	**402.10**	**370.24**

Expected contribution in the next year ₹98.15

B Defined contribution plan

The Group makes contribution of statutory provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Scheme as per the Employees' State Insurance Act, 1948. The Group has recognized the following amounts in the Statement of Profit and Loss under defined contribution plan whereby the Group is required to contribute a specified percentage of the payroll costs to fund the benefits:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Employer's contribution to provident fund	96.27	88.45
Employer's contribution to Employees' state insurance scheme	1.01	0.99
Contribution to Superannuation Fund	0.20	0.35
Total	**97.48**	**89.79**

38 Leases

A The Group as a lessor

Assets given on operating lease:

The Group has entered into operating lease agreements with its lessees. Total lease rental income recognized in the statement of profit and loss for the year is ₹618.27 (31 March 2023: ₹478.24)

The future minimum lease receivables under operating leases in aggregate are as follows:

Year	As at 31 March 2024	As at 31 March 2023
FY 2023-24	-	441.32
FY 2024-25	471.41	480.56
FY 2025-26	326.22	305.80
FY 2026-27	279.48	245.08
FY 2027-28	256.22	223.85
FY 2028-29	162.83	-
More than 5 years	569.55	725.18
Total	**2,065.71**	**2,421.79**

B The Group as a lessee

The Group has leases for building, vehicles and plant and machinery. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability except for lease on buildings for which it was agreed that the Group shall pay a security deposit which shall be adjusted to the minimum lease payments and due to which no lease liability in the same was created and the amount given as security deposit is treated as Right of use asset depreciated on a straight line basis over the lease period. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Group has presented its right-of-use assets in the balance sheet separately from other assets.

Lease arrangements for vehicles contain an option to extend the lease for a further term till the vehicle is handed over to the lessor after the end of lease term as per agreement or for a fixed tenure of 3 to 9 months as the case may be as per the requirement of Lessee. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over Factory buildings, the Group must repair and maintain those properties in a good state and return the properties with all connections, sanitary, water and drainage fittings and fixtures as it may exist on the relevant date.

a. Right of use assets

	Other buildings	Vehicles	Plant and machinery	Total
Cost				
As at 1 April 2022	**71.12**	**147.60**	**90.33**	**309.05**
Additions during the year	-	31.02	-	31.02
Disposal during the year	-	(14.90)	-	(14.90)
Other Adjustments	(21.62)	-	-	(21.62)
As at 31 March 2023	**49.50**	**163.72**	**90.33**	**303.55**
Additions during the year	-	17.46	60.96	78.42
Disposal during the year	-	(12.01)	(90.33)	(102.34)
As at 31 March 2024	**49.50**	**169.17**	**60.96**	**279.63**

38 Leases (cont'd)

Accumulated depreciation				
As at 1 April 2022	**11.00**	**78.04**	**66.83**	**155.87**
Charge for the year	5.50	28.95	20.95	55.40
Disposal during the year	-	(10.99)	-	(10.99)
As at 31 March 2023	**16.50**	**96.00**	**87.78**	**200.28**
Charge for the year	5.50	26.78	14.12	46.40
Disposal during the year	-	(12.01)	(90.33)	(102.34)
As at 31 March 2024	**22.00**	**110.77**	**11.57**	**144.34**
Carrying amount				
As at 31 March 2024	**27.50**	**58.40**	**49.39**	**135.29**
As at 31 March 2023	**33.00**	**67.72**	**2.55**	**103.27**

b. Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	**Amount**
Additions during the year	**253.49**
Interest expense for the year	31.42
Payment of lease liabilities	27.26
As on 31 March 2023	(79.36)
Additions during the year	**232.81**
Interest expense for the year	78.42
Payment of lease liabilities	25.12
As on 31 March 2024	(74.01)
As on 31 March 2024	**262.34**

Particulars	**As at 31 March 2024**	**As at 31 March 2023**
Current	48.80	28.04
Non Current	213.44	204.77

c. The following are the amounts recognised in the profit & loss

Particulars	**Year ended 31 March 2024**	**Year ended 31 March 2023**
Depreciation expenses of right-of-use assets	46.40	55.40
Interest expenses on lease liabilities	25.12	27.26
Expenses relating to short-term leases	354.83	163.84
Expenses relating to lease of low-value assets	80.26	1.54
Total amount recognised in the profit & loss	**506.61**	**248.04**
Total cash out flows towards leases	**509.10**	**244.74**

Lease term of the above referred leases range from 11 months to 63 years

d. Information about extension and termination options

Right of use assets	**Number of leases**	**Range of remaining term (in years)**	**Average remaining lease term (in years)**	**Number of leases with extension options**	**Number of leases with purchase option**	**Number of leases with termination option**
Other buildings	1.00	5.00	5.00	1.00	-	-
Plant and Machinery	11.00	1.46 to 1.94	1.70	-	11.00	-
Vehicles	60.00	0.18 to 4.65	2.41	60.00	60.00	60.00

e. The maturity profile for lease liabilities has been provided in note 41 (C)

39 Contingent liabilities and commitments

a Contingent liabilities (to the extent not provided for)

	Particulars	31 March 2024	31 March 2023
i	Income tax matters in dispute (Refer note 1 & 5)	432.38	82.07
ii	Value added tax, Service tax and customs matters in dispute (Refer note 2)	1,647.99	1,641.69
iii	Customer related cases and complaints (Refer note 3)	2.00	2.00
iv	Matters before prevention of money laundering adjudicating authority (Refer note 4)	2,016.05	2,016.05
v	Other litigation (Refer note 8 & 10)	15.50	15.50
		4,113.92	**3,757.31**

Note - Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The Group does not expect the outcome of these proceeding to have a material adverse effect on its financial position. The Group does not expect any reimbursement in respect of above contingent liability.

1 The Income Tax Authorities have disputed the tax computation for certain years, which are pending before various forums. Based on the grounds of the appeals, the management believes that there is a reasonably strong likelihood of obtaining a favourable order. Any income, which may arise out of such litigations will be recognised only on the receipt basis/ or where right to receive such income is clearly established. Pending the final decisions on the above matter, no adjustment has been made in these consolidated financial statements.

During the current year, Kilai Builders Private Limited (one of the subsidiaries of the Holding Company) has received an Income Tax demand of ₹20.15 for the FY 2017-18, which was subsequently deleted in the reassessment proceedings. However, a show cause notice was issued for charging penalty under section 271D of the Income tax Act, 1961 for the said year. A suitable reply has been given and decision is pending. The Group is confident that there will be no liability on this account.

2 There are various disputes pending with the authorities of customs, service tax and value added tax. The Group is contesting these demands raised by authorities and are pending at various appellate authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

3 There are various litigations going on/ complaints filed against the Group primarily in Consumer Redressal Forum and under the Real Estate Regulation Act 2016. The Group is contesting such litigations with the respective appellate authorities. The management has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required in its consolidated financial statements. For most number of litigations/ complaints, based on the grounds of the appeals, the management believes that there is a reasonably strong likelihood of succeeding before these authorities and hence, pending the final decisions on the above matters, no adjustment has been made in these consolidated financial statements.

4 The Holding Company had entered into a Joint Development Arrangement with certain land owners in Gurugram, Haryana, in earlier years. In respect of this transaction, the Enforcement Directorate ('ED') after due investigation has filed a complaint with Adjudicating Authority, Prevention of Money Laundering ('AA-PML'), alleging certain irregularities in respect of the manner of allotment and pricing of certain plots under this project or payment of applicable fees and charges by the Holding Company or the landowners, with respect to the terms and conditions mentioned in the development policy of Haryana Development and Regulation of Urban Areas Act (HDRUAA), 1975 and the bilateral agreement between the land owners and Directorate of Town and Country Planning, Haryana (DTCP) resulting in provisional attachment under the Prevention of Money Laundering Act, 2002 ('PMLA') of land parcels with value of ₹2,016.05 held by Technobuild Developers Private Limited ('TDPL'). The Holding Company has entered into a Memorandum of Understanding ('MoU') with TDPL for acquiring land parcels using advances extended by the Holding

39 Contingent liabilities and commitments (cont'd)

a Contingent liabilities (to the extent not provided for) (cont'd)

Company. As per the MoU, TDPL and its affiliates cannot transfer land parcels without prior approval of the Holding Company and the Holding Company has absolute rights over land parcels acquired by TDPL and its affiliates acquired from such advance given by the Holding Company.

During the previous year, the Holding Company was in receipt of Show Cause Notice (SCN) under the PMLA from AA-PML and the Holding Company had duly filed detailed responses to allegations made in SCN. During the current year, AA-PMLA has passed an order confirming the provisional attachment of the aforesaid land parcels and the Holding Company has duly filed an appeal before The Appellate Tribunal against the AA-PML order under Section 26 of the PMLA.

The management, based on its overall assessment and independent legal opinion obtained, believes that these transactions have been carried out in accordance with all the applicable laws and regulations and the said bilateral agreement and has not identified any adverse material impact to the consolidated financial statement as at 31 March 2024 or for earlier periods including the recoverability of land advance given against such provisionally attached ₹2,016.05 land parcels held by TDPL.

5 The Income Tax Department ("the Department") conducted a Search under Section 132 of the Income Tax Act ('IT Act') ("the Search") on the Holding Company and certain group companies during March 2023. The Holding Company and certain group companies at the time of search and subsequently has co-operated with the department and responded to the necessary clarifications, data and details as sought by the Department. The Holding Company has received notices under Section 148 of the IT Act requiring the management to re-file the Income Tax returns for the Assessment Years (AY) 2015-16, AY 2017-18, AY 2018-19, AY 2019-20, AY2020-21 and AY 2021-22. The Company has filed the returns for AY 2020-21 and AY 2021-22, and is in the process of filing the returns for the other years.

Additionally, during the current year ended 31 March 2024, the Holding Company has received demand orders for AY 2016-17 under Section 147 read with Section 143(3) and Section 148B of the IT Act, dated 29 March 2024 raising a demand of ₹131.23 (subsequently reduced to Nil vide rectification order under Section 154 of the IT Act, dated 14 May 2024 on account of adjustment of credit under Section 115JAA of the IT Act of tax paid in earlier years) and AY 2022-23 under Section 143(3) of the IT Act, dated 30 March 2024 raising a demand of ₹326.83, by disallowing certain expenses and adding certain incomes during such periods, against which the Holding Company has filed an appeal on 29 April 2024 before the Hon'ble Commissioner of Income Tax (Appeals), Bengaluru ('CIT appeals').

While the uncertainty exists regarding the outcomes of the legal proceedings, the management of the Holding Company has evaluated the demand orders after considering all available records and facts known to it and based on an independent legal review and opinion from external legal councils and believes that the Holding Company can succeed in the appeals filed against the aforesaid demand orders and accordingly has not identified any adjustments to the current or prior period Consolidted Financial Statements.

6 During the previous year, one of the customers of Sobha Assets Private Limited (SAPL), a wholly owned subsidiary of the Holding Company has terminated a project development contract entered by it and demanded compensation of ₹2,956.13 in addition to forfeiture of ₹227.32 performance guarantee and ₹26.00 of deposits alleging that SAPL has not commenced the contract work. The carrying value of aforesaid project related assets/receivables as at 31 March 2024 is ₹354.10. SAPL has filed arbitration petition before the arbitrator challenging the termination and its grounds, against the customer towards business loss and other receivables. The Holding Company based on its overall assessment and independent legal opinion, believes that the aforesaid termination is illegal and will not have any adverse impact to the consolidated financial statement and accordingly no provision has been made.

7 In earlier year, the Holding Company, during the process of renewal of fire clearances for one of the project, procured by an entrusted person, found the fire NOC and fire clearances submitted to local municipal body to be defective. On becoming aware of this fact, the Holding Company had immediately taken remedial steps and obtained renewed fire NOC and fire clearances, which were then resubmitted with the local municipal body for regularization. During the previous year, the local municipal body had passed an order dated 21 January 2023 revoking/cancelling the modified

39 Contingent liabilities and commitments (cont'd)

a Contingent liabilities (to the extent not provided for) (cont'd)

sanction plan ('Plan') and occupancy certificate ('OC') for the project, based on a complaint being filed upon by one of the unit holders of such project. The Holding Company had immediately filed an appeal with Karnataka Appellate Tribunal ('KAT') challenging the above order, and KAT had passed an interim order dated 1 February 2023 granting stay on cancellation of Plan and OC.

During the current year, the Chief Civil Metropolitan Magistrate ('CMM'), Bengaluru, has passed an order dated 19 September 2023 ('impugned order') to register a calendar case for the offences punishable under Indian Penal Code ('IPC') against the Holding Company and few employees of the Holding Company, based on a separate complaint filed with the CMM by the aforementioned unit holder. The Holding Company has filed a petition before Hon'ble High Court of Karnataka praying for quashing of the complaint, the impugned order and the calendar case, wherein, the High Court of Karnataka has passed an interim order dated 11 October 2023 staying the impugned order and the calendar case. The management, based on its overall assessment and independent legal opinion obtained, believes that allegations made by the unit holder are baseless, false and not sustainable and the impugned order suffers from arbitrariness and liable to be quashed under section 482 of the code of criminal procedure, 1973. Accordingly, the Group believes that outcome of the above proceedings will not result in any adverse impact on the consolidated financial statement.

8 The Group is involved in certain litigations for lands being developed/ acquired by it for construction purposes, either through a Joint Development Agreement or through outright purchases. These cases are pending with the Civil Courts and scheduled for hearings. After considering the facts and circumstances of each case in detail, and post consideration of the opinions of the in-house legal council, management believes that these litigations will not have a material effect on the consolidated financial statements.

9 The Group has certain litigations pending at various forums/courts against various authorities including Forest department, Karnataka State Pollution Control Board (PCB), local municipal departments on certain real estate projects undertaken by it. Also, certain claims have been laid upon the Group under the Land acquisition act, against which the Group has filed writ petitions and obtained stay orders from the Honourable High Courts. The impact of all such litigations and claims is not quantifiable. These litigation/ claims are pending with various courts and are scheduled for hearings. Based on internal assessment, and post consideration of the opinion of its in-house legal counsel, the management is confident that the matter would be decided in its favour, accordingly no adjustment has been made in these consolidated financial statements.

10 In one of the subsidiaries, certain charges have been levied by the respective municipal authorities. The Group has contested against the charges with Honourable High Court of Karnataka and obtained stay on the same. The Group management is confident that the matter would be decided in favour of the Group, accordingly no provision has been made in this respect.

b. Commitments

(a) The contractual commitments pending for the acquisition of property, plant and equipment and intangible assets as at 31 March 2024 is ₹502.18 (31 March 2023: ₹263.96)

(b) The Group has entered into an aircraft usage agreement with a party wherein the Group along with certain other parties has committed minimum usage of aircraft. During the year ended 31 March 2023, the Group incurred ₹49.65 (31 March 2023 - ₹129.37) towards aircraft usage as per the agreement.

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40 Fair value measurements

a. The carrying amounts of financial instruments by categories is as follows:

Particulars	Note	As at 31 March 2024			As at 31 March 2023		
		At cost	Fair value through profit or loss	At amortised cost	At cost	Fair value through profit or loss	At amortised cost
Financial assets							
Investments	9B	-	-	-	-	-	0.08
Trade receivables	11	-	-	2,038.70	-	-	2,375.34
Loans	12	-	-	-	-	-	9.00
Cash and bank balances	15 & 16	-	-	6,732.95	-	-	4,514.04
Other financials assets	13	-	-	5,068.90	-	-	5,094.11
Total		**-**	**-**	**13,840.55**	**-**	**-**	**11,992.57**
Financial liabilities							
Borrowings	20	-	-	19,135.09	-	-	20,035.49
Lease Liabilities	38	-	-	262.24	-	-	232.81
Trade payables	23	-	-	6,165.47	-	-	5,986.75
Other financial liabilities	21	-	-	6,001.84	-	-	8,970.44
Total		**-**	**-**	**31,564.64**	**-**	**-**	**35,225.49**

b. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities

Particulars	As at 31 March 2024				As at 31 March 2023			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Investment property (disclosure)	4,433.13	-	1,443.60	7,755.00	4,518.72	-	1,394.10	7,660.00
	4,433.13	**-**	**1,443.60**	**7,755.00**	**4,518.72**	**-**	**1,394.10**	**7,660.00**

Notes:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

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

Level 3 inputs are unobservable inputs for the asset or liability.

There have been no transfers between the levels during the year.

Financial instruments such as trade receivables, loans, cash and other financial assets, borrowings, lease liabilities, trade payables and other financial liabilities are considered to be same as their fair values, due to their short term nature. For financial assets and liabilities that are measured at amortised cost, the carrying amounts are equal to the fair values.

Valuation method used for Level 3 valuations -

Particulars	Valuation technique	Unobservable input	Relationship of unobservable input with fair value
Fair value of Investment property (disclosure only)	Income approach (Discounted cash flow method)	Discount rate	Increase/decrease in discount rate would result in decrease/ increase in fair value
		Expected vacancy rates	Increase/decrease in vacancy rate would result in decrease/ increase in fair value
		Rental growth rate	Increase/decrease in rental growth rate would result in increase/ decrease in fair value

41 Financial risk management

The Group's principal financial liabilities comprise borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets include instruments, trade and other receivables, cash and bank balances, land advances and refundable deposits that derive directly from its operations. The Group has exposure to the following risks arising from financial instruments

Risk	Exposure arising from
Market Risk-Interest rate risk (A)	Borrowings
Credit Risk (B)	Trade receivables, cash and cash equivalents, bank balances, and other deposits and investments
Liquidity Risk (C)	Borrowings, trade payables and other financial liabilities

Risk Management policy

The Group's senior management oversees the management of these risks. The Group's senior management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The risk management committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks.

A Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. The Group has a foreign currency exposure as at balance sheet date, which is not material.

The sensitivity analysis in the following sections relate to the position as at 31 March 2024 and 31 March 2023. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt. The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2024 and 31 March 2023.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate of borrowings. The Group does not enter into any interest rate swaps.

Below is the overall exposure of the Group to interest rate risk:

	As at 31 March 2024	As at 31 March 2023
Variable rate borrowings	19,135.09	19,356.81

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact

41 Financial risk management (cont'd)

(i) Interest rate risk (cont'd)

on floating rate borrowings, as follows:

	Increase/ decrease in interest rate	Effect on profit before tax (*)
31 March 2024		
INR	+1%	(191.35)
INR	-1%	191.35
31 March 2023		
INR	+1%	(193.57)
INR	-1%	193.57

(*) determined on gross basis i.e. without considering inventorisation of such borrowing cost.

(ii) Currency risk

Foreign currency risk is the risk arising from exposure to foreign currency movement that will impact the Group's future cash flows and profitability in the ordinary course of business. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its import in foreign currency. The details of trade payables, denominated in foreign currency and in ₹ are as follows:

Trade payables	As at 31 March 2024		As at 31 March 2023	
Particulars	**EUR**	**USD**	**EUR**	**USD**
Amount in foreign currency	0.16	0.02	0.36	0.15
Amount in ₹	14.39	1.67	32.08	12.33

Particulars	As at 31 March 2024	As at 31 March 2023
EUR	89.95	89.11
USD	83.37	82.18

Sensitivity analysis

Particulars	Change in foreign currency rate by	Impact on profit or loss and equity			
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
		Increase in FC exchange rate by		Decrease in FC exchange rate by	
USD	5%	(0.08)	(0.62)	0.08	0.62
EUR	5%	(0.72)	(1.60)	0.72	1.60

(iii) Price risk

The Group's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets. There are no investments held by the Group which are measured at fair value either through profit and loss or fair value through other comprehensive income, hence the Group is not exposed to price risk.

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk primarily from trade receivables (net of advances/ payables), refundable joint development deposits, security deposits, loans and other financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The carrying amounts of financial assets, unbilled revenue and contract assets represent the maximum credit exposure.

41 Financial risk management (cont'd)

B. Credit risk (cont'd)

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial/contract assets based on the assumptions, inputs and factors specific to the class of financial/ contract assets.

(a) Low credit risk

(b) Moderate credit risk

(c) High credit risk

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. The Group provides for expected credit loss based on the following:

Category	Asset class exposed to credit risk	Allowance for expected credit loss
Low credit risk/ medium credit risk	Loans, trade receivables (Category A and B), cash and cash equivalents, other financial assets measured at amortised cost	12 Months expected credit loss or specific allowance whichever is higher
High credit risk	Trade receivables (Category C)	Life time expected credit loss or specific allowance

a. Management of Credit risk

i. Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only selecting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

ii. Trade receivables

The Group divides its receivables in the following categories based on the credit risk associated with such categories

Category A - Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Group's credit risk in this respect. Group recognises impairment on a specific identification basis for debtors where no security exists.

Category B - Receivables from related parties: For related parties, the Group actively manages such credit risk by an established process of inter-party reconciliations, follow ups and active business at an arms length price. Also the Group has been able to actively collect such receivables consistently in the past.

Category C - Receivables resulting from other than sale of properties: Credit risk is managed by each business unit (primarily pertaining to the contractual and manufacturing business subdivisions) subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients, who have a history of prompt payment for more than 5 years with the Group. For other customers, impairment is tested collectively based on the business sub-segment in which they operate. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group's credit period generally ranges from 30-90 days.

No single customer individually accounted for more than 10% of the trade receivable balance of the group as at 31 March 2024 and 31 March 2023.

iii. Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes refundable deposits paid under joint development arrangements, security deposits, loans to related parties, and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system are in place ensure the amounts are within defined limits.

41 Financial risk management (cont'd)

B. Credit risk (cont'd)

b. Recognition of Expected credit losses

i. Financial assets with credit risk classified as 'low'/ 'medium'

Group provides for expected credit losses on financial assets other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

For cash & cash equivalents, other bank balances and derivative financial instruments - Since the Group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, derivative financial instruments, other bank balances and bank deposits is evaluated as very low.

For refundable deposits (RD) under joint development arrangements (JDA) and security deposits - Credit risk is considered low because the Group is in possession of the underlying asset.

For trade receivables (category A and B) and other financial assets - Credit risk is evaluated based on Group's knowledge of the credit worthiness of those parties and loss allowance is measured. For such financial assets, the Group policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses/ specific allowance upon significant increase in credit risk.

Particulars	Note no.	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment allowance
31 March 2024					
Cash and bank balances	15 & 16	6,732.95	0.00%	-	6,732.95
Trade receivables (Category A and B)	11	431.84	0.00%	29.12	402.72
Refundable deposits under JDA	13	3,225.59	0.00%	-	3,225.59
Other financials assets	13	1,843.31	0.00%	-	1,843.31
Unbilled Revenue	14	1,736.87	0.00%	-	1,736.87
31 March 2023					
Cash and bank balances	15 & 16	4,514.04	0.00%	-	4,514.04
Trade receivables (Category A and B)	11	345.95	0.00%	29.12	316.83
Loans	12	9.00	0.00%	-	9.00
Refundable deposits under JDA	13	3,391.06	0.00%	-	3,391.06
Other financials assets	13	1,703.05	0.00%	-	1,703.05
Unbilled Revenue	14	1,764.53	0.00%	-	1,764.53

ii. Financial assets with credit risk classified as 'high'

For trade receivables (Category C) - The Group uses an allowance matrix to measure the expected credit losses of such trade and finance receivables. The measurement is made collectively based on the business sub-segment in which the respective customers operate. Loss rates are separately measured for customers which have a history of prompt payment, and are not significantly past due from payment. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables and loans are in default (credit impaired) if the payments are more than 730 days past due (Net of advances/ payables). Loss rates are based on actual credit loss experience over the past eleven quarters. In the current year, the Group has revised its estimation of loss rates.

Expected credit losses measured on the simplified approach

31 March 2024	Weighted average loss rate	Gross carrying amount	Loss Allowance	Net carrying amount after loss allowance
Current (Not past due)	2%	606.49	10.55	595.94
Upto 90 days past due	2%	575.08	13.66	561.42
91 - 180 days past due	3%	219.24	6.68	212.56

41 Financial risk management (cont'd)

II. Financial assets with credit risk classified as 'high' (cont'd)

31 March 2024	Weighted average loss rate	Gross carrying amount	Loss Allowance	Net carrying amount after loss allowance
181 - 270 days past due	18%	201.12	35.26	165.86
271 - 360 days past due	24%	35.94	8.80	27.14
361 - 730 days past due	70%	127.90	89.11	38.79
More than 730 days past due	93%	503.47	469.21	34.26

31 March 2023	Weighted average loss rate	Gross carrying amount	Loss Allowance	Net carrying amount after loss allowance
Current (Not past due)	1%	1,226.92	12.56	1,214.36
Upto 90 days past due	4%	641.55	23.95	617.60
91 - 180 days past due	10%	52.24	5.12	47.12
181 - 270 days past due	16%	110.93	17.23	93.70
271 - 360 days past due	25%	20.51	5.11	15.40
361 - 730 days past due	65%	91.00	59.07	31.93
More than 730 days past due	93%	582.37	543.96	38.41

Movement in allowance for credit losses of Trade receivables

Particulars	31 March 2024	31 March 2023
Opening balance	696.12	347.11
Amounts written off	(46.05)	(23.09)
Net remeasurement of loss allowance	12.32	372.10
Closing balance	**662.39**	**696.12**

Movement in allowance for credit losses of others

Particulars	Other financial assets	
	31 March 2024	31 March 2023
Opening balance	-	50.55
Amounts written off	-	-
Amounts written back	-	(50.55)
Net remeasurement of loss allowance	-	-
Closing balance	**-**	**-**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2024 and 31 March 2023 is the carrying amounts.

41 Financial risk management (cont'd)

C. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank

deposits and loans. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	On demand	Less than one year	1 to 5 years	> 5 years	Total
31 March 2024					
Borrowings (refer note 20)	6,306.16	4,470.26	10,136.42	834.17	21,747.01
Trade payables (refer note 23)	-	6,165.47	-	-	6,165.47
Other financial liabilities (refer note 21)	-	6,001.84	-	-	6,001.84
Lease liabilities (refer note 38)	-	72.80	136.41	704.29	913.50
	6,306.16	**16,710.37**	**10,272.83**	**1,538.46**	**34,827.82**
31 March 2023					
Borrowings (refer note 20)	6,317.85	5,645.20	9,347.82	1,433.96	22,744.83
Trade payables (refer note 23)	-	5,986.75	-	-	5,986.75
Other financial liabilities (refer note 21)	1.89	8,968.55	-	-	8,970.44
Lease liabilities (refer note 38)	-	49.85	113.92	734.57	898.34
	6,319.74	**20,650.35**	**9,461.74**	**2,168.53**	**38,600.36**

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42 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing borrowings.

	As at 31 March 2024	As at 31 March 2023
Borrowings (long-term and short-term) (Note 20)	19,135.09	20,035.49
Other financial liabilities (interest accrued but not due) (Note 21)	20.59	62.39
Net debt	**19,155.68**	**20,097.88**
Equity share capital (Note 17)	948.46	948.46
Other equity (Note 18)	24,192.28	23,998.25
Total capital	**25,140.74**	**24,946.71**
Capital and net debt	**44,296.42**	**45,044.59**
Gearing ratio	43.24%	44.62%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

43 Assets pledged as security

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

Particulars	As at 31 March 2024	As at 31 March 2023
A. Non-current		
Property, plant and equipment	942.81	433.79
Investment property	3,276.63	3,427.05
Financial assets		
Trade receivables	393.45	795.18
Other financial assets		
Fixed deposits with banks with maturity more than 12 months	10.11	64.81
Total non-current assets	**4,623.00**	**4,720.83**
B. Current		
Inventories	43,642.34	42,332.90
Financial assets		
Trade receivables	1,515.77	1,429.46
Cash and cash equivalents	5.80	82.17
Bank balance other than cash and cash equivalents	91.20	39.88
Other current assets	1,297.98	1,529.13
Total current assets	**46,553.09**	**45,413.54**
Total assets pledged as security	**51,176.09**	**50,134.37**

SOBHA LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts in ₹ millions, unless otherwise stated)

44 Additional information pursuant to para 2 of general instructions for the preparation of the consolidated financial statements for year ended 31 March 2024 and 31 March 2023

31 March 2024

Name of the entity	Net assets		Share in profit or loss		Share in OCI		Share in total comprehensive income	
	% of consolidated net assets	Amount	% of consolidated profit or loss	Amount	% of consolidated OCI	Amount	% of consolidated total comprehensive income	Amount
Parent								
Sobha Limited	78.97%	23,579.27	77.72%	465.69	100.00%	(12.56)	77.24%	453.13
Subsidiaries								
Indian								
Sobha City ['Partnership firm']	6.47%	1,931.86	7.32%	43.87	0.00%	-	7.48%	43.87
Vayaloor Properties Private Limited	0.01%	2.04	(0.00%)	(0.03)	0.00%	-	(0.00%)	(0.03)
Vayaloor Builders Private Limited	0.01%	3.44	0.00%	0.00	0.00%	-	0.00%	0.00
Vayaloor Developers Private Limited	0.01%	3.33	0.00%	0.00	0.00%	-	0.00%	0.00
Vayaloor Real Estate Private Limited	0.01%	3.93	0.00%	0.02	0.00%	-	0.00%	0.02
Vayaloor Realtors Private Limited	0.00%	0.67	(0.00%)	(0.02)	0.00%	-	(0.00%)	(0.02)
Valasai Vettikadu Realtors Private Limited	0.00%	1.45	(0.00%)	(0.01)	0.00%	-	(0.00%)	(0.01)
Sobha Developers (Pune) Limited	7.28%	2,172.67	2.69%	16.10	0.00%	-	2.74%	16.10
Sobha Assets Private Limited	0.00%	0.19	(0.12%)	(0.70)	0.00%	-	(0.12%)	(0.70)
Sobha Highrise Ventures Private Limited	1.99%	594.33	(7.17%)	(42.97)	0.00%	-	(7.33%)	(42.97)
Sobha Interiors Private Limited	(0.05%)	(13.58)	1.01%	6.03	0.00%	-	1.03%	6.03
Sobha Construction Products Private Limited	0.04%	11.20	0.09%	0.56	0.00%	-	0.10%	0.56
Sobha Contracting Private Ltd	0.00%	0.69	0.43%	2.55	0.00%	-	0.44%	2.55
Sobha Nandambakkam Developers Limited	0.27%	82.04	4.76%	28.51	0.00%	-	4.86%	28.51
Sobha Tambaram Developers Limited	0.57%	171.57	8.95%	53.65	0.00%	-	9.15%	53.65
Kilai Builders Private Limited	0.67%	199.34	4.35%	26.07	0.00%	-	4.44%	26.07
Kuthavakkam Builders Private Limited	(0.06%)	(18.88)	(0.02%)	(0.11)	0.00%	-	(0.02%)	(0.11)
Kuthavakkam Realtors Private Limited	(0.06%)	(17.62)	0.01%	0.05	0.00%	-	0.01%	0.05
C.V.S.Tech Park Private Limited	0.00%	0.04	(0.01%)	(0.06)	0.00%	-	(0.01%)	(0.06)
Joint ventures (Investment as per the equity method)								
Kondhwa Projects LLP	3.85%	1,149.33	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Sub total	**100.00%**	**29,857.31**	**100.00%**	**599.18**	**100.00%**	**(12.56)**	**100.00%**	**586.62**
Adjustments arising out of consolidation		(4,716.57)		(108.05)		-		(108.05)
Total		**25,140.74**		**491.13**		**(12.56)**		**478.57**

44 Additional information pursuant to para 2 of general instructions for the preparation of the consolidated financial statements for year ended 31 March 2024 and 31 March 2023 (cont'd)

31 March 2023

Name of the entity	Net assets		Share in profit or loss		Share in OCI		Share in total comprehensive income	
	% of consolidated net assets	Amount	% of consolidated profit or loss	Amount	% of consolidated OCI	Amount	% of consolidated total comprehensive income	Amount
Parent								
Sobha Limited	79.51%	23,410.68	82.99%	952.89	100.00%	(39.93)	82.38%	912.96
Subsidiaries								
Indian								
Sobha City ['Partnership firm']	6.04%	1,777.73	1.64%	18.79	0.00%	-	1.70%	18.79
Vayaloor Properties Private Limited	0.01%	2.07	0.00%	-	0.00%	-	0.00%	-
Vayaloor Builders Private Limited	0.01%	3.44	0.00%	-	0.00%	-	0.00%	-
Vayaloor Developers Private Limited	0.01%	3.33	0.00%	-	0.00%	-	0.00%	-
Vayaloor Real Estate Private Limited	0.01%	3.91	0.04%	0.47	0.00%	-	0.04%	0.47
Vayaloor Realtors Private Limited	0.00%	0.69	(0.00%)	(0.01)	0.00%	-	(0.00%)	(0.01)
Valasai Vettikadu Realtors Private Limited	0.00%	1.47	0.00%	-	0.00%	-	0.00%	-
Sobha Developers (Pune) Limited	7.32%	2,156.57	1.52%	17.41	0.00%	-	1.57%	17.41
Sobha Assets Private Limited	0.00%	0.89	0.03%	0.32	0.00%	-	0.03%	0.32
Sobha Highrise Ventures Private Limited	2.16%	637.31	(3.87%)	(44.39)	0.00%	-	(4.01%)	(44.39)
Sobha Interiors Private Limited	(0.07%)	(19.61)	0.49%	5.67	0.00%	-	0.51%	5.67
Sobha Construction Products Private Limited	0.04%	10.64	0.04%	0.42	0.00%	-	0.04%	0.42
Sobha Contracting Private Ltd	(0.01%)	(1.86)	(0.03%)	(0.30)	0.00%	-	(0.03%)	(0.30)
Sobha Nandambakkam Developers Limited	0.18%	53.53	0.77%	8.82	0.00%	-	0.80%	8.82
Sobha Tambaram Developers Limited	0.40%	117.92	1.28%	14.68	0.00%	-	1.32%	14.68
Kilai Builders Private Limited	0.59%	173.26	15.11%	173.44	0.00%	-	15.65%	173.44
Kuthavakkam Builders Private Limited	(0.06%)	(18.77)	(0.00%)	(0.03)	0.00%	-	(0.00%)	(0.03)
Kuthavakkam Realtors Private Limited	(0.06%)	(17.66)	(0.00%)	(0.03)	0.00%	-	(0.00%)	(0.03)
Joint ventures (Investment as per the equity method)								
Kondhwa Projects LLP	3.90%	1,149.33	0.00%	-	0.00%	-	0.00%	-
Associates								
C.V.S.Tech Park Private Limited	0.00%	0.05	0.00%	-	0.00%	-	0.00%	-
Sub total	**100.00%**	**29,444.92**	**100.00%**	**1,148.15**	**100.00%**	**(39.93)**	**100.00%**	**1,108.22**
Adjustments arising out of consolidation		(4,498.21)		(106.10)		-		(106.10)
Total		**24,946.71**		**1,042.05**		**(39.93)**		**1,002.12**

45 Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off.

(iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) 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.

(v) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group 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.

(vi) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

46 As the Group 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 Group.

47 No material events have occurred between the Balance Sheet date to the date of issue of these consolidated financial statements that could affect the values stated in the financial statements as at 31 March 2024.

48 Previous year's figures have been regrouped or reclassified wherever necessary to conform with the current year figures. The impact of such reclassification / regrouping is not material to the consolidated financial statement.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

New Delhi
17 May 2024

For and on behalf of the Board of Directors of **Sobha Limited**

Ravi PNC Menon
Chairman
DIN: 02070036

Jagadish Nangineni
Managing Director
DIN: 01871780

Yogesh Bansal
Chief Financial Officer

Bijan Kumar Dash
Company Secretary and Compliance Officer
ACS17222

Bengaluru
17 May 2024

Form AOC – I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries, Associate Companies / Joint Ventures

Part "A": Subsidiaries

Particulars	Sobha Developers (Pune) Limited	Sobha Highrise Ventures Private Limited	Sobha Assets Private Limited	Sobha Tambaram Developers Limited	Sobha Nandambakkam Developers Limited	Sobha Construction Products Private Limited	Sobha Contracting private Limited*	Kilai Builders Private Limited**	Sobha Interiors Private Limited**	Kuthavakkam Builders Private Limited**	Kuthavakkam Realtors Private Limited**	CVS Tech Park Private Limited***
Reporting Period	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24
Reporting Currency	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million
Share Capital	0.526	129.00	0.100	0.500	0.500	10.000	0.100	0.500	6.000	0.500	0.500	0.100
Reserve and Surplus	2,172.147	465.33	0.085	171.066	81.545	1.204	0.486	197.399	(19.582)	(19.378)	(18.118)	(0.062)
Total Assets	2,592.875	2,465.13	336.286	172.254	91.803	11.211	1,577.251	559.747	127.316	95.718	156.834	13.034
Total Liabilities	420.202	1,870.80	336.101	0.688	9.758	0.007	1,576.665	361.848	140.898	114.596	174.452	12.996
Investments	1,706.877	0.10	-	-	-	-	-	-	115.856	-	-	-
Turnover	24.560	218.81	-	86.319	54.061	0.745	136.498	82.122	14.051	-	0.175	-
Profit before Taxation	21.371	(57.79)	(0.668)	72.084	38.114	0.720	4.426	33.274	8.249	(0.110)	0.064	(0.062)
Provision for Taxation	5.268	(14.82)	0.037	18.437	9.603	0.158	1.980	8.639	2.220	-	0.017	-
Profit after Taxation	16.103	42.97	(0.705)	53.647	28.511	0.562	2.446	24.635	6.029	(0.110)	0.047	(0.062)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-
% Share Holding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

*Sobha Contracting Private Limited is a wholly owned subsidiary of Sobha Highrise Ventures Private Limited. Hence a stepdown subsidiary of Sobha Limited

**Kilai Builders Private Limited, Sobha Interiors Private Limited, Kuthavakkam Builders Private Limited and Kuthavakkam Realtors Private Limited are wholly owned subsidiary of Sobha Developers (Pune) Limited. Hence, a stepdown subsidiary of Sobha Limited.

***C.V.S. Tech Park Private Limited (Associate Company) has become the wholly owned subsidiary with effect from February 14, 2024.

Part "B": Subsidiaries

Particulars	Sobha City (Partnership firm)*	ValasaiVettikadu Realtors Private Limited**	vayaloor Properties Private Limited**	vayaloor Realtors Private Limited**	vayaloor Real Estate Private Limited**	vayaloor Developers Private Limited**	vayaloor Builders Private Limited**
Reporting Period	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24
Reporting Currency	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million
Share Capital/ Partners Capital	400***	0.100	0.100	0.100	0.100	0.100	0.100
Reserve and Surplus	1,531.859	1.355	1.944	0.566	3.830	3.230	3.342
Total Assets	3,503.062	1.475	2.053	5.949	3.941	3.341	3.449
Total Liabilities	1,571.203	0.020	0.009	5.283	0.011	0.011	0.007
Investments	0.600	-	-	-	-	-	-
Turnover	427.114	0.007	0.011	0.002	0.044	0.017	0.020
Profit before Taxation	67.440	(0.014)	(0.026)	(0.019)	0.030	0.003	0.001
Provision for Taxation	23.567	-	-	-	0.008	0.001	-
Profit after Taxation	43.873	(0.014)	(0.026)	(0.019)	0.022	0.002	0.001
Proposed Dividend	-	-	-	-	-	-	-
% Share Holding	100%	100%	100%	100%	100%	100%	100%

* Sobha City* (Partnership firm) is having 100% Investment of Sobha Limited.

** Sobha City Firm Holding 100% equity shares of the ValasaiVettikadu Realtors Private Limited, vayaloor Properties Private Limited, vayaloor Realtors Private Limited, vayaloor Real Estate Private Limited, vayaloor Developers Private Limited, and vayaloor Builders Private Limited.

*** ₹ 400 million (Partner's capital Rs. 400 million includes Partner's capital namely Sobha Limited & Sobha Developers(Pune) Limited.

Note:

1. Names of subsidiaries which are yet to commence business: **None**
2. Names of subsidiaries which have been liquidated or sold during the year: **None**

For and on behalf of the Board of Directors of **Sobha Limited**

Ravi PNC Menon
Chairman
DIN: 02070036

Jagadish Nangineni
Managing Director
DIN: 01871780

Yogesh Bansal
Chief Financial Officer

Bijan Kumar Dash
Company Secretary and Compliance Officer

Bengaluru
17 May 2024