



INDEPENDENT AUDITOR'S REPORT

To the members of Sobha Nandambakkam Developers Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Sobha Nandambakkam Developers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, (including the statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

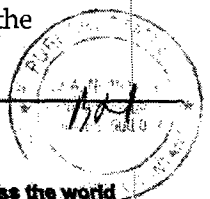
Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

Flat No.3-D, "PIONEER HOMES", 23/A, North Boag Road, T. Nagar, Chennai - 600 017.

Phone : 28152515, 42013486, Fax : 42013485 Email : bpcchennai@gmail.com



We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

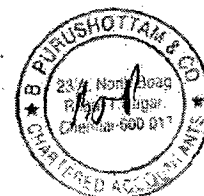
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2017, its Profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report 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;



CHARTERED ACCOUNTANTS

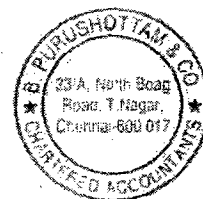
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position in its Ind AS financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - The company has provided requisite disclosures in its Note no. 25 to the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company.

Place : Chennai

Date : 15-05-2017

For B. PURUSHOTTAM & CO.
Chartered Accountants
Reg. No. 002608S

B.S. Purushottam
B.S. PURUSHOTTAM
Partner
M.No. 26786



Annexure "A" to our Report of Even Date to the members of Sobha Nandabakkam Developers Limited for the year ended 31st March, 2017:

With reference to the Annexure A referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of Sobha Nandambakkam Developers Limited, on the Ind AS financial statements for the year ended 31st March 2017, we report that:

(i) In Respect of Fixed Assets:

According to information and explanations provided to us, the Company doesn't have any fixed assets as on date, hence reporting under this clause doesn't arise.

(ii) In Respect of Inventories:

(a) Inventory for the Company is in the form of development cost incurred for development of plots and hence physical verification of inventory is not possible.

(b) Reporting of discrepancy is not applicable and hence we have no comments to offer under this point.

(iii) In Respect of Loans granted to Companies, firms or other parties in the register maintained under Sec 189 of Companies Act 2013:

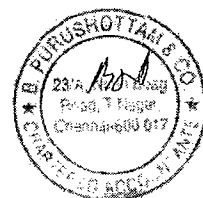
(a) According to the information and explanations given to us, the company has not granted any loans, Secured or unsecured to the Companies, Firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(b) In view of what has been stated above, clause iii (a), iii (b) & iii(c) of the order are not applicable to the Company for the year.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans to directors or provided any guarantee or security to the persons or body corporate as stated in 185 and 186 of the act, hence reporting under this clause does not arise.

(v) The Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Hence, reporting under clause 3(v) of the Order does not arise.

(vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.



- (vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- (viii) According to the records of the company examined by us and based on the information and explanations given to us, the company has not availed any loans from banks, financial institutions, government and debenture holders, hence reporting under this clause does not arise
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid or provided any managerial remuneration as per provision of Section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.



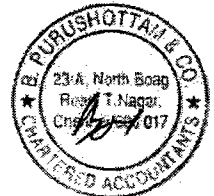
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For B. PURUSHOTTAM & CO.
Chartered Accountants
Reg. No. 002808S

B.S. Purushottam
B.S. PURSHOTHAM
Partner
M.No. 26785

Place: Chennai

Date: 15-05-2017



Annexure B to Auditors' Report of even date

Report on the Internal Controls on Financial Controls under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Sobha Nandambakkam Developers Limited** ("the Company") as of 31st March 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 its business, including adherence to 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

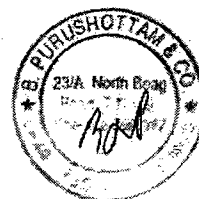
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Chennai

Date : 15-05-2017

For B. PURUSHOTTAM & CO.
Chartered Accountants
Reg. No. 002808S

B. S. Purushottam
B.S. PURSHOTHAM
Partner
M.No. 26785



Sobha Nandambakkam Developers Limited
formerly known as Tirur Cybercity Developers Private Limited
Balance sheet as at March 31, 2017

	Note	As at 31-Mar-17 ₹ million	As at 31-Mar-16 ₹ million	As at 01-Apr-15 ₹ million
Assets				
Current assets				
Inventories	4	73.734	81.532	86.546
Financial assets				
Trade receivables	5	18.162	-	-
Cash and cash equivalents	6	0.650	0.128	0.005
Other current financial assets	7	-	26.333	-
Other current assets	8	44.550	6.000	6.000
Current tax assets (net)		0.227		
		137.323	113.993	92.551
Total assets		137.323	113.993	92.551
Equity and liabilities				
Equity				
Equity share capital	9	0.500	0.500	0.500
Other equity	10	47.277	20.710	(0.169)
Total equity		47.777	21.210	0.331
Current liabilities				
Financial liabilities				
Trade payables	11	-	5.083	-
Other current financial liabilities	12	84.969	84.969	92.196
Other current liabilities	13	4.577	2.308	0.024
Liabilities for current tax (net)		-	0.423	-
		89.546	92.783	92.220
Total liabilities		89.546	92.783	92.220
Total equity and liabilities		137.323	113.993	92.551

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For B.Purushottam & Co.,
ICAI Firm registration number:002808S
Chartered Accountants

For and on behalf of the Board of Directors of
Sobha Nandambakkam Developers Limited

B S Purshotham
Partner
Membership No.: 26785

Subhash Bhat
Director
DIN: 02812693

Ravi N Doddabale
Director
DIN: 07116130

Place: Chennai, India
Date: 15th May, 2017

Place: Bengaluru, India
Date: 15th May, 2017

Sobha Nandambakkam Developers Limited
formerly known as Tirur Cybercity Developers Private Limited
Statement of profit and loss for the year ended March 31, 2017

	Note	31-Mar-17 ₹ million	31-Mar-16 ₹ million
Revenue from operations	14	82.147	62.661
Other income	15	0.031	-
Finance income	16	0.054	-
Total income		82.232	62.661
Expenses			
(Increase)/ decrease in inventories of land stock and work-in-progress	17	7.797	5.014
Subcontractor and other charges		33.483	23.582
Other expenses	18	1.262	2.227
Finance cost	19	-	0.435
Total expenses		42.543	31.258
Profit before tax		39.689	31.403
Tax expenses (refer note 20)			
Current tax		13.122	10.523
Income tax expense		13.122	10.523
Profit for the year		26.567	20.880
Total comprehensive income for the year attributable to owners of the Company		26.567	20.880
Earnings per equity share [nominal value of ₹ 10 (Previous year - ₹ 10)]	27	0.0005	0.0004
Basic and Diluted			
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For B.Purushottam & Co.,
ICAI Firm registration number:002808S
Chartered Accountants

For and on behalf of the Board of Directors of
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Date: 15th May, 2017

Place: Bengaluru, India
Date: 15th May, 2017

Sobha Nandambakkam Developers Limited
formerly known as Tirur Cybercity Developers Private Limited
Statement of Changes in Equity for the year ended March 31, 2017

a. Equity share capital

	No of Shares	Amount in ₹ million
Equity shares of ₹ 10 each issued, subscribed and fully paid		
At April 1, 2015	50,000	0.500
At March 31, 2016	50,000	0.500
At March 31, 2017	50,000	0.500

b. Other equity

For the year ended March 31, 2017

Attributable to the equity holders of the Company			₹ million
		Reserves and Surplus	Total
		Retained earnings	
As at April 1, 2016	20.710		20.710
Profit for the year	26.567		26.567
Other comprehensive income			
Transfer to other reserves			
General reserve	-		-
Total comprehensive income	47.277		47.277
At March 31, 2017	47.277		47.277

For the year ended March 31, 2016

Attributable to the equity holders of the Company			₹ million
		Reserves and Surplus	Total
		Retained earnings	
As at April 1, 2015	(0.170)		(0.170)
Profit for the year	20.880		20.880
Other comprehensive income			
Transfer to other reserves			
General reserve	-		-
Total comprehensive income	20.709		20.709
At March 31, 2016	20.709		20.709

Summary of significant accounting policies

2.2

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

As per our report of even date

For B.Purushottam & Co.,
ICAI Firm registration number:002808S
Chartered Accountants

For and on behalf of the Board of Directors of
Sobha Nandambakkam Developers Limited

B S Purshotham
Partner
Membership No.: 26785

Subhash Bhat
Director
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Ravi N Doddabale
Director
DIN: 07116130

Place: Chennai, India
Date: 15th May, 2017

Place: Bengaluru, India
Date: 15th May, 2017

Sobha Nandambakkam Developers Limited
formerly known as Tirur Cybercity Developers Private Limited
Statement of Cash Flows for the year ended March 31, 2017

	Note	31-Mar-17 ₹ million	31-Mar-16 ₹ million
Operating activities			
Profit before tax		39.689	31.403
<i>Working capital adjustments:</i>			
(Increase)/ decrease in trade receivables		(18.162)	-
(Increase)/ decrease in inventories		7.797	5.014
(Increase)/ decrease in other financial and non-financial assets		(12.217)	(26.333)
Increase/ (decrease) in trade payables and other financial liabilities		(5.083)	(2.145)
Increase/ (decrease) in other non-financial liabilities		2.269	2.284
		14.294	10.223
Income tax paid (net of refund)		(13.772)	(10.100)
Net cash flows from/ (used in) operating activities (A)		0.522	0.123
Investing activities			
Net cash flows from/ (used in) investing activities (B)		-	-
Financing activities			
Net cash flows from/ (used in) financing activities (C)		-	-
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		0.522	0.123
Cash and cash equivalents at the beginning of the year	6	0.128	0.005
Cash and cash equivalents at the end of the year	6	0.650	0.128

Summary of significant accounting policies

2.2

As per our report of even date

For B.Purushottam & Co.,
ICAI Firm registration number:002808S
Chartered Accountants

For and on behalf of the Board of Directors of
Sobha Nandambakkam Developers Limited

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Date: 15th May, 2017

Place: Bengaluru, India
Date: 15th May, 2017

Sobha Nandambakkam Developers Limited
formerly known as Tirur Cybercity Developers Private Limited
Notes to the financial statements for the year ended March 31, 2017

1 Corporate Information

Sobha Nandambakkam Developers Limited ('Company') was incorporated on April 19, 2007. The Company is primarily engaged in procurement, sale and development of lands into a residential, commercial complex and plotted development.

The Company is a public limited Company domiciled in India and incorporated under the provisions of the Indian Companies Act. The registered office is located at Chennai. Its shares are not listed and is a fully owned subsidiary of Sobha Limited, a listed company in the real estate sector and having its registered office at Bengaluru.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements are separate financial statements prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These standalone financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. Refer to note 32 for information on how the Company adopted Ind AS.

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- ▶ Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in INR and all values are rounded to the nearest millions, except when otherwise indicated.

2.2 Summary of significant accounting policies

a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

i. Recognition of revenue from real estate projects

Revenue from real estate projects is recognised when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment. The following specific recognition criteria must also be met before revenue is recognized:

a. Recognition of revenue from property development

Revenue from real estate projects 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. Where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue in such cases is recognised by applying the percentage of completion method only if the following thresholds have been met:

- (a) all critical approvals necessary for the commencement of the project have been obtained;
- (b) the expenditure incurred on construction and development costs (excluding land cost) is not less than 25 % of the total estimated construction and development costs;
- (c) at least 25 % of the saleable project area is secured by contracts/agreements with buyers; and
- (d) at least 10 % of the contracts/agreements value are realised at the reporting date in respect of such contracts/agreements.

b) Impairment of 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) fair value less costs of disposal and its value in use. 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. When 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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised 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.

c) Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises 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.

d) Current versus non-current classification

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

A liability is current when:

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

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The real estate development projects undertaken by the Company generally run over a period ranging upto 5 years. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of upto 5 years. Borrowings in connection with such projects are classified as short-term (i.e current) since they are payable over the term of the respective projects.

Assets and liabilities, other than those discussed above, are classified as current to the extent they are expected to be realised / are contractually repayable within 12 months from the Balance sheet date and as non-current, in other cases.

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

e) Fair value measurement

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

f) 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.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

Debt instruments at amortised cost

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

Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL

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

Equity investments in subsidiaries and joint ventures

The Company has availed the option available in Ind AS 27 to carry its investment in subsidiaries and joint ventures at cost. Impairment recognized, if any, is reduced from the carrying value.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- ▶ The rights to receive cash flows from the asset have expired, or
- ▶ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

g) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

h) Provisions

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted 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.

i) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond 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 its existence in the financial statements.

j) Earnings per share

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

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

k) Taxes

Tax expense comprises of current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised.

Deferred tax assets and liabilities are recognised for all taxable temporary differences, except:

> In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

> When the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting 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 tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. MAT paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

D) Inventories

Related to contractual and real estate activity

Direct expenditure relating to construction 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 construction and real estate activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

- i. Work-in-progress - Contractual: Cost of work yet to be certified/ billed, as it pertains to contract costs that relate to future activity on the contract, are recognised as contract work-in-progress provided it is probable that they will be recovered. Contractual work-in-progress is valued at lower of cost and net realisable value.
- ii. Work-in-progress - Real estate projects (including land inventory): Represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised. Real estate work-in-progress is valued at lower of cost and net realisable value.
- iii. Finished goods - Flats: Valued at lower of cost and net realisable value.
- iv. Finished goods - Plots: Valued at lower of cost and net realisable value.
- v. Building materials purchased, not identified with any specific project are valued at lower of cost and net realisable value. Cost is determined based on a weighted average basis.
- vi. Land inventory: Valued at lower of cost and net realisable value.

3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

i) Classification of property

The Company determines whether a property is classified as investment property or inventory property:

Investment property comprises land and buildings (principally offices, commercial warehouse and retail property) that are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Inventory property comprises property that is held for sale in the ordinary course of business. Principally, this is residential property that the Company develops and intends to sell before or on completion of construction.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Estimation of net realisable value for inventory property

Inventory property is stated at the lower of cost and net realisable value (NRV).

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

Sobha Nandambakkam Developers Limited
formerly known as Tirur Cybercity Developers Private Limited
Notes to the financial statements for the year ended March 31, 2017

4 Inventories (valued at lower of cost and net realizable value)

	31-Mar-17 ₹ million	31-Mar-16 ₹ million	01-Apr-15 ₹ million
Land stock	55.308	55.308	86.546
Land stock - Plots	18.426	26.224	-
	73.734	81.532	86.546

5 Trade receivables

	₹ million					
	31-Mar-17	Current 31-Mar-16	01-Apr-15	31-Mar-17	Non-current 31-Mar-16	01-Apr-15
Trade receivables	18.162	-	-	-	-	-
Total Trade receivables	18.162	-	-	-	-	-
<i>Other receivables</i>						
Unsecured, considered good	18.162	-	-	-	-	-
	18.162	-	-	-	-	-
Total Trade receivables	18.162	-	-	-	-	-

6 Cash and bank balances

	₹ million					
	31-Mar-17	Current 31-Mar-16	01-Apr-15	31-Mar-17	Non-current 31-Mar-16	01-Apr-15
Cash and cash equivalents						
<i>Balances with banks:</i>						
– On current accounts	0.650	0.128	0.005	-	-	-
	0.650	0.128	0.005	-	-	-

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	31-Mar-17 ₹ million	31-Mar-16 ₹ million	01-Apr-15 ₹ million
<i>Balances with banks:</i>			
– On current accounts	0.650	0.128	0.005
	0.650	0.128	0.005

Sobha Nandambakkam Developers Limited
formerly known as Tirur Cybercity Developers Private Limited
Notes to the financial statements for the year ended March 31, 2017

7 Other financial assets

	₹ million					
	31-Mar-17	Current 31-Mar-16	01-Apr-15	31-Mar-17	Non-current 31-Mar-16	01-Apr-15
Others						
Unbilled revenue	-	26.333	-	-	-	-
	-	26.333	-	-	-	-

8 Other assets

	₹ million					
	31-Mar-17	Current 31-Mar-16	01-Apr-15	31-Mar-17	Non-current 31-Mar-16	01-Apr-15
Land advance						
Unsecured, considered good	6.000	6.000	6.000	-	-	-
Advances recoverable in cash or kind						
Unsecured considered good	38.550	-	-	-	-	-
	44.550	6.000	6.000	-	-	-

Loans and advances due by directors or other officers, etc.

	₹ million					
	31-Mar-17	Current 31-Mar-16	01-Apr-15	31-Mar-17	Non-current 31-Mar-16	01-Apr-15
Advances recoverable in cash or kind						
Dues from Sobha Limited, a holding company	38.550	-	-	-	-	-

9 Share Capital

	31-Mar-17 ₹ million	31-Mar-16 ₹ million	01-Apr-15 ₹ million
Authorised shares			
50,000 (March 31, 2016 - 50,000; April 1, 2015 - 50,000) equity shares of ₹10 each	0.500	0.500	0.500
Issued, subscribed and fully paid-up shares			
50,000 (March 31, 2016 - 50,000; April 1, 2015 - 50,000) equity shares of ₹10 each fully paid up	0.500	0.500	0.500
Total issued, subscribed and fully paid-up share capital	0.500	0.500	0.500

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

	31-Mar-17		31-Mar-16		01-Apr-15	
	No of Shares	₹ million	No of Shares	₹ million	No of Shares	₹ million
Equity shares						
At the beginning of the year	50,000	0.500	50,000	0.500	50,000	0.500
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	50,000	0.500	50,000	0.500	50,000	0.500

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share.

Each holder of equity shares is entitled to one vote per share. The Company has not declared any dividend during the year.

In 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 shareholders holding more than 5% shares in the Company

	31-Mar-17		31-Mar-16		01-Apr-15	
	No of Shares	Holding percentage	No of Shares	Holding percentage	No of Shares	Holding percentage
Equity shares of ₹10 each fully paid up						
Sobha Limited	50,000	100%	50,000	100%	50,000	100%

Note : As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

10 Other equity

	31-Mar-17 ₹ million	31-Mar-16 ₹ million
Surplus in the statement of profit and loss		
Balance at the beginning of the year	20.710	(0.170)
Profit for the year	26.567	20.880
Net surplus in the statement of profit and loss	47.277	20.710
Total other equity	47.277	20.710

11 Trade payables

	31-Mar-17 ₹ million	31-Mar-16 ₹ million	01-Apr-15 ₹ million
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises (refer note 24 for details of dues to micro and small enterprises)	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	-	5.083	-
	-	5.083	-

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-60-day terms
- Trade payables with related parties, refer to note 26

For explanations on the Company's credit risk management processes, refer to note 29

12 Other financial liabilities

	31-Mar-17 ₹ million	31-Mar-16 ₹ million	01-Apr-15 ₹ million
Current			
Payable to related parties (refer note 26)	84.969	84.969	92.196
Total current other financial liabilities	84.969	84.969	92.196
Total other financial liabilities	84.969	84.969	92.196

13 Other liabilities

	31-Mar-17 ₹ million	31-Mar-16 ₹ million	01-Apr-15 ₹ million
Advance from customers	0.400	1.325	-
Withholding taxes payable	0.024	0.088	-
Others	4.153	0.895	0.024
Total other liabilities	4.577	2.308	0.024

Sobha Nandambakkam Developers Limited
formerly known as Tirur Cybercity Developers Private Limited
Notes to the financial statements for the year ended March 31, 2017

14 Revenue from operations

	31-Mar-17 ₹ million	31-Mar-16 ₹ million
Revenue from operations		
Sale of products/ finished goods		
Income from property development	82.147	62.661
Total	82.147	62.661

15 Other income

	31-Mar-17 ₹ million	31-Mar-16 ₹ million
Other non-operating income	0.031	-
	0.031	-

16 Finance income

	31-Mar-17 ₹ million	31-Mar-16 ₹ million
Interest income on Others	0.054	-
	0.054	-

17 (Increase)/ decrease in inventories

	₹ million 31-Mar-17	₹ million 31-Mar-16	Less: Transferred to Capital work- in-progress/ tangible assets/ advances	₹ million (Increase) / decrease
Inventories at the end of the year				31-Mar-17
Land stock	55.308	55.308		-
Land stock - Plots	18.426	26.224		7.797
	73.734	81.532	-	7.797
Inventories at the beginning of the year				31-Mar-16
Land stock	55.308	86.546		31.238
Land stock - Plots	26.224			(26.224)
	81.532	86.546	-	5.014
(Increase)/ decrease	7.797	5.014		

Sobha Nandambakkam Developers Limited
formerly known as Tirur Cybercity Developers Private Limited
Notes to the financial statements for the year ended March 31, 2017

18 Other expenses

	31-Mar-17 ₹ million	31-Mar-16 ₹ million
Rates and taxes	0.001	0.011
Advertising and sales promotion consultancy fees	1.134	2.183
Brokerage and discounts	0.108	-
Legal and professional fees	-	0.006
Payment to auditor (Refer details below)	0.017	0.017
Miscellaneous expenses	0.001	0.010
	<u>1.262</u>	<u>2.227</u>

Payment to auditor

	31-Mar-17 ₹ million	31-Mar-16 ₹ million
As auditor:		
Audit fee	0.017	0.017
	<u>0.017</u>	<u>0.017</u>

19 Finance costs

	31-Mar-17 ₹ million	31-Mar-16 ₹ million
Interest		
- Others	-	0.435
Total finance costs	<u>-</u>	<u>0.435</u>

20 Income tax

The major components of income tax expense for the years ended March 31, 2017 and March 31, 2016 are:

Statement of profit and loss:

Profit or loss section

	31-Mar-17 ₹ million	31-Mar-16 ₹ million
Current income tax:		
Current income tax charge	13.122	10.523
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	-	-
Income tax expense reported in the statement of profit or loss	13.122	10.523

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2016 and March 31, 2017:

	31-Mar-17 ₹ million	31-Mar-16 ₹ million
Accounting profit before income tax	39.689	31.403
At India's statutory income tax rate of 33.063% (March 31, 2016: 33.063%)	13.122	10.383
Adjustments in respect of current income tax of previous years	-	-
<i>Non-deductible expenses for tax purposes:</i>		
Ineligible interest expense	-	0.141
At the effective income tax rate of 33.063% (March 31, 2016: 33.063%)	13.122	10.523
	13.122	10.523

Sobha Nandambakkam Developers Limited
formerly known as Tirur Cybercity Developers Private Limited
Notes to the financial statements for the year ended March 31, 2017

- 21 There is no contingent liability during the year.
- 22 The company does not have any employees and hence no provision is considered in respect of employee benefits.
- 23 There is no expenditure or earnings in Foreign exchange during the period.
- 24 Based on the information available with the Company, no amount is due to the small & Micro Enterprises as under Micro, Small and Medium Enterprises Development Act, 2006
- 25 **Disclosure for Specified Bank Notes**
Details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 has been provided in the table below:

Particulars	SBNs	Other	Total
Closing cash in hand as on November 8, 2016 (In Rupees)	-	10	10
(+) Cash withdrawal	-	-	-
(+) Permitted receipts	-	-	-
(+) Receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in banks	-	-	-
Closing cash in hand as on December 30, 2016 (In Rupees)	-	10	10

Permitted receipts and payments of other denomination notes disclosed above should not be construed as permitted receipts and permitted payments as permitted by RBI from time to time pursuant to the introduction of the demonetisation scheme by the Government vide RBI circular-RBI/2016-17/112 dated November 8, 2016. These are general receipts and payments of other denomination notes.

26 RELATED PARTY DISCLOSURES;

The names of the related parties with the description of relationships and transactions between the reporting enterprise and its related parties have been identified and certified by the management.

a. List of Related Parties

Holding Company : Sobha Limited wef 16/03/2015

Sl. No	Name of the Other Related Parties
1	Allapuzha Fine Real Estates Private Limited
2	Aluva Realtors Private Limited
3	Annalakshmi Land Developers Private Limited
4	Bikasa Properties Private Limited
5	Bikasa Realestates Private Limited
6	Bikasa Realtors Private Limited
7	Chennai Supercity Developers Private Limited
8	Chikmangaloor Builders Private Limited
9	Chikmangaloor Developers Private Limited
10	Chikmangaloor Properties Private Limited
11	Chikmangaloor Realtors Private Limited
12	Cochin Cyber City Private Limited
13	Cochin Cyber Estates Private Limited
14	Cochin Cyber Golden Properties Private Limited
15	Cochin Cyber Value Added Properties Private Limited
16	Cochin Realtors Private Limited
17	Daram Cyber Builders Private Limited
18	Daram Cyber Developers Private Limited
19	Daram Cyber Properties Private Limited
20	Daram Lands Real Estate Private Limited
21	Greater Cochin Cybercity Private Limited
22	Greater Cochin Developers Private Limited
23	Greater Cochin Properties Private Limited
24	Greater Cochin Realtors Private Limited
25	Ilupur Builders Private Limited

26	Ilupur Developers Private Limited		
27	Ilupur Properties Private Limited		
28	Ilupur Real Estate Private Limited		
29	Ilupur Realtors Private Limited		
30	Kaloor Realtors Private Limited		
31	Kaveripuram Developers Private Limited		
32	Kilai Builders Private Limited		
33	Kilai Properties Private Limited		
34	Kilai Super Developers Private Limited		
35	Kottaiyur Developers Private Limited		
36	Kottaiyur Real Estates Private Limited		
37	Kottaiyur Realtors Private Limited		
38	Kuthavakkam Builders Private Limited		
39	Kuthavakkam Developers Private Limited		
40	Kuthavakkam Properties Private Limited		
41	Kuthavakkam Realtors Private Limited		
42	Mamballi Builders Private Limited		
43	Mannur Builders Private Limited		
44	Mannur Properties Private Limited	89	Valasai Vettikadu Properties Private Limited
45	Mannur Real Estates Private Limited	90	Valasai Vettikadu Real Estate Private Limited
46	Mapedu Builders Private Limited	91	SBG Housing Private Limited
47	Mapedu Real Estates Private Limited	92	Puzhakal Developers Private Limited
48	Mapedu Realtors Private Limited	93	HBR Consultants Private Limited
49	Marina Realtors Private Limited	94	Hill And Menon Securities Private Limited
50	Sobha Tambaram Developers Limited	95	Indeset Electromechanical Private Limited
	(Formerly known as Megatech Software Private Limited)	96	Indeset Steel Private Limited
51	Moolamcode Traders Private Limited	97	Lotus Manpower Consultants Services Pvt Ltd
52	Nasarapet Developers Private Limited	98	Lotus Manpower Services
53	Nasarapet Properties Private Limited	99	Objective Systems Integrators India Private Ltd
54	Nasarapet Realtors Private Limited	100	Oman Builders Private Limited
55	Navabhusan Properties and Developers Private Limited	101	PNC Lighting Solutions Private Limited
56	Padma Lochana Enterprises Private Limited	102	PNC Technologies Private Limited
57	Palani Properties Private Limited	103	Punkunnam Builders And Developers Private Ltd
58	Pallavur Projects Private Limited	104	Red Lotus Facility Services Private Limited
59	Paramakudi Properties Private Limited	105	Red Lotus Metal Works Facilities And Services Pvt Ltd
60	Perambakkam Builders Private Limited	106	Royal Interiors Private Limited
61	Perambakkam Properties Private Limited	107	Sobha Academy Private Limited
62	Pillaipakkam Properties Private Limited	108	Sobha Assets Private Limited
63	Pillaipakkam Builders Private Limited	109	Sobha Aviation And Engineering Services Pvt Ltd
64	Red Lotus Realtors Private Limited	110	Sobha City
65	Rusoh Fine Builders Private Limited	111	Sobha Contracting Private Limited
66	Rusoh Home Developers Private Limited	112	Sobha Developers (Pune) Limited
67	Rusoh Marina Properties Private Limited	113	Sobha Electro Mechanical Private Limited
68	Rusoh Modern Builders Private Limited	114	Sobha Glazing And Metal Works Private Limited
69	Rusoh Modern Developers Private Limited	115	Sobha Highrise Ventures Private Limited
70	Rusoh Modern Properties Private Limited	116	Sobha Hitechcity Developers Private Limited
71	Santhavellur Builders Private Limited	117	Sobha Innercity Technopolis Private Limited
72	Santhavellur Developers Private Limited	118	Sobha Interiors Private Limited
73	Santhavellur Realtors Private Limited	119	Sobha Jewellery Private Limited
74	Sengadu Builders Private Limited	120	Sobha Mapletree Developers Private Limited
75	Sengadu Developers Private Limited	121	Sobha Projects And Trade Private Limited
76	Sengadu Properties Private Limited	122	Sobha Puravankara Aviation Private Limited
77	Sengadu Realestates Private Limited	123	Sobha Renaissance Information Technology Pvt Ltd
78	Sengadu Realtors Private Limited	124	Sobha Space Private Limited
79	Sri Durga Devi Property Management Private Limited	125	Sobha Technocity Private Limited
80	Sri Kanakadurga Property Developers Private Limited	126	Sri Kurumba Trust
81	Sri Parvathy Land Developers Private Limited	127	Valasai Vettikadu Realtors Private Limited
82	Sunbeam Projects Private Limited	128	Vayaloor Builders Private Limited
83	Thakazhi Developers Private Limited	129	Vayaloor Developers Private Limited
84	Thakazhi Realtors Private Limited	130	Vayaloor Properties Private Limited
85	Thiruchour Builders Private Limited	131	Vayaloor Real Estate Private Limited
86	Thiruchour Developers Private Limited	132	Vayaloor Realtors Private Limited
87	Tirur Cyber Real Estates Private Limited	133	PNC Switchgears Private Limited
88	Valasai Vettikadu Builders Private Limited	134	Technobuild Developers Private Limited
			(Holding company upto 15/03/2015)

b. Transaction with Related Parties

Name of the Related Party	Nature of Relationship	Nature of transactions	Current year	Previous year
			₹ million	₹ million
Sobha Limited (Formerly known as Sobha Developers Limited (wef 16/03/2015)	Holding Company	Marketing and Mangement Fees	0.986	1.910
		Subcontracting Charges	29.326	21.500

c. Closing Balance at the year end:

Name of the Related Party	Nature of Relationship	Nature of transactions	Current year	Previous year
			₹ million	₹ million
Technobuild Developers Private Limited (Holding company upto 15/03/2015)	Other Related party	Balance payable	84.969	84.969
Sobha Limited (Formerly known as Sobha Developers Limited (wef 16/03/2015)	Holding Company	Balance payable	-	5.083
		Balance receivables	38.550	-

Key Managerial Personnel

Mr. Ramakrishnan Prabhakaran - Resigned wef 07/04/2015

Mr. Subhash Mohan Bhatt

Mr. T P Sanjaya Sarathy - Resigned wef 01/09/2015

Mr. Ravi D N - Appointed wef 01/09/2015

27 EARNINGS PER SHARE:

Particulars	Current year	Previous year
Nominal value of equity shares	10	10
Profit after tax attributable to shareholders (Amount in ` million)	26.567	20.880
Weighted average number of equity shares outstanding during the year	50,000	50,000
Basic EPS (In Rs)	0.0005	0.0004

Sobha Nandambakkam Developers Limited
formerly known as Tirur Cybercity Developers Private Limited
Notes to the financial statements for the year ended March 31, 2017

28 Fair value measurements

The carrying value of financial instruments by categories is as follows:

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	At Cost	Fair value through profit or loss	At Amortised Cost	At Cost	Fair value through profit or loss	At Amortised Cost	At Cost	Fair value through profit or loss	At Amortised Cost
Financial assets									
Loans	-	-	-	-	-	-	-	-	-
Trade receivables	-	-	18,162	-	-	-	-	-	-
Cash and cash equivalents	-	-	0,650	-	-	0,128	-	-	0,005
Other current financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	18,812	-	-	0,128	-	-	0,005
Financial liabilities									
Borrowings	-	-	-	-	-	-	-	-	-
Trade payables	-	-	-	-	-	5,083	-	-	-
Other financial liabilities	-	-	84,969	-	-	84,969	-	-	92,196
Total	-	-	84,969	-	-	90,051	-	-	92,196

₹ million

29 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations to support its operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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. Financial instruments affected by market risk include loans and borrowings.

a. 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 does not have any exposure to the risk of changes in market interest rates as it does not have any long-term debt obligations with floating interest rates. The Company does not enter into any interest rate swaps.

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 entity is exposed to credit risk from its operating activities (primarily trade receivables) and investing activities (short term bank deposits).

Trade receivables

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.

Financial instrument 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. 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 2017 and 2016 is the carrying amounts.

At the balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the balance sheet.

C Liquidity risk

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 (including interest payments):

						₹ million
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2017						
Borrowings	-	-	-	-	-	-
Other financial liabilities	84.969	-	-	-	-	84.969
Trade and other payables	-	-	-	-	-	-
	84.969	-	-	-	-	84.969
Year ended March 31, 2016						
Borrowings	-	-	-	-	-	-
Other financial liabilities	84.969	-	-	-	-	84.969
Trade and other payables	5.083	-	-	-	-	5.083
	90.051	-	-	-	-	90.051
As at April 1, 2015						
Borrowings	-	-	-	-	-	-
Other financial liabilities	92.196	-	-	-	-	92.196
Trade and other payables	-	-	-	-	-	-
	92.196	-	-	-	-	92.196

Sobha Nandambakkam Developers Limited
formerly known as Tirur Cybercity Developers Private Limited
Notes to the financial statements for the year ended March 31, 2017

30 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 loans and borrowings, trade and other payables, less cash and cash equivalents.

	₹ million		
	31-Mar-17	31-Mar-16	01-Apr-15
Trade payables (Note 11)	-	5.083	-
Other payables (Note 12 and Note 13)	89.545	87.276	92.220
Less: Cash and cash equivalents (Note 6)	-0.650	-0.128	-0.005
Net debt	88.895	92.230	92.215
Equity (Note 9)	0.500	0.500	0.500
Other Equity (Note 10)	47.277	20.710	-0.169
Total capital	47.777	21.210	0.331
Capital and net debt	136.672	113.441	92.546
Gearing ratio	65%	81%	100%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

Sobha Nandambakkam Developers Limited
formerly known as Tirur Cybercity Developers Private Limited
Notes to the financial statements for the year ended March 31, 2017

31 Construction contracts

	₹ million		
Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Contract revenue recognised as revenue for the year ended March 31, 2017	82.147	62.661	-
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up to March 31, 2017 for all the contracts in progress	144.808	62.661	-
The amount of customer advances outstanding for contracts in progress as at March 31, 2017 for which revenue has been recognised	0.400	1.325	-
The amount of work-in-progress and value of inventories	18.426	26.224	-

32 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Reconciliation of total equity between previous GAAP and Ind AS

There are no reconciling items between the equity for the previous year under the previous GAAP with the equity as reported under IND AS as at March 31, 2016 and April 1, 2015.

Reconciliation of Total Comprehensive income for the year ended March 31, 2016

There are no reconciling items between the net profit under previous GAAP and the total comprehensive income as reported in these financial results under Ind AS.

33 Standards issued but not effective

The standards issued, but not effective up to the date of issuance of the financial statements is disclosed below. In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The Company intends to adopt this standard and amendments when it becomes effective.

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 was issued in February 2016 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after April 1, 2018. The Company will adopt the new standard on the required effective date. The directors of the Company anticipate that the application of the standard will be applicable only to certain streams of revenue and will not have a material impact on the financial statements.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The amendments are effective for annual reporting periods beginning on or after April 1, 2017. The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The amendments are effective for annual reporting periods beginning on or after April 1, 2017. The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

34

As per our report of even date

For B.Purushottam & Co.,
ICAI Firm registration number:002808S
Chartered Accountants

For and on behalf of the Board of Directors of
Sobha Nandambakkam Developers Limited

B S Purshotham
Partner
Membership No.: 26785

Subhash Bhat
Director
DIN: 02812693

Ravi N Doddabale
Director
DIN: 07116130

Place: Chennai, India
Date: 15th May, 2017

Place: Bengaluru, India
Date: 15th May, 2017