Garisenuru & Co.,
Chartered Accountant

No. 98, 3rd Stage,6th Cross
Saneguruvanahalli, Basaveswar Nagar
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INDEPENDENT AUDITOR'S REPORT

To the Members of Sobha Developers (Pune) Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

I have audited the accompanying Standalone Ind AS financial statements of Sobha Developers (Pune) Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2019, the Stand alone Statement of Profit and Loss, including the Standalone statement of Other Comprehensive Income, the Standalone Cash Flow Statement and the Standalone statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

I conducted my audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. My responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of my report. I am independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the Standalone financial statements under the provisions of the Act and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is suf`1ficient and appropriate to provide a basis for my audit opinion on the Standalone Ind AS financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report, but does not include the Standalone Ind AS financial statements and my auditor's report thereon.

My opinion on the Standalone Ind AS financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Management Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

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

My objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs 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 Ind AS financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS 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 my 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, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system 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.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

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, I give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, I report that:

   (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit;

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

   (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including the Standalone Statement of Other Comprehensive Income, the Standalone Cash Flow Statement and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In my opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these Standalone Ind AS financial statements and the operating effectiveness of such controls, refer to my separate Report in "Annexure 2" 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, as amended in my opinion and to the best of my information and according to the explanations given to me:

i. The Company did not have any pending litigations as at 31st March 2019 which have an impact on its Standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Garisenuru and Co
Chartered Accountant
ICAI Firm Registration Number: 018666S

Subba Reddy G

Subba Reddy G
Proprietor
Membership Number: 244907

Place: Bengaluru
Date: May 15, 2019

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of my report of even date

Re: Sobha Developers (Pune) Limited ('the Company')

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased manner which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to me, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In my opinion and according to the information and explanations given to me, provisions of Section 185 and 186 of the Companies Act 2013, in respect of loans and advances given, investments made and, guarantees and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) I have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the construction of buildings/ structures and other related activities and are of the opinion that prima facie, the specified accounts and records have been made and maintained. I have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income-tax, sales-tax, service tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it. The provisions relating to provident fund and employees' state insurance are not applicable to the Company.

(b) According to the information and explanations given to me, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax,

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sales-tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to me, there are no dues of income-tax, sales-tax, service tax, goods and service tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on account of any dispute.

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year. Hence reporting under paragraph 3(viii) of the Order is not applicable.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone financial statements and according to the information and explanations given by the management, I report that no fraud by the Company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the Company has not paid any managerial remuneration during the year and hence reporting under clause 3(xi) of the Order are not applicable and hence not commented upon.

(xii) In my opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Standalone financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to me and on an overall examination of the Standalone balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to me, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Garisenuru and Co
Chartered Accountant
ICAI Firm Registration Number: 018666S

Subba Reddy. G

Subba Reddy G
Proprietor
Membership Number: 244907

Place: Bengaluru
Date: May 15, 2019

Annexure 2 to the Independent Auditor's report of even date on the Standalone Ind AS financial statements of Sobha Developers (Pune) Limited

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

To the Members of Sobha Developers (Pune) Limited

I have audited the internal financial controls over financial reporting of Sobha Developers Pune Limited ("the Company") as of March 31, 2019 in conjunction with my audit of the Standalone 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its 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 Companies Act, 2013.

Auditor's Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone financial statements based on my audit. I conducted my audit in accordance with the Guidance Note and the Standards on Auditing as specified 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 I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Standalone financial statements and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone financial statements, 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the internal financial controls system over financial reporting with reference to these Standalone financial statements.

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Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

A company's internal financial control over financial reporting with reference to these 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 control over financial reporting with reference to these Standalone financial statements 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 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these Standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Standalone financial statements and such internal financial controls over financial reporting with reference to these Standalone financial statements were operating effectively as at March 31, 2019, 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.

For Garisenuru and Co
Chartered Accountant
ICAI Firm Registration Number: 018666S

Subba Reddy G

Garisenuru & Co. Bangalore-73 Chartered Accountants

Subba Reddy G
Proprietor
Membership Number: 244907

Place: Bengaluru
Date: May 15, 2019

Sobha Developers Pune Limited
Balance sheet as at March 31, 2019

	Notes	As at 31-Mar-19 ₹ million	As at 31-Mar-18 ₹ million
Assets			
Non- current assets			
Property, plant and equipment	4	10.518	-
Financial assets			
Investments	5	9.224	5.666
Other non-current financials assets	9	0.005	28.818
Other non-current assets		-	-
Current tax assets (net)		13.398	12.787
Deferred tax assets (net)		0.643	-
		33.788	**47.271**
Current assets			
Inventories	6	90.675	242.286
Financial assets			
Trade receivables	7	29.248	88.318
Cash and cash equivalents	8	3.065	32.973
Other current assets	10	2,030.382	1,844.841
		2,153.370	**2,208.418**
Total assets		**2,187.158**	**2,255.689**
Equity and liabilities			
Equity			
Equity share capital	11	0.526	0.526
Other equity	12	2,142.546	2,142.595
Total equity		**2,143.072**	**2,143.121**
Non-current liabilities			
Deferred tax liabilities (net)		-	3.685
		-	3.685
Current liabilities			
Financial liabilities			
Trade payables	13		
- Total outstanding dues of micro enterprises and small enterprises;and		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		4.056	5.880
Other current financial liabilities	14	4.475	50.631
Other current liabilities	15	35.555	49.172
Liabilities for current tax (net)		-	3.200
		44.086	**108.883**
Total liabilities		**44.086**	**112.568**
Total equity and liabilities		**2,187.158**	**2,255.689**
Summary of significant accounting policies	2		

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

For Garisenuru & Co
ICAI Firm registration number: 018666S
Chartered Accountants

Subba Reddy G
Subba Reddy G
Proprietor
Membership No.: 244907

Place: Bengaluru, India
Date: 15th May, 2019

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

M Radhakrishnan
Director
DIN: 02226337

Kayara Chandrashekar Gowda
Director
DIN :06852235

Place: Bengaluru, India
Date: 15th May, 2019

Sobha Developers Pune Limited

Statement of profit and loss for the year ended March 31, 2019

	Notes	31-Mar-19 ₹ million	31-Mar-18 ₹ million
Revenue from operations	16	367.715	1,106.969
Other income	17	0.007	0.084
Finance income	18	2.593	2.078
Total income		**370.315**	**1,109.131**
Expenses			
(Increase)/ decrease in inventories of land stock and work-in-progress	19	279.163	635.925
Subcontractor and other charges		-	167.334
Other expenses	20	35.917	130.770
Finance cost	21	3.956	1.188
Total expenses		**319.036**	**935.217**
Profit before tax		**51.279**	**173.914**
Tax expenses			
Current tax		4.485	77.019
Deferred tax charge/ (credit)		13.382	(14.384)
Income tax expense		**17.867**	**62.635**
Profit for the year		**33.412**	**111.279**
Total comprehensive income for the year attributable to owners of the Company		**33.412**	**111.279**
Earnings per equity share [nominal value of ₹ 1 (Previous year - ₹ 1)] Basic and Diluted [in Rupees]	27	63.482	211.429
Summary of significant accounting policies	2		

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

For Garisenuru & Co
ICAI Firm registration number: 018666S
Chartered Accountants

Subba Reddy G

Subba Reddy G
Proprietor
Membership No.: 244907

Place: Bengaluru, India
Date: 15th May, 2019

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

M Radhakrishnan
Director
DIN: 02226337

Kayara Chandrashekar Gowda
Director
DIN :06852235

Place: Bengaluru, India
Date: 15th May, 2019

Sobha Developers Pune Limited
Statement of Changes in Equity for the year ended March 31, 2019

a. Equity share capital

	No of Shares	Amount ₹ million
Equity shares of ₹ 10 each issued, subscribed and fully paid		
At March 31, 2018	526,320	0.526
At March 31, 2019	526,320	0.526

b. Other equity
For the year ended March 31, 2019

₹ million

Attributable to the equity holders of the Company	Reserves and Surplus		Total
	Securities premium account	Retained earnings	
As at April 1, 2018	883.921	1,258.674	2,142.595
Profit for the year		33.412	33.412
Restatement of Profit as per Ind AS 115		(33.461)	(33.461)
General reserve	-	-	-
Total comprehensive income	883.921	1,258.625	2,142.546
At March 31, 2019	883.921	1,258.625	2,142.546

For the year ended March 31, 2018

₹ million

Attributable to the equity holders of the Company	Reserves and Surplus		Total
	Securities premium account	Retained earnings	
As at April 1, 2017	883.921	1,147.395	2,031.316
Profit for the year		111.279	111.279
Transfer to other reserves			
General reserve	-	-	-
Total comprehensive income	883.921	1,258.674	2,142.595
At March 31, 2018	883.921	1,258.674	2,142.595

Summary of significant accounting policies 2

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

For Garisenuru & Co
ICAI Firm registration number: 018666S
Chartered Accountants

Subba Reddy G

Subba Reddy G
Proprietor
Membership No.: 244907

Place: Bengaluru, India
Date: 15th May, 2019

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

M Radhakrishnan
Director
DIN: 02226337

Kavyara Chandrashekar Gowda
Director
DIN :06852235

Place: Bengaluru, India
Date: 15th May, 2019

Sobha Developers Pune Limited
Statement of Cash Flows for the year ended March 31, 2019

	Notes	31-Mar-19 ₹ million	31-Mar-18 ₹ million
Operating activities			
Profit before tax		51.279	173.914
Adjustments to reconcile profit before tax to net cash flows:			
Finance income (including fair value change in financial instruments)		(2.593)	(2.078)
Finance costs (including fair value change in financial instruments)		3.956	1.188
Re statement of profit as per Ind AS 115		(51.171)	-
Share of (profit) /Loss from investment in partnership firm		0.233	(1.267)
Working capital adjustments:			
(Increase)/ decrease in trade receivables		59.070	(70.294)
(Increase)/ decrease in inventories		151.611	635.925
(Increase)/ decrease in other financial and non-financial assets		(186.961)	(545.868)
Increase/ (decrease) in trade payables and other financial liabilities		(47.979)	(10.746)
Increase/ (decrease) in other non-financial liabilities		(13.617)	(61.163)
		(36.172)	119.611
Income tax paid (net of refund)		(8.297)	(81.309)
Net cash flows from/ (used in) operating activities (A)		**(44.469)**	**38.302**
Investing activities			
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)		(10.518)	-
Additional investment / Investment in Equity shares of a private limited company		(3.791)	-
(Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net		28.813	(18.154)
Interest received		4.013	1.435
Net cash flows from/ (used in) investing activities (B)		**18.517**	**(16.719)**
Financing activities			
Repayment of short-term borrowings		-	
Interest paid (gross)		(3.956)	(0.137)
Net cash flows from/ (used in) financing activities (C)		**(3.956)**	**(0.137)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(29.908)	21.446
Cash and cash equivalents at the beginning of the year	8	32.973	11.527
Cash and cash equivalents at the end of the year	**8**	**3.065**	**32.973**

Summary of significant accounting policies 2

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

For Garisenuru & Co
ICAI Firm registration number: 018666S
Chartered Accountants

Subba Reddy. G

Subba Reddy G
Proprietor
Membership No.: 244907

Place: Bengaluru, India
Date: 15th May, 2019

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

M Radhakrishnan
Director
DIN: 02226337

Kayaru Chandrashekar Gowda
Director
DIN :06852235

Place: Bengaluru, India
Date: 15th May, 2019

Sobha Developers Pune Limited
Notes to the financial statements for the year ended March 31, 2019

1 Corporate Information

Sobha Developers Pune Limited ('Company') was incorporated on February 13, 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 Bengaluru. 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 prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

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 Changes in accounting policies and disclosures

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below. Specifically, the Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of the new accounting standards are described below.

Ind AS 115 Revenue from Contracts with Customers
On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Indian Accounting Standard (Ind AS) 115, Revenue from Contracts with Customers.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Guidance Note on Accounting for Real Estate Transactions (Ind AS) issued by the Institute of Chartered Accountants of India, Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The application of Ind AS 115 has impacted the Company's accounting for recognition of revenue from real estate projects.

The Company has applied the modified retrospective method to all contracts as of 1 April 2018 and has given impact of Ind AS 115 application by debit to retained earnings as at the said date. Accordingly the comparatives have not been restated and hence not comparable with previous year figures.

The Company has adopted Ind AS 115 using the modified retrospective method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively to all contracts as at the date of initial application and the comparative information in the statement of profit and loss is not restated. The effect of adopting Ind AS 115 as at 1 April 2018 is described in **Note 32**

2.3 Summary of significant 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 in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, credits, concessions and incentives, 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, noncash consideration, and consideration payable to the customer (if any).

Recognition of revenue from real estate developments

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 either of the two conditions as stated below -
a) on transfer of legal title of the residential or commercial unit to the customer; or
b) on transfer of physical procession of the residential or commercial unit to the customer and collection of complete transaction price by the Company from customer.

ii. Interest income

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate method. Interest on delayed payment by customers are accounted when reasonable certainty of collection is established.

b) Property, plant and equipment

Property, plant & equipment are stated at their cost of acquisition/construction, net of accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. 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 recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition 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 derecognised.

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

c) 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 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.

d) 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.

e) 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 as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
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 3 years. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of upto 3 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.

f) 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.

g) 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 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 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.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Equity investments in subsidiaries

The Company has availed the option available in Ind AS 27 to carry its investment in subsidiaries 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.

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.

Subsequent measurement

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

Financial liabilities at fair value through 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.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is due within 12 months after reporting period. 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.

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.

h) Borrowing costs

Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs not eligible for inventorisation/ capitalisation are charged to statement of profit and loss.

i) 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, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

j) 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.

k) 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.

l) 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.

m) Taxes

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.

Deferred income tax

Deferred income tax is recognised using the balance sheet approach, deferred 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.

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

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. 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 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.

n) Foreign currency transactions

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Foreign currency monetary items are reported 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. Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

o) Inventories

Related to 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 - 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.

ii. Finished goods - Flats: Valued at lower of cost and net realisable value.

Net realisable 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. However, inventory held for use in production of finished goods is not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

p) Cash dividend to equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised 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.

3 Significant accounting estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make 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) 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) Revenue recognition

-Determination of performance obligations and timing of revenue recognition on revenue from real estate development (Refer note 2.2).
-Computation of percentage completion for projects in progress, project cost, revenue and saleable area estimates (Refer note 2.2).

ii) 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 Developers Pune Limited
Notes to the financial statements for the year ended March 31, 2019

4.1 Property, plant and equipment

₹ million

	Freehold land	Total
Cost or valuation		
At 1 April 2017		-
Additions		-
Disposals		-
At 31 March 2018	-	-
Additions	10.518	10.518
Disposals		-
At 31 March 2019	10.518	10.518
Depreciation and impairment		
At 1 April 2017		-
Charge for the year		-
Disposals		-
Other adjustments	-	-
At 31 March 2018	-	-
Charge for the year		-
Disposals		-
At 31 March 2019	-	-
Net Book value		
At 31 March 2019	10.518	10.518
At 31 March 2018	-	-

5 **Investments**

	Current		Non-current	
	31-Mar-19 ₹ million	31-Mar-18 ₹ million	31-Mar-19 ₹ million	31-Mar-18 ₹ million
Non-current investments:				
Investments carried at cost				
Trade investments (valued at cost unless stated otherwise)				
Unquoted equity shares				
Investment in subsidiaries				
50,000 (March 31, 2018 - Nil;) Equity shares of ₹10 each fully paid-up in Kilai Builders Private Limited	-	-	3.791	-
Investment in the capital of partnership firm (Subsidiary)				
1% (March 31, 2018 - 1%) share in the profits of partnership firm:				
Sobha City - Capital account	-	-	0.010	0.010
Sobha City - Current account	-	-	5.423	5.656
Total investments carried at cost	-	-	9.224	5.666
Total investments	-	-	9.224	5.666

Details of investments in partnership firms
Investment in Sobha City

Name of Partner	Share of partner in profits (%) 31-Mar-19	31-Mar-18
Sobha Limited	99%	99%
Sobha Developers (Pune) Limited	1%	1%
Total capital of the firm (₹ million)	400	400

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

	31-Mar-19 ₹ million	31-Mar-18 ₹ million
Land stock	49.000	49.000
Work-in-progress	41.675	193.286
	90.675	242.286

7 **Trade receivables**

₹ million

	Current 31-Mar-19	31-Mar-18	Non-current 31-Mar-19	31-Mar-18
Trade receivables	29.248	88.318	-	-
Total Trade receivables	29.248	88.318	-	-
Other receivables				
Unsecured, considered good	29.248	88.318	-	-
	29.248	88.318	-	-
Total Trade receivables	29.248	88.318	-	-

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

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8 Cash and cash equivalents

₹ million

	Current 31-Mar-19	31-Mar-18	Non-current 31-Mar-19	31-Mar-18
Balances with banks:				
– On current accounts	2.987	15.454	-	-
Cheques/ drafts on hand	-	17.500	-	-
Cash on hand	0.078	0.019	-	-
	3.065	32.973	-	-
Bank balance other than cash and cash equivalents				
– Deposits with maturity for more than 12 months	-	28.813		
	-	28.813	-	-
Less: Amount disclosed under non-current financial assets (refer note 9)	-	28.813	-	-
	3.065	32.973	-	-

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

	31-Mar-19 ₹ million	31-Mar-18 ₹ million
Balances with banks:		
– On current accounts	2.987	15.454
Cheques/ drafts on hand	-	17.500
Cash on hand	0.078	0.019
	3.065	32.973

9 Other financial assets

₹ million

	Current		Non-current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Security deposit				
Unsecured, considered good				
Security deposit - Others	-	-	0.005	0.005
	-	-	0.005	0.005
Others				
Non-current bank balances (refer note 8)	-	-	-	28.813
	-	-	0.005	28.818

10 Other assets

₹ million

	Current		Non-current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Land advance				
Unsecured, considered good	2,021.296	1,825.057	-	-
Advances recoverable in cash or kind				
Unsecured considered good	1.600	0.245	-	-
Others				
Prepaid expenses	0.056	0.218	-	-
Balances with statutory/ government authorities	7.430	17.902	-	-
Interest accrued on investments	-	1.419	-	-
	2,030.382	1,844.841	-	-

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

₹ million

	Current		Non-current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Land advance				
Dues from Sobha Limited, a holding company (refer note 26)	2,018.796	1,825.057	-	-

11 Share Capital

	31-Mar-19 ₹ million	31-Mar-18 ₹ million
Authorised shares		
800,000 (March 31, 2018 - 800,000) equity shares of ₹1each	0.800	0.800
Issued, subscribed and fully paid-up shares		
526,320 (March 31, 2018 - 526,320) equity shares of ₹1 each fully paid up	0.526	0.526
Total issued, subscribed and fully paid-up share capital	0.526	0.526

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

	31-Mar-19 No of Shares	₹ million	31-Mar-18 No of Shares	₹ million
Equity shares				
At the beginning of the year	526,320	0.526	526,320	0.526
Issued during the year	-	-	-	-
Outstanding at the end of the year	526,320	0.526	526,320	0.526

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1 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-19 No of Shares	Holding percentage	31-Mar-18 No of Shares	Holding percentage
Equity shares of ₹10 each fully paid up				
Sobha Limited	526,320	100.00%	526,320	100.00%

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.

12 Other equity

	31-Mar-19 ₹ million	31-Mar-18 ₹ million
Securities premium account		
Balance at the beginning of the year	883.921	883.921
Closing balance	**883.921**	**883.921**
Surplus in the statement of profit and loss		
Balance at the beginning of the year	1,258.674	1,147.395
Profit for the year	33.412	111.279
Restatement of Profit as per Ind AS 115	(33.461)	-
Net surplus in the statement of profit and loss	**1,258.625**	**1,258.674**
Total other equity	**2,142.546**	**2,142.595**

13 Trade payables

	31-Mar-19 ₹ million	31-Mar-18 ₹ 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	4.056	5.880
	4.056	**5.880**

Terms and conditions of the above financial liabilities:
-Trade payables are non-interest bearing and are normally settled on 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

14 Other financial liabilities

	31-Mar-19 ₹ million	31-Mar-18 ₹ million
Current		
Security deposit towards maintenance services	4.475	50.631
Total current other financial liabilities	**4.475**	**50.631**
Total other financial liabilities	**4.475**	**50.631**

15 Other liabilities

	31-Mar-19 ₹ million	31-Mar-18 ₹ million
Advance from customers	32.019	44.566
Withholding taxes payable	0.047	0.099
Others	3.489	4.507
Total Other liabilities	**35.555**	**49.172**

16 Revenue from operations

	31-Mar-19 ₹ million	31-Mar-18 ₹ million
Revenue from operations		
Sale of products/ finished goods		
Income from property development	355.156	1,068.129
Other operating revenue		
Share in profits of partnership firm investments (post tax)	-	1.267
Income from maintenance services	11.757	29.211
Others	0.802	8.362
Total	**367.715**	**1,106.969**

17 Other income

	31-Mar-19 ₹ million	31-Mar-18 ₹ million
Other non-operating income	0.007	0.084
	0.007	**0.084**

18 Finance income

	31-Mar-19 ₹ million	31-Mar-18 ₹ million
Interest income on		
Bank deposits	0.259	2.078
Dividend on Mutual Funds	1.330	-
Short term capital gain	1.004	-
	2.593	**2.078**

19 (Increase)/ decrease in inventories

	₹ million 31-Mar-19	₹ million 31-Mar-18
Inventories at the end of the year		
Land stock	49.000	49.000
Work-in-progress	41.675	193.286
	90.675	242.286
Inventories at the beginning of the year		
Land stock	49.000	49.000
Work-in-progress - Restatement as per Ind AS 115	127.552	-
Work-in-progress	193.286	829.211
	369.838	878.211
(Increase)/ decrease	**279.163**	**635.925**

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20 Other expenses

	31-Mar-19 ₹ million	31-Mar-18 ₹ million
Rent	0.095	0.160
Rates and taxes	5.203	65.413
Property maintenance expenses	23.052	39.327
Brokerage and discounts	0.613	12.070
Donation (refer note 25)	5.000	9.700
Legal and professional fees	0.299	4.019
Payment to auditor (Refer details below)	0.060	0.060
Share of loss from Sobha City	0.233	-
Miscellaneous expenses	1.362	0.021
	35.917	**130.770**

Payment to auditor

	31-Mar-19 ₹ million	31-Mar-18 ₹ million
As auditor:		
Audit fee	0.060	0.060
Reimbursement of expenses	0.001	0.000
	0.061	**0.060**

21 Finance costs

	31-Mar-19 ₹ million	31-Mar-18 ₹ million
Interest		
- Others	3.943	1.057
Bank charges	0.013	0.131
	3.956	1.188
Total finance costs	**3.956**	**1.188**

22 There is no expenditure or earnings in Foreign exchange during the period.

23 **Contingent Liability:**
Corporate Guarantee to HDFC Bank limited against the credit facility extended by the bank to Sobha City, being a related party.

24 There are no dues to any party covered under Micro, Small and medium Enterprises Development Act, 2006, and hence information required under the said Act has not been furnished.

25 The provision of Gratuity and other related acts are not applicable and hence no such provisions are made.

26 The related parties and transactions with them during the year as identified by the management are given under:

a) List of Related Companies

Holding Company
Sobha Limited
(formerly known as Sobha Developers Limited)

Subsidiary Company
Kilai Builders Private Limited (wef 11.03.2019)

Name of the Other Related Parties

Allapuzha Fine Real Estate Private Limited
Aluva Realtors Private Limited
Annalakshmi Land Developers Private Limited
Bikasa Properties Private Limited
Bikasa Realestates Private Limited
Bikasa Realtors Private Limited
Chennai Supercity Developers Private Limited
Chikmangaloor Builders Private Limited
Chikmangaloor Developers Private Limited
Chikmangaloor Properties Private Limited
Chikmangaloor Realtors Private Limited
Cochin Cyber City Private Limited
Cochin Cyber Estates Private Limited
Cochin Cyber Golden Properties Private Limited
Cochin Cyber Value Added Properties Private Limited
Cochin Realtors Private Limited
Daram Cyber Builders Private Limited
Daram Cyber Developers Private Limited
Daram Cyber Properties Private Limited
Daram Lands Real Estate Private Limited
Greater Cochin Cybercity Private Limited
Greater Cochin Developers Private Limited
Greater Cochin Properties Private Limited
Greater Cochin Realtors Private Limited
Hbr Consultants Private Limited
Hill And Menon Securities Private Limited
Ilupur Builders Private Limited
Ilupur Developers Private Limited
Ilupur Properties Private Limited
Ilupur Real Estate Private Limited
Ilupur Realtors Private Limited
Indeset Electromechanical Private Limited
Indeset Steel Private Limited
Kaloor Realtors Private Limited
Kaveripuram Developers Private Limited
Kilai Properties Private Limited
Kilai Super Developers Private Limited
Kottaiyur Developers Private Limited
Kottaiyur Real Estates Private Limited
Kottaiyur Realtors Private Limited
Kuthavakkam Builders Private Limited
Kuthavakkam Developers Private Limited
Kuthavakkam Properties Private Limited
Kuthavakkam Realtors Private Limited
Lotus Manpower Consultants Services Private Limited
Mamballi Builders Private Limited
Mannur Builders Private Limited
Mannur Properties Private Limited
Mannur Real Estate Private Limited
Perambakkam Properties Private Limited
Pillaipakkam Properties Private Limited
Pillaipakkam Builders Private Limited
PNC Lighting Solutions Private Limited
PNC Technologies Private Limited
Punkunnam Builders And Developers Private Limited
Puzhakkal Developers Private Limited
Red Lotus Facility Services Private Limited
Red Lotus Metal Works Facilities And Services Private Limited
Red Lotus Realtors Private Limited
Royal Interiors Private Limited
Rusoh Fine Builders Private Limited
Rusoh Home Developers Private Limited
Rusoh Marina Properties Private Limited
Rusoh Modern Builders Private Limited
Rusoh Modern Developers Private Limited
Rusoh Modern Properties Private Limited
S.B.G Housing Private Limited
Santhavellur Builders Private Limited
Santhavellur Developers Private Limited
Santhavellur Realtors Private Limited
Sengadu Builders Private Limited
Sengadu Developers Private Limited
Sengadu Properties Private Limited
Sengadu Realestates Private Limited
Sengadu Realtors Private Limited
Sobha Academy Private Limited
Sobha Assets Private Limited
Sobha Aviation And Engineering Services Private Limited
Sobha Contracting Private Limited
Sobha Electro Mechanical Private Limited
Sobha Glazing And Metal Works Private Limited
Sobha Highrise Ventures Private Limited
Sobha Hitechcity Developers Private Limited
Sobha Innercity Technopolis Private Limited
Sobha Interiors Private Limited
Sobha Jewellery Private Limited
Sobha Mapletree Developers Private Limited
Sobha Projects And Trade Private Limited
Sobha Puravankara Aviation Private Limited
Sobha Renaissance Information Technology Private Limited
Sobha Space Private Limited
Sobha Technocity Private Limited
Sri Durga Devi Property Management Private Limited
Sri Kanakadurga Property Developers Private Limited
Sri Parvathy Land Developers Private Limited
Sunbeam Projects Private Limited
Technobuild Developers Private Limited
Thakazhi Developers Private Limited

Mapedu Builders Private Limited
Mapedu Real Estates Private Limited
Mapedu Realtors Private Limited
Marina Realtors Private Limited
Moolamcode Traders Private Limited
Sobha Tambaram Developers Limited (formerly known as Megatech Software Private Limited)
Nasarapet Developers Private Limited
Nasarapet Properties Private Limited
Nasarapet Realtors Private Limited
Navabhusan Properties And Developers Private Limited
Objective Systems Integrators India Private Limited
Oman Builders Private Limited
Padma Lochana Enterprises Private Limited
Palani Properties Private Limited
Pallavur Projects Private Limited
Paramakudi Properties Private Limited
Perambakkam Builders Private Limited
PNC Switchgears Private Limited
Thakazhi Realtors Private Limited
Thiruchour Builders Private Limited
Thiruchour Developers Private Limited
Tirur Cyber Real Estates Private Limited
Valasai Vettikadu Builders Private Limited
Sobha Nandambakkam Developers Limited (formerly known as Tirur Cybercity Developers Private Limited)
Valasai Vettikadu Properties Private Limited
Valasai Vettikadu Real Estate Private Limited
Valasai Vettikadu Realtors Private Limited
Vayaloor Builders Private Limited
Vayaloor Developers Private Limited
Vayaloor Properties Private Limited
Vayaloor Real Estate Private Limited
Vayaloor Realtors Private Limited
Sri Kurumba Trust
Sobha City
Kondhwa Projects LLP
C V S Tech Park Private Limited

b) Transactions with Related Parties

Nature of transaction	Description of relationship	Name of the Related party	31-Mar-19	31-Mar-18
			₹ million	₹ million
Balance Receivable	Holding Company	Sobha Limited	2,018.774	1,825.057
	Other Related Party	Sobha City	5.433	5.666
Purchase of goods and services	Holding Company	Sobha Limited	0.019	179.050
	Other Related Party	Lotus Manpower Consultant Services Private Limited	2.346	1.855
Reimbursements	Other Related Party	Sobha Assets Private Limited	-	0.227
Donation	Other Related Party	Sri Kurumba Trust	5.000	9.700
Share of Loss	Other Related Party	Sobha City	0.233	-
Share of Profit		Sobha City	-	1.267
Investment		Sobha City	0.010	0.010
Purchase of Equity Shares	Other Related Party	Technobuild Developers Private Limited	3.791	-
Balance Payable	Other Related Party	Lotus Manpower Consultant Services Private Limited	0.832	1.022
Security/Guarantee offered for loan availed	Other Related Party	Sobha City	677.580	727.700

c) Key Managerial Personnel

M Radhakrishnan
Kayara Chandrashekar Gowda
Jagadish Chandra Sharma

27 Earnings per Share:

a) Basic Earnings per share is calculated by dividing the net profit attributable to the ordinary Shareholders by the weighted average number of ordinary shares outstanding during the year.

b) The following reflects the income and share data used in the computation of Basic Earnings per share.

Particulars	31-Mar-19	31-Mar-18
	₹ million	**₹ million**
Amount used as the numerator Net Profit attributable to the ordinary Shareholders for Basic Earnings per Share	33.412	111.279
No of Ordinary Shares used as denominator Weighted average number of ordinary shares in issue applicable to Basic earnings per Share	526,320	526,320
Basic EPS (In Rs)	63.482	211.429

28 Details of CSR expenditure:

Gross amount required to be spent during the year was ₹1 .11 million (Previous year: ₹ 2.54 million)

₹ million

Amount spent during the year ending on March 31, 2019:	In cash	Yet to be paid in cash
Construction/acquisition of any asset	-	-
On purposes other than above	5.00	-
	5.00	**-**

Amount spent during the year ending on March 31, 2018:	In cash	Yet to be paid in cash
Construction/acquisition of any asset	-	-
On purposes other than above	9.70	-
	9.70	-

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.

The sensitivity analyses in the following section relate to the position as at March 31, 2019 and March 31, 2018

The following assumptions have been made in calculating the sensitivity analyses:

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 March 31, 2019 and March 31, 2018.

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's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

Interest rate sensitivity
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, 2019 and March 31, 2018.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and 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:

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 2019 and 31 March 2018 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, 2019						
Other financial liabilities	4.475	-	-	-	-	4.475
Trade payables	-	4.056	-	-	-	4.056
	4.475	**4.056**	**-**	**-**	**-**	**8.531**
Year ended March 31, 2018						
Other financial liabilities	50.631	-	-	-	-	50.631
Trade payables	-	5.880	-	-	-	5.880
	50.631	**5.880**	**-**	**-**	**-**	**56.511**

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-19	31-Mar-18
Trade payables (Note 13)	4.056	5.880
Other payables (Note 14 and note 15)	40.030	99.803
Less: Cash and cash equivalents (Note 8)	(3.065)	(32.973)
Net debt	41.021	72.710
Equity (Note 11)	0.526	0.526
Other Equity (Note 12)	2,142.546	2,142.595
Total capital	2,143.072	2,143.121
Capital and net debt	2,184.093	2,215.831
Gearing ratio	1.88%	3.28%

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, 2019 and March 31, 2018.

31 Fair value measurements

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

₹ million

Particulars	As at March 31, 2019			As at March 31, 2018		
	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	9.224	-	-	-	-	-
Other non-current financials assets	0.005	-	-	-	-	-
Trade receivables	-	-	29.248	-	-	88.318
Cash and cash equivalents	-	-	3.065	-	-	32.973
Total	9.229	-	32.313	-	-	121.291
Financial liabilities						
Trade payables	-	-	4.056	-	-	5.880
Other financial liabilities	-	-	4.475	-	-	50.631
Total	-	-	8.531	-	-	56.511

32 **Ind AS 115 - Revenue from Contracts with Customers**

The Company has applied the modified retrospective approach to its real estate residential contracts that were not completed as of 1 April 2018 and has given impact of adoption of Ind AS 115 by debiting to retained earnings as at the said date by Rs 33.461 million (net of tax). Accordingly the comparatives have not been restated and hence, the current year figures are not comparable to the previous year figures for the below mentioned accounts:

On account of adoption of Ind AS 115, the following accounts have an impact on their opening balance as at 1 April 2018

Particulars	in ₹ million
I. Surplus in the statement of profit and loss	
As at 31 March 2018	1,258.674
Revenue on account of adoption of Ind AS 115	(178.723)
Cost on account of adoption of Ind AS 115	127.552
Deferred tax asset recognised on loss made on account of Ind AS 115	17.710
As at 1 April 2018 (refer Note B below)	**1,225.213**
II. Inventories - Work in progress	
As at 31 March 2018	242.286
Cost on account of adoption of Ind AS 115	127.552
As at 1 April 2018 (refer Note A below)	**369.837**
III. Advance from customers	
As at 31 March 2018	44.566
On account of adoption of Ind AS 115	160.490
As at 1 April 2018	**205.056**

Note A

Out of the opening balance of ₹ 127.552, the Company recognised cost of ₹ 127.552 during the year ended 31 March 2019

Note B

Out of the opening balance of ₹ 178.723, the Company recognised revenue of ₹178.723 during the year ended 31 March 2019

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

As per our report of even date

For Garisenuru & Co
ICAI Firm registration number: 018666S
Chartered Accountants

Subba Reddy G

Subba Reddy G
Proprietor
Membership No.: 244907

Place: Bengaluru, India
Date: 15th May, 2019

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

M Radhakrishnan
Director
DIN: 02226337

Kayara Chandrashekar Gowda
Director
DIN: 06852235

Place: Bengaluru, India
Date: 15th May, 2019