V. VENUGOPALAN & ASSOCIATES
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of
SOBHA CONTRACTING PRIVATE LIMITED

Report on the Audit of Standalone financial statements:

Opinion

We have audited the standalone financial statements of **Sobha Contracting Private Limited**, which comprises the balance sheet as at 31st March 2020, and the statement of profit and loss, statement of equity and statement of cash flows for the year ended, notes to the financial statements, including the summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in the conformity with accounting principles generally accepted in India, of the states of affairs of the company as at March 31, 2020, and the profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013.Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements of our audit report. We are independent of the company in accordance with the code of Ethics issued the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provision of the Companies Act 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Partners' Cell: CA (Dr.) V. Venugopal 09447041270; CA Shashi Warrier 09447195943; CA Devdas M. Nair 9995035233

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of Act for safe guarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true fair view and free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matter 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 Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our 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.

- 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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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 purposes of our audit.

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

c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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' attached herewith.

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:

   i. The Company does not have any pending litigations which would impact its financial position;

   ii. The Company does 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.

Place of Signature: Thrissur
Date: June 22, 2020

UDIN: 20070112AAAAAC2109

For V. VENUGOPALAN AND ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No : 010739 S

V. VENUGOPALAN, B.Com, FCA(M.NO:70112)
PARTNER

SOBHA CONTRACTING PRIVATE LIMITED
ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT
[As per para 3 and 4 of Companies (Auditor's Report) Order, 2016]

1. In respect of fixed assets:
   a) The Company does not own any fixed assets and hence paragraph 3 (i) of the Order is not applicable to the Company.

2. In respect of its inventories:
   a) The Company is engaged in the business of procurement, sale and development of land into residential, commercial complex and plot development. Accordingly, inventories consist of land stock/development work in progress. As explained to us, the management, at reasonable intervals during the year, has physically verified inventories and as informed to us, no material discrepancies were noted on such verification.

3. According to the information and explanations given to us, the Company had granted unsecured loan/advance to a company in earlier year prior to introduction of Companies Act, 2013 (yearend balance outstanding is Rs 9,944, previous year Rs 9,944) covered in the register maintained under section 189 of the Companies Act, 2013. In respect thereof, in our opinion:
   a) The terms and conditions of the grant of such loan/advance is not prejudicial to the Company's interest;
   b) As informed to us, the loan/advance granted to the company covered in the register maintained under section 189 of the Act is repayable on demand and schedule of repayment of principal and interest has not been stipulated;
   c) As informed to us, since the loan/advance is repayable on demand, there is no overdue amount.

   The Company has not granted any loan, secured or unsecured, to any firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

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4. In our opinion and according to the information and explanations given to us, the Company has not made any investments, provided any guarantees, and given any security to which the provisions of section 185 and 186 of the Companies Act, 2013 are applicable. The yearend balance outstanding in respect of the unsecured trade advance granted to a company in earlier year prior to introduction of Companies Act 2013, covered in the register is Rs 9,944 (previous year Rs 9,944) and accordingly the provisions of section 185 and 186 of Companies Act, 2013 are not applicable.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public and accordingly paragraph 3 (v) of the Order is not applicable to the Company. The Company has accepted unsecured inter-corporate loan from its Holding Company (yearend balance is Rs 19.03 crore previous year Rs 19.03 crores) and from a related company (yearend balance outstanding Rs 10.98 crore, previous year Rs 2.30 crore), out of which Rs 8.68 crore is received during the year under report.

6. The Central Government of India has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for any of the activities of the Company.

7. In respect of statutory dues:
   a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including income tax (TDS) and GST dues/cess wherever applicable, has been generally regularly deposited with the appropriate authorities and there are no arrears as at year end that was outstanding for a period of more than six months from the date they became payable. There are no other undisputed dues outstanding as at March 31st, 2020 for a period of more than six months from the date they became payable. As informed to us, the Company is not attracted by the provisions of Provident Fund Act, Employees State Insurance Act, duty of customs, duty of excise, service tax and other statutory dues.

b) As informed to us, there are no disputed dues in respect of income tax, sales tax, service tax, duty of customs, duty of excise, or value added tax.

8. In our opinion and according to the information and explanations given to us, the Company has not availed any loans or borrowings from financial institutions, banks or debenture holders during the year.

9. In our opinion and according to the information and explanations given to us, no terms loans have been availed by the Company. However, the Company has availed inter-corporate loan from its holding company and a related company for its business purposes. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year under report.

10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. The Company is a private limited company and hence the provisions of section 197 of the Companies Act, 2013 are not applicable. Thus, paragraph 3 (xi) of the Order is not applicable to the Company.

12. 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 to the Company.

13. 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 section 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the financial statements of the Company as required by the applicable accounting standards.

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14. According to the information and explanations given 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. Accordingly, paragraph (xiv) of the Order is not applicable to the Company.

15. 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 them. Accordingly paragraph (xv) of the Order is not applicable to the Company.

16. According to the information and explanations given to us and based on the examination of the records of the Company, the Company is not required to be registered under Section 45- IA of the Reserve Bank of India Act 1934.

Place of Signature: Thrissur
Date: June 22, 2020

UDIN: 20070112AAAAAC2109

For V. VENUGOPALAN AND ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No : 010739 S

V. VENUGOPALAN, B.Com;FCA(M.N0:70112)
PARTNER

Sobha Contracting Private Limited
CIN No.U70102KA2007PTC042918
Balance sheet as at March 31, 2020

	Notes	As at 31-Mar-20 In ₹	As at 31-Mar-19 In ₹
Assets			
Non- current assets			
Other non current assets	6	2,45,865	2,45,865
Current tax assets (net)		-	12,38,093
Deferred tax assets (net)		43,72,507	-
		46,18,372	**14,83,958**
Current assets			
Inventories	4	59,49,00,487	48,30,02,803
Financial assets			
Cash and cash equivalents	5	27,44,423	38,01,775
Other current assets	6	3,12,06,899	2,28,01,595
		62,88,51,809	**50,96,06,173**
Total assets		**63,34,70,181**	**51,10,90,131**
Equity and liabilities			
Equity			
Equity share capital	7	1,00,000	1,00,000
Other equity	8	(12,18,580)	(7,27,498)
Total equity		**(11,18,580)**	**(6,27,498)**
Current liabilities			
Financial liabilities			
Borrowings	12	30,01,00,000	21,33,00,000
Trade payables	9		
-Total outstanding dues of micro enterprises and small enterprises; and		-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		18,51,23,850	23,89,26,656
Other current financial liabilities	10	4,66,31,085	2,18,99,274
Other current liabilities	11	9,87,46,281	3,75,91,699
Liabilities for current tax (net)		39,87,545	-
		63,45,88,761	**51,17,17,629**
Total liabilities		**63,45,88,761**	**51,17,17,629**
Total equity and liabilities		**63,34,70,181**	**51,10,90,131**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.
Subject to our Report of even date

For V Venugopalan & Assoicates
ICAI Firm registration number 010739S
Chartered Accountants

For V. VENUGOPALAN AND ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No : 010739 S

V Venugopal

Partner
M.No.70112

V. VENUGOPALAN, B.Com;FCA(M.NO:70112)
PARTNER

Place: Thrissur, India
Date: 22nd, June, 2020

For and on behalf of the Board of Directors of
Sobha Contracting Private Limited

Lt.Gen.Mathew Mammen (Retd.)
Director
DIN:01586768

M Radhakrishnan
Director
DIN:02226337

Place: Bengaluru, India
Date: 22nd, June, 2020

UDIN-20070112AAAAAC2109

Sobha Contracting Private Limited
CIN No.U70102KA2007PTC042918
Statement of profit and loss for the year ended March 31, 2020

	Notes	31-Mar-20 In ₹	31-Mar-19 In ₹
Other income		-	501
Finance income	13	86,256	-
Total income		**86,256**	**501**
Expenses			
Land purchase cost		18,48,382	18,46,060
Subcontractor and other charges		8,18,76,586	13,14,99,909
(Increase)/ decrease in inventories of land stock and work-in-progress	14	(11,18,97,684)	(15,27,38,328)
Other expenses	15	7,79,967	10,09,126
Finance cost	16	2,74,86,925	1,85,28,320
Depreciation and amortization			
Total expenses		**94,176**	**1,45,087**
Profit before tax		**(7,920)**	**(1,44,586)**
Tax expenses			
Current tax		48,55,669	-
Deferred tax charge/ (credit)		(43,72,507)	
Income tax expense		**4,83,162**	-
Profit for the year		**(4,91,082)**	**(1,44,586)**
Total comprehensive income for the year attributable to owners of the Company		**(4,91,082)**	**(1,44,586)**
Earnings per equity share [nominal value of ₹ 10 (Previous year - ₹ 10)] Basic and Diluted in Rs.	22	(49.11)	(14.46)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.
Subject to our Report of even date

For V Venugopalan & Assoicates
ICAI Firm registration number 010739S
Chartered Accountants

For V. VENUGOPALAN AND ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No : 010739/S

V Venugopal
Partner
M.No.70112

V. VENUGOPALAN, B.Com;FCA(M.N0:70112)
PARTNER

Place: Thrissur, India
Date: 22nd, June, 2020

For and on behalf of the Board of Directors of
Sobha Contracting Private Limited

Lt.Gen.Mathew Mammen (Retd.)
Director
DIN:01586768

M Radhakrishnan
Director
DIN:02226337

Place: Bengaluru, India
Date: 22nd, June, 2020

UDIN - 20070112AAAAAC2109

Sobha Contracting Private Limited
CIN No.U70102KA2007PTC042918
Statement of Changes in Equity for the year ended March 31, 2020

a. Equity share capital

	No of Shares	Amount in In ₹
Equity shares of ₹ 10 each issued, subscribed and fully paid		
At March 31, 2019	10,000	1,00,000
At March 31, 2020	**10,000**	**1,00,000**

b. Other equity
For the year ended March 31, 2020

In ₹

Attributable to the equity holders of the Company			Total
		Reserves and Surplus	
		Retained earnings	
As at April 1, 2019		(7,27,498)	(7,27,498)
Profit for the year		(4,91,082)	(4,91,082)
Other comprehensive income			
Transfer to other reserves			
General reserve		-	-
Total comprehensive income		**(12,18,580)**	**(12,18,580)**
At March 31, 2020		**(12,18,580)**	**(12,18,580)**

For the year ended March 31, 2019

In ₹

Attributable to the equity holders of the Company			Total
		Reserves and Surplus	
		Retained earnings	
As at April 1, 2018		(5,82,912)	(5,82,912)
Profit for the year		(1,44,586)	(1,44,586)
Other comprehensive income			
Transfer to other reserves			
General reserve		-	-
Total comprehensive income		**(7,27,498)**	**(7,27,498)**
At March 31, 2019		**(7,27,498)**	**(7,27,498)**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.
Subject to our Report of even date

For V Venugopalan & Assoicates
ICAI Firm registration number 010739S
Chartered Accountants

For V. VENUGOPALAN AND ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No : 010739 S

V Venugopal
Partner
M.No.70112

V. VENUGOPALAN, B.Com,FCA(M.NO:70112)
PARTNER

Place: Thrissur, India
Date: 22nd, June, 2020

For and on behalf of the Board of Directors of
Sobha Contracting Private Limited

Lt.Gen.Mathew Mammen (Retd.)
Director
DIN:01586768

M Radhakrishnan
Director
DIN:02226337

Place: Bengaluru, India
Date: 22nd, June, 2020

UDIN-20070112AAAAAC2109

Sobha Contracting Private Limited
CIN No.U70102KA2007PTC042918
Statement of Cash Flows for the year ended March 31, 2020

	Notes	31-Mar-20 In ₹	31-Mar-19 In ₹
Operating activities			
Profit before tax		(7,920)	(1,44,586)
Adjustments to reconcile profit before tax to net cash flows:			
Finance costs (including fair value change in financial instruments)		2,74,79,789	1,85,16,082
Working capital adjustments:			
(Increase)/ decrease in inventories		(11,18,97,684)	(15,27,38,328)
(Increase)/ decrease in other financial and non-financial assets		(84,05,304)	(2,25,64,425)
Increase/ (decrease) in trade payables and other financial liabilities		(5,38,02,806)	5,45,34,702
Increase/ (decrease) in other non-financial liabilities		6,11,54,582	3,31,53,874
		(8,55,65,599)	(6,92,42,681)
Income tax paid (net of refund)		3,69,969	(2,99,943)
Net cash flows from/ (used in) operating activities (A)		**(8,51,95,630)**	**(6,95,42,624)**
Investing activities			
Interest received		86,256	-
Net cash flows from/ (used in) investing activities (B)		**86,256**	-
Financing activities			
Proceeds from short-term borrowings		8,68,00,000	7,05,00,000
Interest paid (gross)		(27,47,978)	(28,51,609)
Net cash flows from/ (used in) financing activities (C)		**8,40,52,022**	**6,76,48,391**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(10,57,352)	(18,94,233)
Cash and cash equivalents at the beginning of the year	5	38,01,775	56,96,008
Cash and cash equivalents at the end of the year	5	**27,44,423**	**38,01,775**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.
Subject to our Report of even date

For V Venugopalan & Assoicates
ICAI Firm registration number 010739S
Chartered Accountants

For V. VENUGOPALAN AND ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No : 010739 S

V. VENUGOPALAN, B.Com,FCA(M.N0:70112)
PARTNER

V Venugopal
Partner
M.No.70112

Place: Thrissur, India
Date: 22nd, June, 2020

For and on behalf of the Board of Directors of
Sobha Contracting Private Limited

Lt.Gen.Mathew Mammen (Retd.)
Director
DIN:01586768

M Radhakrishnan
Director
DIN:02226337

Place: Bengaluru, India
Date: 22nd, June, 2020

UDIN-20070112AAAAAC2109

1 Corporate Information

Sobha Contracting Private Limited ('Company') was incorporated on May 24, 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 private limited Company domiciled in India and incorporated under the provisions of the Indian Companies Act. The registered office is located at Bengaluru and having a branch in Thrissur Its is a fully owned subsidiary of Sobha Highrise Ventures Private Limited wef 27/09/2017, a registered private limited company in the real estate sector and having its registered office at Bengaluru and a branch in Thrissur

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, except when otherwise indicated

2.2 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.

iii. Dividend Income

Revenue is recognised when the Shareholders' or the unit holders' right to receive payment is established, which is generally when the shareholder approves the dividend

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 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 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 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.

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.

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.

g) 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

h) 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.

i) **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.

j) **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.

k) **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

l) **Income taxes**

Income tax expense comprises of current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current income tax
Current income tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Deferred income tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

► temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
► temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
► taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised

The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the year ended 31 March 2020 and re-measured its Deferred Tax Asset basis the rate prescribed in the said section.

m) 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.

n) 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.

Land

Advances paid by the Company to the seller/ intermediary toward outright purchase of land is recognised as land advance under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Group, and whereupon it is transferred to land stock under inventories.

o) 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.

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.

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 note2.2).
-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.

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

	31-Mar-20 In ₹	31-Mar-19 In ₹
Work-in-progress	59,49,00,487	48,30,02,803
	59,49,00,487	**48,30,02,803**

5 Cash and cash equivalents

	Current		Non-current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Balances with banks:				
– On current accounts	26,99,045	37,73,500	-	-
Cash on hand	45,378	28,275	-	-
	27,44,423	**38,01,775**	-	-

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

	31-Mar-20 In ₹	31-Mar-19 In ₹
Balances with banks:		
– On current accounts	26,99,045	37,73,500
Cash on hand	45,378	28,275
	27,44,423	**38,01,775**

6 Other assets

	Current		Non-current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Advances recoverable in cash or kind				
Unsecured considered good	49,999	-	2,45,865	2,45,865
Others				
Balances with statutory/ government authorities	3,11,56,900	2,28,01,595	-	-
	3,12,06,899	**2,28,01,595**	**2,45,865**	**2,45,865**

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

	Current		Non-current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Advances recoverable in cash or kind				
Dues from Puzhakkal Developers Private Limited	-	-	9,944	9,944

7 Share Capital

	31-Mar-20 In ₹	31-Mar-19 In ₹
Authorised shares		
10,000 (March 31, 2019 - 10,000) equity shares of ₹10 each	1,00,000	1,00,000
Issued, subscribed and fully paid-up shares		
10,000 (March 31, 2019 - 10,000) equity shares of ₹10 each fully paid up	1,00,000	1,00,000
Total issued, subscribed and fully paid-up share capital	1,00,000	1,00,000

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

	31-Mar-20 No of Shares	In ₹ million	31-Mar-19 No of Shares	In ₹ million
Equity shares				
At the beginning of the year	10,000	1,00,000	10,000	1,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	10,000	1,00,000	10,000	1,00,000

(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-20 No of Shares	Holding percentage	31-Mar-19 No of Shares	Holding percentage
Equity shares of ₹10 each fully paid up				
Sobha Highrise Ventures Private Limited	10,000	100%	10,000	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.

8 Other equity

	31-Mar-20 In ₹	31-Mar-19 In ₹
Surplus in the statement of profit and loss		
Balance at the beginning of the year	(7,27,498)	(5,82,912)
Profit for the year	(4,91,082)	(1,44,586)
Net surplus in the statement of profit and loss	**(12,18,580)**	**(7,27,498)**
Total other equity	**(12,18,580)**	**(7,27,498)**

9 Trade payables

	31-Mar-20 In ₹	31-Mar-19 In ₹
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 20 for details of dues to micro and small enterprises)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	18,51,23,850	14,65,63,183
Payable for purchase of land	-	9,23,63,473
	18,51,23,850	**23,89,26,656**

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 21

10 Other financial liabilities

	31-Mar-20 In ₹	31-Mar-19 In ₹
Current		
Interest accrued but not due on borrowings - related parties (refer note 21)	4,66,31,085	2,18,99,274
Total other current liabilities	**4,66,31,085**	**2,18,99,274**
Total other current liabilities	**4,66,31,085**	**2,18,99,274**

11 Other liabilities

	31-Mar-20 In ₹	31-Mar-19 In ₹
Advance from customers	9,70,86,174	3,53,82,949
Withholding taxes payable	14,99,069	22,08,750
Kerala Flood Cess Payable	1,61,038	-
Total other liabilities	**9,87,46,281**	**3,75,91,699**

12 Borrowings

	31-Mar-20 In ₹	31-Mar-19 In ₹
Unsecured loan		
Loan from Holding company	19,03,00,000	19,03,00,000
Loan from related party	10,98,00,000	2,30,00,000
Total current Borrowings	**30,01,00,000**	**21,33,00,000**

Current Borrowings

(i) Unsecured loan

Particulars	Amount outstanding (In ₹) 31-Mar-20	31-Mar-19	Effective Interest rate	Security details	Repayment terms
Loan from Sobha Highrise Ventures Private Limited - Holding company	19,03,00,000	19,03,00,000	10%	Nil	Repayable on demand
Loan from Sobha Limited - Related party	10,98,00,000	2,30,00,000	10%	Nil	Repayable on demand

13 Finance income

	31-Mar-20 In ₹	31-Mar-19 In ₹
Interest income on		
Others	86,256	-
	86,256	-

14 (Increase)/ decrease in inventories

	In ₹ 31-Mar-20	In ₹ 31-Mar-19
Inventories at the end of the year		
Land stock	-	-
Work-in-progress	59,49,00,487	48,30,02,803
	59,49,00,487	48,30,02,803
Inventories at the beginning of the year		
Land stock	48,30,02,803	33,02,64,475
	48,30,02,803	33,02,64,475
(Increase)/ decrease	**(11,18,97,684)**	**(15,27,38,328)**

15 Other expenses

	31-Mar-20 In ₹	31-Mar-19 In ₹
Rates and taxes	1,520	8,59,577
Travelling and conveyance	900	1,150
Printing and stationery	-	2,200
Legal and professional fees	10,000	-
Payment to auditor (Refer details below)	35,000	48,000
Noc and approval expenses	6,85,953	-
Miscellaneous expenses	46,594	98,199
	7,79,967	**10,09,126**

Payment to auditor

	31-Mar-20 In ₹	31-Mar-19 In ₹
As auditor:		
Audit fee	35,000	38,000
In other capacity:		
Other services	-	10,000
	35,000	**48,000**

16 Finance costs

	31-Mar-20 In ₹	31-Mar-19 In ₹
Interest		
- On borrowings	2,74,79,789	1,85,16,082
- Others	3,803	7,401
Bank charges	3,333	4,837
	2,74,86,925	1,85,28,320
Total finance costs	**2,74,86,925**	**1,85,28,320**

17 There is no contingent liability during the year

18 The company does not have any employees and hence no provision is considered in respect of employee benefits.

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

20 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

21 **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 Highrise Ventures Private Limited (wef 27/09/2017)

Sl. No	Name of the Other Related Parties		
1	Allapuzha Fine Real Estates Private Limited	46	Mapedu Builders Private Limited
2	Aluva Realtors Private Limited	47	Mapedu Real Estates Private Limited
3	Annalakshmi Land Developers Private Limited	48	Mapedu Realtors Private Limited
4	Bikasa Properties Private Limited	49	Marina Realtors Private Limited
5	Bikasa Realestates Private Limited	50	Sobha Tambaram Developers Limited
6	Bikasa Realtors Private Limited	51	Moolamcode Traders Private Limited
7	Chennai Supercity Developers Private Limited	52	Nasarapet Developers Private Limited
8	Chikmangaloor Builders Private Limited	53	Nasarapet Properties Private Limited
9	Chikmangaloor Developers Private Limited	54	Nasarapet Realtors Private Limited
10	Chikmangaloor Properties Private Limited	55	Navabhusan Properties and Developers Private Limited
11	Chikmangaloor Realtors Private Limited	56	Padma Lochana Enterprises Private Limited
12	Cochin Cyber City Private Limited	57	Palani Properties Private Limited
13	Cochin Cyber Estates Private Limited	58	Pallavur Projects Private Limited
14	Cochin Cyber Golden Properties Private Limited	59	Paramakudi Properties Private Limited
15	Cochin Cyber Value Added Properties Private Limited	60	Perambakkam Builders Private Limited
16	Cochin Realtors Private Limited	61	Perambakkam Properties Private Limited
17	Daram Cyber Builders Private Limited	62	Pillaipakkam Properties Private Limited
18	Daram Cyber Developers Private Limited	63	Pillaipakkam Builders Private Limited
19	Daram Cyber Properties Private Limited	64	Red Lotus Realtors Private Limited
20	Daram Lands Real Estate Private Limited	65	Rusoh Fine Builders Private Limited
21	Greater Cochin Cybercity Private Limited	66	Rusoh Home Developers Private Limited
22	Greater Cochin Developers Private Limited	67	Rusoh Marina Properties Private Limited
23	Greater Cochin Properties Private Limited	68	Rusoh Modern Builders Private Limited
24	Greater Cochin Realtors Private Limited	69	Rusoh Modern Developers Private Limited
25	Ilupur Builders Private Limited	70	Rusoh Modern Properties Private Limited
26	Ilupur Developers Private Limited	71	Santhavellur Builders Private Limited
27	Ilupur Properties Private Limited	72	Santhavellur Developers Private Limited
28	Ilupur Real Estate Private Limited	73	Santhavellur Realtors Private Limited
29	Ilupur Realtors Private Limited	74	Sengadu Builders Private Limited
30	Kaloor Realtors Private Limited	75	Sengadu Developers Private Limited
31	Kaveripuram Developers Private Limited	76	Sengadu Properties Private Limited
32	Kilai Builders Private Limited	77	Sengadu Realestates Private Limited
33	Kilai Properties Private Limited	78	Sengadu Realtors Private Limited
34	Kilai Super Developers Private Limited	79	Sri Durga Devi Property Management Private Ltd
35	Kottaiyur Developers Private Limited	80	Sri Kanakadurga Property Developers Private Ltd
36	Kottaiyur Real Estates Private Limited	81	Sri Parvathy Land Developers Private Limited
37	Kottaiyur Realtors Private Limited	82	Sunbeam Projects Private Limited
38	Kuthavakkam Builders Private Limited	83	Thakazhi Developers Private Limited
39	Kuthavakkam Developers Private Limited	84	Thakazhi Realtors Private Limited
40	Kuthavakkam Properties Private Limited	85	Thiruchour Builders Private Limited
41	Kuthavakkam Realtors Private Limited	86	Thiruchour Developers Private Limited
42	Mamballi Builders Private Limited	87	Tirur Cyber Real Estates Private Limited
43	Mannur Builders Private Limited	88	Valasai Vettikadu 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
91	Valasai Vettikadu Realtors Private Limited	114	Sobha Assets Private Limited

92	Vayaloor Builders Private Limited
93	Vayaloor Properties Private Limited
94	Vayaloor Real Estate Private Limited
95	Vayaloor Developers Private Limited
96	Vayaloor Realtors Private Limited
97	Sobha city
98	SBG Housing Private Limited
99	Puzhakkal Developers Private Limited
100	HBR Consultants Private Limited
101	Hill And Menon Securities Private Limited
102	Indeset Electromechanical Private Limited
103	Indeset Steel Private Limited
104	Lotus Manpower Consultants Services Pvt Limited
105	Lotus Manpower Services
106	Oman Builders Private Limited
107	PNC Lighting Solutions Private Limited
108	PNC Technologies Private Limited
109	Punkunnam Builders And Developers Private Limited
110	Red Lotus Facility Services Private Limited
111	Red Lotus Metal Works Facilities And Services Pvt Ltd
112	Royal Interiors Private Limited
113	Sobha Academy Private Limited
115	Sobha Aviation And Engineering Services Pvt Ltd
116	Sobha Nandambakkam Developers Limited
117	Sobha Developers (Pune) Limited
118	Sobha Electro Mechanical Private Limited
119	Sobha Glazing And Metal Works Private Limited
120	Sobha Hitechcity Developers Private Limited
121	Sobha Innercity Technopolis Private Limited
122	Sobha Interiors Private Limited
123	Sobha Jewellery Private Limited
124	Sobha Mapletree Developers Private Limited
125	Sobha Projects And Trade Private Limited
126	Sobha Puravankara Aviation Private Limited
127	Sobha Space Private Limited
128	Sobha Technocity Private Limited
129	Sri Kurumba Trust
130	PNC Switchgears Private Limited
131	Technobuild Developers Private Limited
132	Sobha Limited
133	Kondhwa Projects LLP
134	C V S Tech Park Private Limited
135	Sobha Construction Products Private Limited

b. Transaction with Related Parties

Name of the Related Party	Nature of Relationship	Nature of transactions	Current year In ₹	Previous year In ₹
Sobha Limited	Other related party	Subcontracting Charges	8,18,76,586	13,14,99,909
		Unsecured Loan taken	8,68,00,000	2,30,00,000
		Interest expense	62,21,061	2,14,247
Sobha Highrise Ventures Limited	Holding Company	Interest expense	2,12,58,728	1,83,01,835
		Unsecured Loan taken	-	4,75,00,000

c. Closing Balance at the year end:

Name of the Related Party	Nature of Relationship	Nature of transactions	Current year In ₹	Previous year In ₹
Sobha Limited	Other Related party	Balance payable	30,06,23,858	16,97,06,524
Sobha Highrise Ventures Limited	Holding Company	Balance payable	23,11,39,308	21,20,06,452
Puzhakkal Developers Private Limited	Other Related party	Balance receivable	9,944	9,944

Key Managerial Personnel

Lt. General Mathew Mammen (Retd.)

Mr M Radhakrishnan

Mr Ravi Nagarj Doddabale

22 **EARNINGS PER SHARE:**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following reflects the income and share data used in the basic EPS computations:

Particulars	Current year	Previous year
Nominal value of equity shares	10	10
Profit after tax attributable to shareholders (Amount in ₹)	(4,91,082)	(1,44,586)
Weighted average number of equity shares outstanding during the year	10,000	10,000
Basic EPS (In Rs)	(49.11)	(14.46)

23 Fair value measurements

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

In ₹

Particulars	As at March 31, 2020			As at March 31, 2019		
	At Cost	Fair value through profit or loss	At Amortised Cost	At Cost	Fair value through profit or loss	At Amortised Cost
Financial assets						
Cash and cash equivalents	-	-	27,44,423	-	-	38,01,775
Total	-	-	27,44,423	-	-	38,01,775
Financial liabilities						
Borrowings	-	-	30,01,00,000	-	-	21,33,00,000
Trade payables	-	-	18,51,23,850	-	-	23,89,26,656
Other financial liabilities	-	-	4,66,31,085	-	-	2,18,99,274
Total	-	-	53,18,54,935	-	-	47,41,25,930

24 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 2020 and 31 March 2019 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).

In ₹

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2020						
Borrowings	30,01,00,000	-	-	-	-	30,01,00,000
Other financial liabilities	4,66,31,085	-	-	-	-	4,66,31,085
Trade and other payables	18,51,23,850	-	-	-	-	18,51,23,850
	53,18,54,935	-	-	-	-	53,18,54,935
Year ended March 31, 2019						
Borrowings	21,33,00,000	-	-	-	-	21,33,00,000
Other financial liabilities	2,18,99,274	-	-	-	-	2,18,99,274
Trade and other payables	14,65,63,183	2,30,00,000	6,93,63,473	-	-	23,89,26,656
	38,17,62,457	2,30,00,000	6,93,63,473	-	-	47,41,25,930

25 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.

In ₹

	31-Mar-20	31-Mar-19
Borrowings (Note 12)	30,01,00,000	21,33,00,000
Trade payables (Note 9)	18,51,23,850	23,89,26,656
Other payables (Note 10 and Note 11)	14,53,77,366	5,94,90,973
Less: Cash and cash equivalents (Note 5)	(27,44,423)	(38,01,775)
Net debt	62,78,56,793	50,79,15,854
Equity (Note 7)	1,00,000	1,00,000
Other Equity(Note 8)	(12,18,580)	(7,27,498)
Total capital	(11,18,580)	(6,27,498)
Capital and net debt	**62,67,38,213**	**50,72,88,356**
Gearing ratio	100%	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 year ended March 31,2020 and year ended March 31, 2019.

26 Prior year comparatives

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

The accompanying notes are an integral part of the financial statements.
Subject to our Report of even date

For V Venugopalan & Assoicates
ICAI Firm registration number 010739S
Chartered Accountants

V Venugopal
Partner
M.No.70112

Place: Thrissur, India
Date: 22nd, June, 2020

For and on behalf of the Board of Directors of
Sobha Contracting Private Limited

Lt.Gen.Mathew Mammen (Retd.)
Director
DIN:01586768

M Radhakrishnan
Director
DIN:02226337

Place: Bengaluru, India
Date: 22nd, June, 2020

UDIN-20070112AAAAAC2109

For V. VENUGOPALAN AND ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No : 010739 S

V. VENUGOPALAN, B.Com;FCA(M.NO:70112)
PARTNER